

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker or other financial adviser ("Professional Advisors").**

The Directors of NicheJungle ICAV, whose names appear under the heading "Management and Administration" are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. 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 the information.

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**NicheJungle ICAV**

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

**PROSPECTUS**

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**MANAGER**

**CARNE GLOBAL FUND MANAGERS (IRELAND) LIMITED**

The date of this Prospectus is 31 May 2022

## IMPORTANT INFORMATION

This Prospectus comprises information relating to NicheJungle ICAV (the "**ICAV**"), an open-ended umbrella Irish collective asset-management vehicle with segregated liability between its sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 (as amended) and was registered on 16 July 2021.

The ICAV qualifies and is authorised in Ireland by the Central Bank of Ireland (the "**Central Bank**") as a UCITS for the purposes of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as may be amended, supplemented or consolidated from time to time. As a UCITS, the ICAV may be offered for sale in EU Member States (subject to registration in countries other than Ireland). In addition, applications to register the ICAV for sale may be made in other non-EEA countries. The ICAV is structured as an umbrella fund in that the share capital of the ICAV may be divided into different classes of Shares with one or more classes representing a separate sub-fund (each a "**Fund**"). Each Fund may be listed on one or more stock exchange.

In relation to each Share class, issued or to be issued from the date of this Prospectus, an application may be made to one or more stock exchange for those Shares to be admitted to official listing on those stock exchanges. Where an application is made for Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange, this document together with the relevant Supplement shall constitute listing particulars for the purpose of listing the Shares on the Irish Stock Exchange. Neither the admission of the Shares to the Official List, nor to trading on the Main Securities Market of the Irish Stock Exchange, nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange will constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the ICAV, the adequacy of information contained in the listing particulars or the suitability of the ICAV for investment purposes.

**Application is in the course of being made for the class Q Shares issued and available for issue to be admitted and traded on the market for open-ended funds of the Borsa Italiana. It is expected that such class Q Shares will be admitted and traded on the market for open-ended funds of the Borsa Italiana on or about the end of the Initial Offer Period, in accordance with the market notice that will be published by the Borsa Italiana.**

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there are different classes of Shares constituting a Fund, details relating to the separate classes may be dealt with in a single Supplement or in separate Supplements for each class. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their Professional Advisors in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

Each prospective investor should consult his own Professional Advisor for advice concerning the various legal, tax and economic considerations relating to his investment. Each prospective investor is responsible for the fees of his own Professional Advisor. A prospective investor should not subscribe for Shares unless satisfied that he and/or his investment representative have asked for and received all information which would enable him or both of them to evaluate the merits and risks of the proposed investment.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published annual report and audited financial statements and, if published after such report, a copy of the latest semi-annual report and unaudited financial statements. These reports will form part of this Prospectus.

**The ICAV is both authorised and supervised by the Central Bank. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the ICAV by the Central Bank does 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.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus, any Supplement and the reports referred to above, if available and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Prospectus or the relevant Supplement.

### **Key Investor Information Document**

A KIID is available for each Fund, which provides important information in respect of the Funds, including the applicable synthetic risk and reward indicator, charges and, where available, the historical performance associated with the Funds. Before subscribing for Shares, each investor will be required to confirm that they have received the relevant KIID. The KIIDs can be obtained from the registered office of the Administrator which is set out in the section entitled "**Directory**".

### **Investment Risks**

**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.** There can be no assurance that any Fund will achieve its investment objective. Investors should note that at any point in time, a Fund may invest principally in FDIs. To the extent that a Fund uses FDI, there may be a risk that the Fund's Net Asset Value is likely to have a high volatility, as disclosed in the relevant Supplement. Investors should consider the investment risks described under the section "**Risk Factors**".

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

## **Potential for Capital Reduction**

**Where provided for in the relevant Supplement, (i) dividends may be declared out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Shareholders. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. The charging of all or part of fees and expenses (including management fees if applicable) to the capital of a Fund will have the effect of lowering the capital value of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.**

## **Sales Fee/ Redemption Fee**

**Where a Sales Fee or a Redemption Fee is payable in respect of a subscription or redemption for certain classes of Shares the resulting difference at any one time between Subscription Price and Redemption Price for Shares means that any investment should be viewed as medium to long term. Where a Redemption Fee is charged it will not exceed 3% of the redemption proceeds. Where a Sales Fee is charged it will not exceed 3% of the subscription proceeds.**

## **Offering of Shares**

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the ICAV to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

- the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, conversion or disposal of Shares.

Application may be made in other jurisdictions to enable the Shares of the ICAV to be marketed in those jurisdictions. Local regulations in EEA countries may require the appointment of paying agents. In the event that such registrations take place the Manager may appoint or be required to appoint paying agents (who may be required to maintain accounts through which subscription/redemption monies may be paid, with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and (b) redemption monies payable by such intermediate entity to the relevant investor, accordingly such investors bear a credit risk against such intermediate entities), representatives,

distributors or other agents in the relevant jurisdictions. The fees and expenses of any such agent will be charged at normal commercial rates and will be discharged out of the assets of the ICAV.

### **Qualified Holders**

Shareholders are required to notify the Administrator immediately in the event that they cease to be a Qualified Holder. Where the ICAV becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, it may (i) redeem the Shares so held compulsorily, (ii) direct the Shareholder to transfer his Shares to a person qualified to own such Shares, or (iii) request the ICAV to redeem the Shares.

### **Translations**

This Prospectus and any Supplement may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, the English language Prospectus/Supplement will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus/Supplement in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

### **Choice of Law and Jurisdiction**

All disputes and claims as to (a) the terms of this Prospectus and any Supplement, regardless of the language in which they are translated, (b) the issue, holding, transfer or redemption of Shares, or (c) any other claim or dispute whatsoever howsoever arising out of or in connection with Shares shall be governed by and construed in accordance with the laws of Ireland. All such disputes and claims shall be submitted to the jurisdiction of the courts of Ireland.

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## 1. DEFINITIONS

"**Act**" means the Irish Collective Asset-management Vehicles Act 2015 (as amended) as same may be further amended from time to time.

"**Administration Agreement**" means the agreement made between the ICAV, the Manager and the Administrator dated 31 May 2022 as may be amended from time to time in accordance with the requirements of the Central Bank.

"**Administrator**" means CACEIS Ireland Limited and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide administration, register and transfer agency services to the ICAV.

"**ADRs**" means American Depository Receipts.

"**Anti-Dilution Levy**" means a fee of up to 1% (to be communicated to the Administrator) on the value of the relevant subscription/repurchase to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund.

"**Application Form**" means the signed subscription form prescribed by the Directors from time to time in relation to the subscription of Shares in a Fund.

"**Auditor**" means EisnerAmper or such other persons, as may be appointed, in accordance with the requirements of the Central Bank, to act as auditor to the ICAV.

"**Base Currency**" means in relation to a Fund, the currency in which the Net Asset Value of that Fund is calculated, as specified in the relevant Supplement.

"**Business Day**" means in relation to a Fund, such day or days as the Directors may from time to time determine with approval of the Administrator as set out in the relevant Supplement.

"**Central Bank**" means the Central Bank of Ireland, or any successor thereof.

"**Central Bank Requirements**" means the requirements of the Central Bank pursuant to the Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as same may be amended or replaced from time to time, and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the Regulations.

"**CFTC**" means the Commodity Futures Trading Commission.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Convertible Debt Securities**" means debt securities that are convertible into the equity securities of an issuer and which may or may not embed FDI.

"**Currency Forward**" means a financial contract where one party agrees to buy or sell a currency amount in the future at a particular price.

**"Data Protection Legislation"** means the Data Protection Act 1988 and the Data Protection (Amendment) Act 2003, as may be amended from time to time, and European Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

**"Dealing Day"** means, in relation to a Fund, such day or days as shall be specified in the relevant Supplement for a Fund (or such other dealing days as the Directors may determine and notify in advance to the Shareholders) provided that there shall be at least two Dealing Days in each calendar month at regular intervals.

**"Dealing Deadline"** means, in relation to any dealing applications for Shares of a Fund, the time or times on each Business Day by which an Application Form in respect of a Dealing Day must be received by the Administrator as specified in the relevant Supplement.

**"Depositary"** means CACEIS Bank, Ireland branch, or such other person as may be appointed, in accordance with the requirements of the Central Bank, to act as depositary to the ICAV.

**"Depositary Agreement"** means the agreement between the ICAV, the Manager and the Depositary dated 31 May 2022 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Directive"** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended, supplemented or replaced from time to time.

**"Directors"** means the directors of the ICAV or any duly authorised committee thereof.

**"Distributor"** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Niche Asset Management Limited or any successor thereto duly appointed in accordance with the Central Bank Requirements as a distributor to the ICAV.

**"Distribution Agreement"** means the distribution agreement between the ICAV, the Manager and the Distributor dated 31 May 2022 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Duties and Charges"** means in relation to any Fund, all stamp duties and other duties, taxes, governmental charges, imposts, levies, fees, exchange costs and commissions (including foreign exchange spreads), depositary and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculating the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment is purchased or expected to be purchased, in the case of subscriptions to the relevant Fund, or sold or expected to be sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any FDIs required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the ICAV or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of

Shares (including, if relevant the issue or cancellation of certificates for Shares) or Investments by or on behalf of the ICAV.

**"Equity Securities"** means common stocks, preferred stocks, convertible securities, warrants and rights which are issued by a company to allow holders to subscribe for additional securities issued by that company; and ADRs and GDRs for such securities.

**"ESG"** means environmental, social and governance.

**"Euro"**, **"EUR"** and **"€"** means the single European currency unit referred to in Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro.

**"European Union"** means the participating member states that adopted the single currency in accordance with the EC Treaty of Rome dated 25 March 1957 (as amended by the Maastricht Treaty dated 7 February 1992).

**"Eurozone"** means the geographic and economic region that consists of all the countries of the European Union that have incorporated the Euro as their national currency.

**"FATCA" or "Foreign Account Tax Compliance Act"** means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these sections of the Code.

**"FDIs"** means financial derivative instruments.

**"Financial Account"** means a financial account as used in the intergovernmental agreement between the U.S. and Ireland for the purposes of FATCA.

**"Financial Institution"** means a "Financial Institution" as defined in FATCA.

**"Fixed Income Securities"** includes the following instruments:

- (a) securities issued or guaranteed by Member States and non-Member States, their sub-divisions, agencies or instrumentalities;
- (b) corporate debt securities and corporate commercial paper;
- (c) inflation-indexed bonds issued both by governments and corporations; and
- (d) securities of international agencies or supranational entities,

Fixed Income Securities may have fixed, variable, or floating rates of interest, and may vary inversely with respect to a reference rate.

**"Fund"** means a portfolio of assets established by the Directors (with the prior approval of the Central Bank) for one or more classes of Shares, which is invested in accordance with the investment objective and policies applicable to such Fund and which forms part of the ICAV.

**"Global Supplement"** means a Supplement the sole purpose of which is to list the Funds of the ICAV currently authorised by the Central Bank.

**"GDRs"** means Global Depository Receipts.

**"ICAV"** means NicheJungle ICAV.

**"IMF"** means the International Monetary Fund.

**"Instrument"** means the instrument of incorporation of the ICAV as amended from time to time.

**"Investment"** means any investment authorised and permitted by the Instrument.

**"Investment Management Agreement"** means an agreement made between the ICAV, the Manager and the Investment Manager as may be amended or supplemented from time to time in accordance with the Central Bank Requirements pursuant to which the latter is appointed as an investment manager to a Fund of the ICAV, as disclosed in the relevant Supplement.

**"Investment Manager"** means such person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to a Fund, as disclosed in the relevant Supplement, and, for these purposes, all references to the **"Investment Manager"** in this document shall be references to the relevant investment manager(s) of the relevant Fund.

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

**"Key Investor Information Document"** or **"KIID"** means the key investor information document issued in respect of a Fund pursuant to the Regulations.

**"Manager"** means Carne Global Fund Managers (Ireland) Limited.

**"Management Agreement"** means the agreement between the ICAV and the Manager dated 31 May 2022 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Member State"** means a member state of the European Union.

**"Net Asset Value"** means the net asset value of a Fund or, where applicable, of a class of Shares, determined in accordance with the Instrument.

**"Net Asset Value per Share"** means the Net Asset Value divided by the number of Shares of the relevant Fund subject to such adjustment, if any, as may be required where there is more than one class of Shares in the Fund.

**"OECD"** means the Organisation for Economic Co-Operation and Development.

**"OTC"** means over the counter.

**"Prospectus"** means this document as it may be amended from time to time in accordance with the requirements of the Central Bank together with, where the context requires or implies, any Supplement or addendum.

**"Qualified Holder"** means any person, corporation or entity other than (i) a U.S. person which is not a Qualified U.S. Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it or who might expose the ICAV to adverse tax or regulatory consequences; or (iii) a depositary, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

**"Qualified Purchaser"** means a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act.

**"Qualified U.S. Person"** means a U.S. Person who has acquired Shares with the consent of the Directors provided that the number of Qualified U.S. Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the ICAV from being required to register as an investment company under the 1940 Act.

**"Redemption Fee"** means a fee payable in respect of a Fund (if any) on the redemption of Shares as specified in the Supplement for the relevant Fund.

**"Redemption Price"** means in respect of any Fund, the price at which Shares can be redeemed as calculated in the manner set out in the section "Redemptions: Redemption Price".

**"Regulated Markets"** means the stock exchanges and/or regulated markets listed in Appendix I.

**"Regulations"** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities)(Amendment) Regulations, 2016, as may be amended, supplemented, consolidated or replaced from time to time.

**"Sales Fee"** means a fee payable in respect of a Fund (if any) on the subscription for Shares as specified in the Supplement for the relevant Fund.

**"SEC"** means U.S. Securities and Exchange Commission.

**"Secretary"** means Maple Secretaries Limited or such other person as may be appointed to act as secretary to the ICAV in accordance with the Act.

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

**"SFDR"** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended and as may be further amended from time to time.

**"Share(s)"** means a share or shares of no par value in the ICAV or a Fund as the context requires, designated as a "Participating Share" or "Participating Shares" in the Instrument.

**"Shareholder"** means the registered holder of a Share.

**"Subscriber Shares"** means shares of €1 each in the capital of the ICAV designated as "Subscriber Shares" in the Instrument and issued for the purposes of incorporating the ICAV.

**"Supplement"** means any document issued by the ICAV expressed to be a supplement to this Prospectus, including any addenda thereto.

**"Sustainable Investment"** means an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices;

**"Sustainability Factors"** means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as defined in the SFDR.

**"Sustainability Risks"** means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Fund's Investments, as defined in the SFDR.

**"Stg", "£", "GBP", and "Sterling"** means the lawful currency of the United Kingdom.

**"Subscription Price"** means the price at which Shares can be subscribed as calculated in the manner set out in the section "Subscriptions: Subscription Price".

**"Transferable Securities"** means:

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

**"UCITS"** means an Undertaking for Collective Investment in Transferable Securities established pursuant to the Regulations.

**"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"United States"** and **"US"** means the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.

**"United States Dollars"**, **"US Dollars"**, **"USD"** and **"US\$"** means the lawful currency of the United States.

**"Valuation Point"** means such time and day as the Directors may from time to time determine, with the approval of the Administrator, in relation to the valuation of the assets and liabilities of a Fund as set out in Supplement for the relevant Fund.

**"Warrants"** means derivative securities which give the holder the right to purchase securities (usually equity) from the issuer at a fixed price until the expiry date. Warrants may be passively acquired, for example, as a result of corporate action or may be acquired on the secondary market as an alternative to purchasing the underlying reference securities. The warrants in which the Fund may invest shall primarily be listed/traded on Regulated Markets.

**"1933 Act"** means the United States Securities Act of 1933, as amended.

**"1940 Act"** means the United States Investment Company Act of 1940, as amended.

## 2. DIRECTORY

### Registered Office

38 Upper Mount Street, Dublin 2, Ireland

#### Directors

Andrea Andreis  
Massimo Baggiani  
Rosemary Ward  
Lorcan Murphy

#### Manager

Carne Global Fund Managers  
(Ireland) Limited,  
2<sup>nd</sup> Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin  
D02 YT22  
Ireland

#### Investment Manager and Distributor(s)

(as disclosed in the relevant  
Supplement)

#### Auditor

EisnerAmper Audit Limited  
6 The Courtyard Building  
Carmanhall Road  
Sandyford  
Dublin 18  
Ireland

#### Depository

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

#### Administrator, Registrar and Transfer Agent

CACEIS Ireland Limited  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

#### Secretary

Maple Secretaries Limited  
38 Upper Mount Street  
Dublin 2  
Ireland

#### Distributor

Niche Asset Management  
Limited  
2nd Floor, 17 Lennox Gardens  
London  
SW1X 0DB  
England

#### Irish Counsel to ICAV

LK Shields Solicitors LLP  
38 Upper Mount Street  
Dublin 2  
Ireland

### 3. INTRODUCTION

The ICAV is an open-ended umbrella Irish collective asset-management vehicle with segregated liability between its sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 (as amended) and was registered on 16 July 2021 with registration number C456365. The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the Regulations.

The ICAV is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the Central Bank. In addition, each Fund may have more than one Share class allocated to it. The creation of further Funds will require the prior approval of the Central Bank and the creation of any further class(es) of Shares will be effected in accordance with the Central Bank Requirements. The Shares of each class allocated to a Fund will rank pari passu with each other in all respects except as to the currency or denomination of the class, the hedging policy, the dividend policy, the level of fees and expenses to be charged, the minimum subscription, minimum additional subscription, minimum holding and minimum redemption applicable or, otherwise, as the Directors may determine.

The assets of each Fund are separate from one another such that the assets of one Fund will not be available to meet the liabilities of another and are invested in accordance with the investment objectives, policies and restrictions applicable to each such Fund. The share capital of each Fund shall at all times equal its Net Asset Value.

The base currency of the ICAV is Euro.

The Base Currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

Details of the Funds of the ICAV currently approved by the Central Bank are set out in the Global Supplement. Specific details concerning each Fund are set out in the Supplement for that Fund. On the establishment of any new Fund or the creation of a new Share class of an existing Fund, a Supplement will be issued in respect thereof and, where applicable, the Global Supplement will be updated accordingly, albeit that the Funds of the ICAV shall seek to have the same characteristics in terms of the following matters:

#### **Thematic Investments**

Every investment policy of a Fund of the ICAV has to be thematic. It is intended that the main theme of each Fund will be value, measured in accordance with the metrics mentioned in the paragraph entitled “**Fundamental and Value Investment Strategy**” (below). It is intended that each theme of each Fund seeks to be original, giving investors exposure to market areas and/or strategies that the relevant Investment Manager believes to be unique in the jurisdictions in which the Funds are distributed. The aim is to provide the investors with more choice and new investment opportunities.

#### **Fundamental and Value Investment Strategy**

Each Fund seeks to invest in undervalued stocks. Undervalued stocks are generally those that are out of favour with investors and are trading at prices that the Investment Manager believes are below average in relation to measures such as earnings and book value.

In order to select value stocks, the Investment Manager uses fundamental analysis; namely analysis based on the fundamentals of the investee company, such as the quality of its product and management, business strategy, competition, assets and liabilities, profitability, and litigation risks.

### *Fundamental Research*

In order to undertake the fundamental and value investment strategy, the Investment Manager performs fundamental research, which generally includes company-specific research, company visits, interviews with management, suppliers, customers, competitors, industry analysts and experts, collection and analysis of information available (including industry data and sell-side research), and internal discussions amongst the investment team.

### **Sustainability Approach**

For SFDR purposes, a Fund of the ICAV may be classified as a Fund that meets the specific criteria contained in Article 8 of SFDR, in that the relevant Fund promotes environmental or social characteristics. Accordingly, a Fund that has been classified under Article 8 may be regarded as: *“promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices”* within the meaning of Article 8 of SFDR (sometimes referred to as “light green investment”).

Alternatively, for SFDR purposes, a Fund of the ICAV may be classified as a Fund that meets the specific criteria contained in Article 9 of SFDR, in that the Fund has Sustainable Investment as its investment objective (sometimes referred to as “dark green investment”).

The Investment Manager of each Fund will incorporate an analysis of Sustainability Risks and the Investment Manager’s Responsible Investment Policy into its investment process. Assessment of these Sustainability Risks is undertaken relative to their materiality (namely the likelihood of such risks impacting returns of the investment) and in tandem with other risk assessments (such as liquidity, valuation, etc.). A summary of the Investment Manager’s Responsible Investment Policy is available on its website at [www.nicheam.com](http://www.nicheam.com).

To implement the Sustainability Risk analysis, the Investment Manager looks at different Sustainability Factors, including ESG factors.

The Investment Manager’s analysis on corporate governance factors is qualitative, based on the view of the relevant investee company’s governance standards, taking into consideration matters such as board diversity, board independence, board experience, board turnover, board capacity to set the company strategy, employee relations and compliance with legal and taxation requirements.

In addition to the analysis of corporate governance factors, analysis of environmental and social factors enhances the long-term sustainability of a business.

In the event that an investee company is unable to publish a complete responsible investing report and/or to completely embed sustainability in the company’s operating and development processes, the Investment Manager will positively engage with the investee company on behalf of the relevant Fund, with the aim of improving both the sustainability culture and processes within the investee company and its reporting processes.

In the Investment Manager's view, engagement represents the most powerful tool to expand sustainability among small companies.

The Investment Manager seeks to generate additional value by offering investee companies insights and knowledge sharing in relation to ESG investing. The Investment Manager views this direct engagement with investee companies as an essential part of its investment process and believes that engaging with companies on ESG matters enables it to improve the fundamental quality of its holdings over the medium to long term horizon.

The Supplement of each Fund outlines in further detail the ways in which the Investment Manager engages with investee companies and the metrics and ratings that they use to do so.

Examples of environmental and social factors covered by direct engagement with investee companies include: workplace conditions, access to healthcare, workforce diversity and inclusion, improving sustainability reporting, land use, water and waste management, use of renewable energy, and supply chain labour standards.

The Funds may seek to invest mainly in securities issued by companies that produce a positive impact instrumental to the achievement of the Sustainable Development Goals ("SDGs") as defined by the United Nations ("UN"). Not all of the thematic Funds will seek to invest in securities issued by companies with a positive SDG impact.

The UN Sustainable Development Goals are a collection of 17 inter-linked global goals designed to achieve a better and more sustainable future for all. The 17 goals are: (1) No Poverty, (2) Zero Hunger, (3) Good Health and Well-being, (4) Quality Education, (5) Gender Equality, (6) Clean Water and Sanitation, (7) Affordable and Clean Energy, (8) Decent Work and Economic Growth, (9) Industry, Innovation and Infrastructure, (10) Reducing Inequality, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, (13) Climate Action, (14) Life Below Water, (15) Life On Land, (16) Peace, Justice, and Strong Institutions, and (17) Partnerships for the goals. Each goal has a specific target to be achieved between 2020 and 2030.

## **Exclusion Policy**

The Investment Manager will apply an exclusion policy, excluding investments in:

- companies involved in the production, sale, or storage of uranium weapons;
- companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Oslo and Ottawa treaties;
- companies that have their revenue of more than 10% from weapons;
- companies that have their revenue of more than 10% from tobacco;
- companies that have their revenue of more than 10% from thermal coal; and
- companies that have their revenue of more than 10% from oil upstream.

(the “**Exclusion Policy**”).

If the business activity of a company in which a Fund is invested becomes ineligible for investment based on the ESG criteria or the Exclusion Policy, the Investment Manager will sell the security within a reasonable timeframe.

As described above, the Funds are actively managed in accordance with the criteria set out in this Supplement and will seek to achieve its investment objective on an active basis.

The investment time horizon to be adopted by the Investment Manager is a medium to long term horizon strategy.

## **4. INVESTMENT OBJECTIVES AND POLICIES**

### **4.1. General**

The specific investment objectives and policies for each Fund will be formulated by the Directors, subject to consultation with the Manager at the time of the creation of that Fund and set out in the relevant Supplement.

The ICAV will seek to achieve the objectives on behalf of each Fund and may procure the appointment of Investment Managers to provide investment management and advisory services in respect of part or all of the assets of a Fund. Subject to any overriding directions of the Directors, the Manager will be responsible for the selection and appointment of any Investment Managers to each Fund. Details of the Investment Managers appointed to each Fund, and related Investment Management Agreements, are disclosed in the relevant Supplement. The Manager will monitor the performance of the Investment Managers to each Fund in order to assess the need, if any, to make changes/replacements. The Manager may replace or appoint additional Investment Managers in accordance with the Central Bank Requirements. Shareholders will be notified of any change in the next annual/half-yearly financial statements or other periodic documentation sent to Shareholders.

Any alteration to the investment objective or a material alteration to the investment policies of any Fund at any time will be subject to the prior approval in writing of all of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. The Directors may implement non-material alterations to a Fund's investment policy from time to time. Shareholders will be given reasonable advance notice of the implementation of any alteration to the investment objectives or policies of a Fund so as to enable them to redeem their Shares prior to such implementation.

A Fund may invest in other Funds and/or other collective investment schemes in accordance with the Central Bank Requirements. As an investor in such other collective investment schemes, the Fund will bear, along with other investors of the underlying schemes, its portion of the expenses of the underlying scheme including where applicable management, investment management and administration and other expenses.

A Fund may invest in FDIs for hedging purposes only where such intention is disclosed in the Fund's investment policy.

A Fund may invest in securities traded on Russian markets and investment in securities traded on Russian markets will only be made in equity securities which are listed and/or traded on the Moscow Exchange, as disclosed in the Supplement of the relevant Fund.

A Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Appendix II and will, save in respect of its Investments in open-ended collective investment undertakings, normally be listed or traded on the Regulated Markets set out in Appendix I.

Investors should note that, subject to the Central Bank Requirements and where more than one Fund is established within the ICAV, each of the Funds may invest in the other Funds of the ICAV where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission

received by the Investment Manager (including a rebated commission) in respect of such investment will be paid into the assets of the relevant Fund. In addition, no Sales Fee, Redemption Fee or Switching Fee may be charged on the cross-investing Fund's investment.

The ICAV may from time to time (with the prior approval of and in accordance with the Central Bank Requirements) make investments on behalf of Funds through wholly owned subsidiaries incorporated in any relevant jurisdiction. The investment objective and policy of the relevant Fund will not only be applied to the Fund but also to the wholly-owned subsidiary and the investments of the wholly-owned subsidiary will be treated as being held by the Fund. The assets and shares of any wholly-owned subsidiary will be held by the Depositary or an appointed sub-custodian on behalf of the ICAV.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments and in cash deposits.

Following a formal decision to terminate a Fund, the Investments of the Fund may be liquidated and converted to cash so as to enable termination of the Fund in an orderly manner and in order to preserve Shareholder equity.

#### **4.2. Investment in FDIs**

The Investment Manager may also, where set out in the investment policy contained in the relevant Supplement of a Fund, for hedging purposes only, use Currency Forwards (which may be used to manage currency risk). These FDIs may be used to assist the Investment Manager in achieving a Fund's objective and which may assist the Investment Manager in the management of cash flows, reduction of transaction costs or taxes or for such other reasons as it deems of benefit to a Fund in the context of the Fund's investment objective. Where a Fund intends to use FDIs this will be specified in its investment policy.

Where a Fund intends to engage in transactions in relation to FDIs, the Manager will employ a risk management process to enable it to manage, monitor and measure, on a continuous basis, the various risks associated with FDIs and their contribution to the overall risk profile of a Fund's portfolio. Only FDIs which have been included in the risk management process will be used. The ICAV will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

- (a) Position exposure to the underlying assets of FDIs, including embedded FDIs in Transferable Securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out by the Central Bank Requirements. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out by the Central Bank Requirements).
- (b) A Fund may invest in OTC FDIs dealt provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (c) Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

### Currency Forwards (foreign exchange forwards, including non-deliverable Currency Forwards)

A Currency Forward locks in the price at which an asset may be purchased or sold on a future date. In Currency Forward 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 can be 'closed out' by entering into a reverse contract. Where specified in its investment policy, a Fund may use Currency Forwards, including non-deliverable Currency Forwards, for example, to protect against fluctuations in the relative value of its portfolio positions as a result of changes in currency exchange rates and/or to benefit directly from changes in currency exchange rates.

Investors should consult the section entitled "Risk Factors: Investment and Strategy Risks" and "Conflicts of Interest" for more information.

### **4.3. Efficient Portfolio Management**

The Investment Manager may, on behalf of a Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to Transferable Securities, money market instruments and/or other financial instruments (including FDI) for efficient portfolio management purposes subject to the conditions imposed by the Central Bank. These techniques and instruments can include repurchase agreements / reverse repurchase agreements, and securities lending subject to the conditions and limits set out in the Central Bank Requirements. Techniques and instruments, referred to in Article 51(2) of the UCITS Directive and Article 11 of the Eligible Assets Directive, which relate to Transferable Securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

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

New techniques and instruments may be developed which may be suitable for use by the ICAV and the ICAV (subject as aforesaid and to the Central Bank Requirements) may employ such techniques and instruments. Where a Fund intends to use these instruments details will be disclosed in the Fund's investment policy in the relevant Supplement.

#### 4.4. Counterparty Policy

Counterparties with whom the Investment Manager, on behalf of a Fund, transacts will be one of the following:

- (a) a credit institution authorised in the European Economic Area (EEA);
- (b) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988;
- (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
- (d) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or
- (e) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.

In the case of subsequent novation of OTC derivative contracts, the counterparty must be one of the following:

- the entities set out above; or
- 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).

#### 4.5. Collateral Policy

All assets received by the ICAV on behalf of a Fund in the context of efficient portfolio management techniques should be considered as collateral. All assets received by the ICAV on behalf of a Fund in the context of efficient portfolio management techniques and/or OTC FDIs transactions must comply with the criteria set out below.

- (a) Liquidity: collateral received (other than cash) must be highly liquid and traded on a Regulated Market or Multilateral Trading Facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral that is received should also comply with the provisions of Regulation 74 of the Regulations.
- (b) Valuation: collateral that is received must be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.
- (c) Issuer credit quality: collateral received should be of high quality. The Investment Manager shall ensure that:

- (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager in the credit assessment process; and
  - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in subparagraph (i) immediately above this shall result in a new credit assessment being conducted of the issuer by the Investment Manager without delay;
- (d) Correlation: collateral received should be issued by an entity that is independent from the counterparty. There must be a reasonable ground for the Investment Manager to expect that it would not display a high correlation with the performance of the counterparty.
- (e) Diversification (asset concentration):
- (i) subject to the subparagraph (ii) immediately below, collateral must be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral are aggregated to calculate the 20% limit of exposure to a single issuer.
  - (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 will not account for more than 30% of the relevant Fund's Net Asset Value. The Member States, local authorities, non-Member States or public international bodies issuing or guaranteeing securities that may be accepted as collateral for more than 20% of a Fund's Net Asset Value are identified in Appendix II.
- (f) Immediately available: collateral received should be capable of being fully enforced by the ICAV at any time without reference to or approval from the counterparty.

Collateral received on a title transfer basis should be held by the Depository. For other types of collateral arrangement, the collateral can be held by a third party depository which is subject to prudential supervision and which is unrelated and unconnected to the provider of the collateral.

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

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

- deposits with relevant institutions;
- high-quality government bonds;
- reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis;

- 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.

#### **4.6. Permitted types of collateral**

Where a Fund receives collateral as a result of trading in FDIs on an OTC basis or as result of entry into repurchase agreements or stock lending the ICAV intends, subject to the criteria set out above, to accept collateral in the following form:

- cash; and
- government bonds with fixed interest rate payments with a minimum rating of Aaa/AAA by Moody's, Fitch or Standard & Poor's and a maximum maturity, or remaining maturity, of ten years.

#### **4.7. Level of collateral required**

The value of any collateral received by the ICAV, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned.

#### **4.8. Haircut Policy**

Non-cash collateral received by a Fund will be subject to a haircut of between 1% to 5% of the value of such collateral.

A Fund receiving collateral for at least 30% of its Net Asset Value should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the ICAV, on behalf of the Fund, 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.

#### **4.9. Reinvested Cash Collateral Risks**

Where a Fund reinvests cash collateral this will generate market exposure within the expectation of generating capital gain. Where the reinvestment does not achieve this aim, and, instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value

of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

#### **4.10. Reporting and Transparency of Securities Financing Transactions**

The European Regulation on Reporting and Transparency of Securities Financing Transactions (the “SFTR”) sets out certain disclosure requirements regarding the use of securities financing transactions (“SFTs”) and total return swaps, as set out below. The Funds may use reverse repurchase transactions and securities lending, which are SFTs, and total return swaps. The Funds’ use of SFTs and total return swaps is consistent with their respective investment objectives and policies, and accordingly SFTs and total return swaps may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund.

Subject to the limitations referred to above, any assets of a Fund may be subject to SFTs and total return swaps. Where a Fund uses any of the SFTs and total return swaps, the maximum and expected proportion of the assets under management of the Fund that could be subject to such SFTs and total return swaps will be set out in the relevant Supplement.

A Fund that does not use securities lending as of the date of this Prospectus may however use securities lending in the future provided that the maximum proportion of assets under management of that Fund that could be subject to this financial technique does not exceed 20% and that the relevant Supplement is updated accordingly at the next available opportunity. A Fund which is permitted to enter into reverse repurchase transactions in accordance with its investment policy but does not actually engage in such transactions as of the date of this Prospectus may nevertheless engage in reverse repurchase transactions provided that the maximum proportion of its assets under management subject to these instruments does not exceed 100% and that the relevant Supplement is updated accordingly at the next available opportunity.

The types of acceptable counterparty, acceptable collateral, as well as the diversification requirements, are explained above. The acceptable counterparties (which may or may not be related to the Manager, and/or the Investment Manager, any sub-investment manager, or the Depositary or their delegates) will be entities with legal personality and located in OECD jurisdictions. They will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of transaction. Any collateral obtained by a Fund pursuant to an SFT and total return swap will be valued in accordance with the valuation and haircut policy for the Fund established by the Manager and/or the Investment Manager.

The assets of a Fund that are subject to SFTs, total return swaps and any collateral received are held by the Depositary (or a sub-custodian on behalf of the Depositary).

#### **4.11. Fees and Expenses**

To the extent the Investment Manager takes advantage from the use of efficient portfolio management techniques in respect of a Fund, the Fund will bear the associated direct and indirect costs (which should not include hidden costs) and will not participate in revenue sharing arrangements. All revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs, should be returned to the relevant Fund. To the extent the ICAV on behalf of a Fund, engages in efficient portfolio management techniques, the ICAV will disclose information on the costs and fees, as well as the identity

of the entity or entities, to which such costs and fees are paid, indicating whether or not these are related parties to the Depositary in the annual report of the ICAV, to the extent required by the Regulations and the Central Bank Requirements.

#### **4.12. Currency Hedging**

The ICAV may employ strategies aimed at hedging against currency risk at Fund level and at Share class level. Where the relevant Fund itself enters into currency hedging transactions as part of its investment policy, these hedging transactions shall be considered distinct from the currency hedging transactions at Share class level described below.

The Fund may employ certain currency-related transactions in order to hedge against certain currency risks, for example, where the currency of denomination of an Investment differs from the Base Currency of the relevant Fund, it may seek to hedge the resulting currency exposure back into the Base Currency of the relevant Fund. However there can be no assurance that such hedging transactions will be effective.

This hedging will be undertaken by means of Currency Forwards. The relevant Fund will not be leveraged as a result of such exposure and all transactions will be clearly attributable to the relevant Share class. The costs and gains/losses of hedging transactions will accrue solely to the relevant hedged Share class and will be reflected in the Net Asset Value per Share of that Share class. Although a Fund may utilise such currency hedging transactions in respect of its Investments, it shall not be obliged to do so, and to the extent that it does employ strategies aimed at hedging its Investment's exposure to the Base Currency, there can be no assurance that such strategies will be effective.

Material subscriptions and redemptions may also trigger adjustments to the hedge. Details of the currency hedging strategies utilised will be disclosed in the annual and semi-annual reports of the ICAV.

For each Fund, with respect to Share classes that are denominated in a currency other than the relevant Fund's Base Currency and do not include "(hedged)" in their name, the Manager or the relevant Investment Manager will not employ any techniques to hedge these Share classes' exposure to changes in exchange rates between the Base Currency and the currency of the Share class. As such, the Net Asset Value per Share and investment performance of such Shares classes may be affected, positively or negatively, by changes in the value of the Base Currency relative to the value of the currency in which the relevant Share class is denominated (i.e. the value of the Share expressed in the Share class currency will be subject to exchange rate risk in relation to the Base Currency.) Currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates.

#### **4.13. Currency Hedging at Portfolio Level**

At the Manager's and/or the Investment Manager's discretion, a Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the Base Currency. If undertaken, the aim of this hedging will be to reduce a Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of a Fund's underlying securities. FDIs such as Currency Forwards and currency swaps (which will seek to give exposure to an underlying currency) may be utilised if a Fund engages in such hedging. The currency exposure generated as a result of investing in securities which are denominated in a currency other than the Base Currency will not be allocated to separate classes.

#### **4.14. Currency Hedging at Share Class Level**

The ICAV may employ strategies aimed at hedging against currency risk at Share class level by using efficient portfolio management techniques and investments.

Where the Manager or an Investment Manager utilises hedging strategies in order to hedge the exposure of classes that are denominated in currencies other than the Base Currency, such hedging will typically be undertaken by means of forward contracts. However, there can be no assurance that such hedging transactions will be effective.

The Manager or relevant Investment Manager will 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 keep any under-hedged position under review to ensure it is not carried forward from month to month.

Taking into account pending subscriptions and redemptions, currency exposure will not exceed 105% of the Net Asset Value of the relevant Share class, all transactions will be borne by the relevant Share class, and all gains and losses arising in connection with such hedging transactions will be attributable to the relevant Share class. The Manager or Investment Manager does not intend to have under-hedged or over-hedged positions; however, due to market movements and factors outside the control of the Manager or Investment Manager, under-hedged and over-hedged positions will arise from time to time. All such transactions will be clearly attributable to a specific Share class and currency exposures of different Share classes will not be combined or offset. The currency exposure of Investments will not be allocated to any separate Share class. The periodic reports of the ICAV will show how these transactions have been utilised.

The Manager or Investment Manager will have procedures in place to monitor hedged positions to ensure that over-hedged positions do not exceed the limit of 105% of the Net Asset Value of the relevant Share class. As part of this procedure, the Manager or Investment Manager will review hedged positions that deviate from 100% of the Net Asset Value of the relevant Share class and positions materially in excess of 100% of the Net Asset Value of the Share class will not be carried forward from month to month.

Where currency hedging takes place at Share class level, the performance of the hedged Share class is likely to move in line with the performance of the underlying assets and currency hedging at Share class level may substantially limit Shareholders of a class of Shares denominated in a currency other than the Base Currency from benefiting if the currency of the denomination of that Share class falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

The costs and gains/losses of hedging transactions will accrue solely to the relevant hedged Share class and will be reflected in the Net Asset Value per Share of that Share class.

#### **4.15. Disclosures under the Sustainable Finance Disclosures Regulation**

##### *Sustainability Risks*

Given the Investment Manager's investment decision making process involves (amongst other steps and as described earlier in this Supplement) the exclusion of potential portfolio companies that are deemed to be engaged in unethical or controversial businesses or industries (e.g., alcohol, gambling, tobacco and weapons) and favours portfolio companies scoring well across various ESG factors, the Investment

Manager considers that any impact of Sustainability Risks on the returns of a Fund should be relatively low as compared with other risks relevant to that Fund (e.g., market risk).

#### *Principal Adverse Impacts on Sustainability*

The Manager, in conjunction with the Investment Manager, considers principal adverse impacts of investment decisions on Sustainability Factors to the extent that, for a particular investment, such principal adverse impacts are reflected in the Investment Manager's sustainability strategy.

#### **4.16. Investment and Borrowing Restrictions**

Investment of the assets of each Fund must comply with the Regulations and the Central Bank Requirements. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix II. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

The Directors, in consultation with the Manager, may also from time to time impose such further investment restrictions as may be compatible with or be in the interests of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the ICAV are located or the Shares are marketed.

The ICAV will not take legal or management control of any of the entities in which its underlying investments are made.

The ICAV has been authorised by the Central Bank with the flexibility to invest up to 100% of a Fund's assets in Transferable Securities and money market instruments issued by a Member State, its local authorities, a non-Member State, or public international bodies of which one or more Member States are members.

It is intended that the ICAV should, subject to the prior approval of the Central Bank (and the update of the relevant ICAV and/or Fund documentation), have power to avail itself of any change in the investment restrictions laid down in the Regulations and the Central Bank Requirements which would permit investment by the ICAV in securities, FDIs or in any other form of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations and the Central Bank Requirements. The ICAV will give Shareholders reasonable notice of its intention to avail itself of any such change which is material in nature.

#### **4.17. Dividend Policy**

The Directors are empowered to declare and pay dividends on any Share class in the ICAV.

Dividends, if declared, will be paid out of a Fund's net income and realised and unrealised gains net of realised and unrealised losses and, subject to the Central Bank Requirements, partially or fully out of the capital of the relevant Fund. Normally, dividends will be declared with the frequency detailed in the relevant Fund's Supplement as will the expected timing of a dividend payment. Dividends will be paid in the Base Currency to Shareholders of record on the date on which the dividend is declared. Shareholders who wish to receive dividend payments in any other currency should contact the Administrator to ascertain if this service is available. Any such foreign exchange conversions of dividend payments will be at the expense and risk of the Shareholder. Distribution payments will be paid by telegraphic transfer to the bank account

detailed on the Application Form or to such bank account as may be subsequently notified to the Administrator in writing.

In the event Directors resolve to change the dividend policy of a Share class full details of the change in dividend policy will be reflected in a revised Fund Supplement and all Shareholders will be notified in advance.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the relevant Fund.

In respect of accumulating Share classes, no dividends will be declared. The income and profits will be accumulated and reinvested in the relevant Fund on behalf of the Shareholder.

## **5. RISK FACTORS**

Potential investors should consider the following risk factors before investing in a Fund. Any additional risk factors relevant to a particular Fund or Funds will be set out in the relevant Supplement(s).

### **INVESTMENT AND STRATEGY RISKS**

#### **5.1. Management risk**

A Fund is subject to management risk if it is an actively managed investment portfolio. The Investment Manager will apply investment techniques and risk analyses in making investment decisions for a Fund, but there can be no guarantee that these will produce the desired results. Certain securities or other instruments in which a Fund seeks to invest may not be available in the quantities desired. In such circumstances, the Investment Manager may determine to purchase other securities or instruments as substitutes. Such substitute securities or instruments may not perform as intended, which could result in losses to the Fund. To the extent a Fund employs strategies targeting perceived pricing inefficiencies, arbitrage strategies or similar strategies, it is subject to the risk that the pricing or valuation of the securities and instruments involved in such strategies may change unexpectedly, which may result in reduced returns or losses to the Fund. Additionally, legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to the Investment Manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

#### **5.2. Allocation Risk**

There is risk that a Fund could lose money as a result of less than optimal or poor asset allocation decisions as to how its assets are allocated or reallocated. The Fund could miss attractive investment opportunities by underweighting markets that subsequently experience significant returns and could lose value by overweighting markets that subsequently experience significant declines.

#### **5.3. Investment in Collective Investment Schemes**

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

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

ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a Fund invests in an ETF, in

addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. Such ETF's expenses may make owning shares of the ETF more costly than owning the underlying securities directly. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities. In addition, other clients of the Investment Manager may participate in tranches of credit securities and portfolios of credit default swaps or instruments in which a Fund may invest and investment may also be made by the Investment Manager in such obligations.

#### **5.5. Real Estate Investment Trusts**

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

#### **5.6. Inflation Risk**

Unless the performance of an investor's investment keeps up with or beats inflation, the real value of your investments will fall over time.

#### **5.7. Equities Risk**

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

#### **5.8. Commodity Risk**

Investment(s) by a Fund in equity securities of commodity-related companies and/or Exchange Traded Commodities ("ETCs") may subject such a Fund to greater volatility than Investment(s) in traditional securities. The commodities markets may fluctuate widely based on a variety of factors. Movement in the prices of equity securities of commodity-related companies and/or ETCs are outside of a Fund's control and may not be anticipated by the Investment Manager. The commodities markets have experienced periods of extreme volatility. The value of equity securities of commodity-related companies and/or ETCs may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as changes in climate conditions, drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

#### **5.9. Warrants Risk**

Where a Fund is invested in warrants, the price per share may fluctuate more than if that Fund was invested in the underlying securities because of the greater volatility of the warrant price.

### **5.10. New Issue Risk**

A Fund may be invested in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The price of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

### **5.11. Financial derivative instruments**

Where a Fund uses FDIs for the purposes of efficient portfolio management, this can be beneficial but can also involve risks different from and, in certain cases, greater than the risks presented by more traditional investments.

Risks in using FDIs include inherent leverage, lack of liquidity, dependence on the ability to predict movements in the prices of securities, on which the FDIs are based, the risk of mispricing or improper valuation of FDIs and imperfect correlation between the price of FDIs and the prices of the securities or currencies being hedged. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Consequently, a Fund's use of FDIs may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. To the extent that a Fund invests in FDIs, that Fund may take a credit risk with regard to parties with whom it trades and may bear the risk of settlement default. The use of FDIs will also expose the relevant Fund to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Legal risk is the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly. Investment in FDIs involves exposure to normal market fluctuations and the other risks inherent in investment in securities.

### **5.12. Investment and Trading Risks in General**

All securities investments present a risk of loss of capital. Where a Fund utilises investment techniques such as option transactions, margin transactions, synthetic short sales and futures and forward contracts, these can maximise, in certain circumstances, any losses. There can be no assurance that a Fund will achieve its investment objective.

### **5.13. Concentration of Investments**

Although it is the policy of each Fund to diversify its investment portfolio, it may at certain times hold relatively few investments, subject to the investment and borrowing restrictions set out in Appendix II. The Fund therefore could be subject to significant losses if it holds a large position in a particular investment that declines in value. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **5.14. Capital Erosion Risk**

Certain Funds and Share classes may have as the priority objective the generation of income rather than capital. Investors should be noted that the focus on income and the charging of management fees and any other fees to capital may erode capital and diminish the Fund's ability to sustain future capital growth. In

this regard, distributions made during the life of the Fund or an applicable Share class should be understood as a type of capital reimbursement.

#### **5.15. Counterparty Risk**

Markets in which a Fund may effect transactions may include OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of "exchange-based" markets. This exposes a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Fund has concentrated its transactions with a single or small group of counterparties.

#### **5.16. Interest Rates, Margin and Borrowing**

A Fund may borrow funds from brokerage firms, banks and other financial institutions on a temporary basis. Consequently, the level of interest rates at which a Fund can borrow will affect the operating results of a Fund.

In accordance with the Central Bank Requirements, a Fund may engage in borrowing which can result in certain additional risks.

Should the securities pledged to brokers to secure a Fund's margin accounts decline in value, a Fund could be subject to a "margin call" and required to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of a Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

#### **5.17. OTC FDIs Transactions**

A Fund may invest a substantial portion of its assets in investments which are not traded on organised exchanges and as such are not standardised. Such transactions are known as OTC transactions and may include forward contracts. Whilst some OTC markets are highly liquid, transactions in OTC FDIs may involve greater risk than investing in exchange traded FDIs because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what is a fair price. In respect of such trading, a Fund may be subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to a Fund.

The instruments, indices and rates underlying FDIs transactions expected to be entered into by a Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies, national and international political and economic events, and changes in interest

rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by a Fund, could result in losses.

#### **5.18. Credit Ratings**

Credit ratings of debt securities or credit or reference entities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial conditions may be better or worse than a rating indicates. Consequently, credit ratings of reference entities or obligors in respect of eligible investments will be used by the Investment Manager only as a preliminary indicator of investment quality, and for the purposes of maintaining any stated ratings criteria of a credit security. Obligations of reference entities which are below investment grade will be more dependent on the credit analysis by the Investment Manager than would be the case with those which are investment-grade.

#### **5.19. Credit Risk**

A Fund may also be subject to credit risk, i.e. the risk that an issuer of securities will be unable to pay principal and/or interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. Investment in the obligations of credit securities and other instruments involves a degree of risk arising from fluctuations in the amount and timing of the receipt of principal and interest by a Fund and the amounts of the claims of creditors and counterparties ranking in priority to the rights of a Fund in respect of such securities, obligations and instruments. In particular, the amount and timing of payments of the principal, interest and other amounts on credit securities and other obligations and instruments will depend upon the detailed terms of the documentation relating to the instrument and on whether or not any issuer thereof or obligor thereunder defaults in its obligations thereunder. A default, downgrade or credit impairment of any of a Fund's investments could result in a significant or even total loss of the Investment.

#### **5.20. Currency**

Shares are issued and redeemed in the currency of the denomination of that Share class. The underlying instruments held by a Fund may be denominated in those or other currencies. Accordingly, the value of an Investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency. A Fund may enter into back to back currency borrowing or utilise Currency Forwards to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be undertaken or if undertaken will be effective or beneficial or that there will be a hedge in place of any given time. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

### **5.21. Settlement Risks**

Each Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. For the purpose of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant settlement day. In the event that such settlement monies are not received by the Fund on or by the relevant settlement day, the Fund may have to sell such purchased securities or close out its position under such efficient portfolio management techniques which could result in a loss to the Fund.

### **5.22. Tax Risk**

Any change in the ICAV's tax status or in taxation legislation could affect the value of the investments held by the ICAV and affect the ICAV's ability to provide the investor return. Potential investors and Shareholders should note that the statements on taxation which are based on advice which has been received by the Directors regarding the law and practice enforced in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantees that the tax position or proposed tax position prevailing at the time investments made in the ICAV will endure indefinitely. The attention of potential investors is drawn to the taxation risk associated with investment in the ICAV. See Section headed "Taxation".

### **5.23. Trading in Indices, Financial Instruments and Currencies**

The Investment Manager may trade in indices, financial instruments and currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses.

### **5.24. Hedging Transactions and Other Methods of Risk Management**

A Fund may utilise Currency Forwards for hedging and risk management purposes, for example in order to: (i) protect against possible changes in the market value of the portfolio resulting from currency fluctuations; (ii) facilitate the sale of any investment; (iii) enhance or preserve returns, spreads or gains on any investment in the portfolio; (iv) hedge the currency exchange rate on any of a Fund's liabilities or assets; or (v) for any other reason that the Investment Manager deems appropriate. Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

While a Fund may enter into such transactions to seek to reduce currency risk, unanticipated changes in currency rates may result in a poorer overall performance by a Fund. For a variety of reasons, a Fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose a Fund to risk of loss.

### **5.25. Cash Collateral Risk**

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have

less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

#### **5.26. High Yield Debt Instruments**

Investment in corporate debt securities is subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Lower rated or unrated securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which react primarily to movements in the general level of interest rates. In purchasing such securities, a Fund will rely on the Investment Manager's analysis, judgment and experience in evaluating the creditworthiness of an issuer of such securities. The Investment Manager will consider, among other factors, the issuer's financial resources, its operating history, its sensitivity to economic conditions and trends, the quality of the issuer's management and regulatory matters.

Where a Fund invests in below investment-grade fixed income instruments, these may be rated in the lowest rating categories by Standard and Poor's or by Moody's or be unrated. Fixed income instruments rated in medium to low rating categories of internationally recognised rating services or unrated securities of comparable quality, commonly called junk bonds, are considered speculative and payments of principal and interest thereon may be questionable. In some cases, such securities may be highly speculative, may have poor prospects for reaching investment grade standing and may be in default. As a result, investment in such securities will entail greater speculative risks than those associated with investment in investment-grade bonds. A Fund may purchase corporate debt obligations of issuers not currently paying interest as well as issuers in default.

In the past, economic downturns or increases in interest rates have under certain circumstances caused a higher incidence of default by the issuers of lower quality debt securities. To the extent that the issuer of any lower-quality debt security held by a Fund defaults, a Fund may incur additional expenses in order to enforce its rights under such security or to participate in a restructuring of the obligation. In addition, the prices of lower-quality debt securities generally tend to be more volatile and the market less liquid than is the case with investment grade securities. Adverse economic events can further exacerbate these tendencies. Consequently, a Fund may at times experience difficulty in liquidating its investments in such securities at the prices it desires. There also can be significant disparities in the prices quoted for lower-quality debt securities by various dealers which may make valuing such securities by a Fund more subjective.

#### **5.27. Emerging Markets Risks**

Where a Fund invests in or otherwise has or have exposure to companies incorporated in or whose principal operations are in emerging markets, additional risks may be encountered. These include:

- (a) Accounting Risk: there may be little financial or accounting information available with respect to issuers located in certain of such countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers.

- (b) Currency Risk: the currencies in which Investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.
- (c) Country Risk: the value of the assets of a Fund may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.
- (d) Market Characteristics: emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. Settlement of transactions may be subject to delay and administrative uncertainties.
- (e) Custody Risk: depositaries are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that a Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.
- (f) Disclosure: less complete and reliable fiscal and other information may be available to investors.

## 5.28. Russian Risks

A Fund may invest a portion of its assets in securities of issuers located in Russia. In addition to the risks disclosed above investments in securities of Russian issuers may involve a particularly high degree of risk and special considerations not typically associated with investing in more developed markets, many of which stem from Russia's continuing political and economic instability and the slow-paced development of its market economy. Investments in Russian securities should be considered speculative. Such risks and special considerations include:

- (a) delays in settling portfolio transactions and the risk of loss arising out of Russia's system of share registration and custody;
- (b) pervasiveness of corruption, insider trading, and crime in the Russian economic system;
- (c) difficulties associated with obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information;
- (d) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt;
- (e) the risk that the Russian tax system will not be reformed to prevent inconsistent, retroactive and/or exorbitant taxation or, in the alternative, the risk that a reformed tax system may result in the inconsistent and unpredictable enforcement of the new tax laws; and
- (f) the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programmes implemented since the dissolution of the Soviet Union.

A risk of particular note with respect to direct investment in Russian securities is the way in which ownership of shares of companies is normally recorded. Ownership of shares (except where shares are held through depositories) is defined according to entries in the company's share register and normally evidenced by

"share extracts" from the register or, in certain limited circumstances, by formal share certificates. However, there is no central registration system for shareholders and these services are carried out by the companies themselves or by registrars located throughout Russia. The share registrars are controlled by the issuer of the securities, and investors are provided with few legal rights against such registrars. The law and practice relating to registration of shareholdings are not well developed in Russia and registration delays and failures to register shares can occur, which could expose a Fund to potential loss.

#### **5.29. Risk Management Strategies - General**

The success of a Fund's risk management strategies will depend in part upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complimentary to those needed in the selection of the portfolio.

#### **5.30. Identification and Exploitation of Investment Strategies**

Depending on the investment objective and policies of the relevant Fund, the success of a Fund's investment activities may depend on the Investment Manager's ability to identify undervalued securities and to exploit price discrepancies in the financial markets, as well as to assess the impact of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund involves a high degree of uncertainty. A Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer or counterparty, forced redemptions of securities or acquisition proposals, break-ups of planned mergers, unexpected changes in relative values, volatility levels or liquidity conditions or changes in tax treatment.

#### **5.31. Credit Securities**

A Fund may invest in bonds or other fixed income securities, including without limitation, commercial paper and "higher yielding" (including non-investment grade and, therefore, higher risk) debt securities. A Fund will, therefore, be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sectors reflects greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Below-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of credit risk for 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. It is likely that a major economic event, such as a recession or reduction of liquidity in the market could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such an economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### **5.32. Investments in Unlisted Securities**

A Fund may invest in unlisted securities. Because of the absence of any trading market for these Investments, it may take longer, or may not be possible, to liquidate these positions. Accordingly, the ability of a Fund to respond to market movements may be impaired and a Fund may experience adverse price movements upon liquidation of its Investments. Although these securities may be resold in privately negotiated transactions, prices realised on these sales could be less than those originally paid by a Fund. Settlement of transactions may be subject to delay and administrative uncertainties. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities. The lack of publicly available information and actively traded markets in unlisted securities will also give rise to uncertainty in valuing such securities.

### **5.33. Swap Agreements**

A Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if consistent with a Fund's investment objective and policy.

Swap agreements tend to shift a Fund's investment exposure from one type of investment to another. For example, if a Fund agrees to exchange payments in US Dollars for payments in Euro, the swap agreement would tend to decrease a Fund's exposure to US Dollar interest rates and increase its exposure to the Euro and its interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity value or other factors that determine the amounts of payments due to and from a Fund. If a swap agreement calls for payments by a Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's credit worthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by a Fund.

### **5.34. Convertible Debt Securities Transactions**

A Fund may acquire Convertible Debt Securities. Losses may occur if the terms of the Convertible Debt Security does not allow for an adjustment in the conversion terms, or a Fund is forced to convert the security earlier than anticipated.

### **5.35. Security**

A Fund may invest in the obligations of an issuer of a credit security which have been secured by an assignment by way of a first fixed security, a first fixed charge and a floating charge in favour of the relevant trustee over the collateral debt securities pursuant to a trust deed. The Fund is subject to the risk that the assignment of the issuer's obligations may take effect as a security interest over the right of the issuer to require delivery of the collateral debt securities from the depositary in accordance with the terms of the particular depositary agreement.

### **5.36. Subordination Risk**

Certain debt investments that may be acquired by a Fund may be subject to certain additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

### **5.37. Interest Rate Risk**

A Fund may be subject to subject to several risks associated with changes in interest rates on its financings and Investments which may affect profitability.

### **5.38. Increased Interest Payments**

The interest payments on a Fund's financings may increase relative to the interest earned on a Fund's Investments. In a period of rising interest rates, interest payments by a Fund could increase while the interest earned on certain Investments would not change.

### **5.39. Interest Rate Adjustments**

A Fund may rely on short-term financings to acquire Investments with long-term maturities. Similarly, a Fund may acquire investments with short term maturities which are secured by long dated assets. Certain of a Fund's Investments may be adjustable rate instruments in which interest rates vary over time, based upon changes in an objective index (e.g. LIBOR) which generally reflect short-term interest rates. The interest rates on a Fund's financings similarly vary with changes in an objective index but may adjust more frequently than the interest rates of a Fund's Investments.

### **5.40. Certain Securities Markets**

Stock markets in certain countries or sectors may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition settlement of trades in some markets is slow and subject to failure.

#### **5.41. Highly Volatile Instruments**

The price of FDIs instruments are highly volatile. Price movements of forward contracts in which a Fund's assets may be invested are influenced by, amongst other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs 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, particularly those in currencies and financial instruments. Such intervention often is intended directly to influence prices and may, together with other factors, cause many 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.

#### **5.42. Highly Volatile Markets**

The prices of financial instruments in which a Fund may invest can be highly volatile. Price movements of forward and other FDIs contracts in which a Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. A Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

#### **5.43. Market Liquidity**

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair a Fund's ability to adjust its positions. The size of a Fund positions may magnify the effect of a decrease in market liquidity for such instruments, or the liquidation by other market participants of the same or similar positions, may also adversely affect a Fund's portfolio.

#### **5.44. Stocks Not Covered by Many Financial Analysts**

The Fund may invest in stocks that are not well-covered by financial analysts and be subject to the risk that such stocks receive either no coverage by financial analysts or coverage by only a few financial analysts; i.e. analysts that publish fundamental research on those stocks. The securities of stocks not covered by sell-side financial analysts generally trade in lower volumes and are subject to greater and more unpredictable price changes than stocks that are well-covered or the stock market as a whole.

### **GENERAL RISKS**

#### **5.45. Business Dependent Upon Key Individuals**

The success of the ICAV and its Funds is significantly dependent upon the expertise of members of the investment management team at the Investment Manager and any future unavailability of any of their services could have an adverse impact on a Fund's performance. The past investment performance of the Investment Manager and any Fund or Funds may not be construed as an indication of the future results of an investment in a Fund.

#### **5.46. Investment Management Fee and Performance Fee**

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee by reference to the appreciation in the Net Asset Value per Share of a particular Share class in a Fund 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 a Fund which are riskier than would be the case in the absence of a fee based on the performance of the relevant Share class in a Fund.

#### **5.47. Performance Fee Methodology**

The methodology used by the ICAV in calculating the performance fees in respect of a Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no full equalisation methodology is employed in respect of the performance fee calculation). The methodology may also, in certain circumstances, result in certain Shareholders being charged a performance fee in circumstances where the Net Asset Value per Share of their Shares has not increased over the relevant calculation period as a whole. For a further explanation of the methodology used to calculate performance fees payable in respect of a Fund and the risks involved, please see the Supplement for that Fund.

#### **5.48. Price Fluctuations**

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

#### **5.49. Subscriptions and Redemptions**

Save in the event of a suspension of dealings, subscription applications and redemption requests once submitted may only be withdrawn with the prior consent of the Directors. Any interest earned on subscription monies in respect of a rejected subscription will accrue to the benefit of the relevant Fund.

The Directors may in their absolute discretion charge interest to a Shareholder in such amount as they deem reasonable in respect of late subscription monies received by any Fund or Funds in respect of a subscription. Redemption proceeds will not be paid until all administrative requirements have been met. No interest will be paid on any proceeds retained pending the finalisation of such administrative requirements.

#### **5.50. Risks relating to Cash Accounts**

In the event that Shares are allotted prior to settlement of subscription monies, the ICAV reserves the right to reverse such allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event that the redemption proceeds are less than the amount originally subscribed for.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of redemption proceeds which shall remain an asset of the ICAV and the Shareholder will rank as an unsecured general creditor of the ICAV until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds will be released. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the Fund until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which such dividend will be paid.

#### **5.51. Funding Liquidity Risk**

Where Shareholders redeem their shareholding in a Fund in an amount which exceeds the amount of cash or other liquid assets immediately available to fund such redemptions, a Fund may, subject to its discretion to restrict redemptions, seek to liquidate additional assets to fund the redemption costs incurred. This may limit or otherwise affect the ability of a Fund to operate or manage investment positions and strategies within its portfolio and restrict or materially affect investment performance and returns.

#### **5.52. Restrictions on Redemptions**

Investors in a Fund are subject to restrictions relating to the redemption of Shares of the ICAV (as set out in the section entitled "**Temporary Suspension**").

Securities and other instruments in which a Fund may be invested may become illiquid or otherwise may not be readily realisable either by reason, *inter alia*, of the securities or instruments themselves or the investment strategies and/or obligations relating thereto to which the relevant Fund is committed or regulatory reasons.

The Directors may also suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any class of any Fund in the circumstances set out under the section entitled "Temporary Suspension". Directors may also suspend redemptions during any period in which the settlement or redemptions would, in the opinion of the Directors, result in a violation of law or violate any instrument or agreement governing any indebtedness incurred by the relevant Fund.

The imposition of any of the above measures by the Directors may result from the underlying liquidity of a Fund and the valuation of the underlying investments in which it is invested and circumstances in this respect may be subject to a regular and sudden change.

#### **5.53. Valuation**

The price at which investors subscribe and redeem Shares of a Fund and the value with reference to which management and other fees are calculated is calculated with reference to the Net Asset Value of the relevant Fund as more specifically disclosed under "Calculation of Net Asset Value". The Administrator may, however, in the discretion of the Directors (and subject to the approval of the Depositary), follow some other prudent methods of valuation if it considers that under the circumstances such methods should be adopted in order to reflect fairly the values of the relevant investments or liabilities of the relevant Fund.

In addition, special situations affecting the measurement of the Net Asset Value of the assets of a Fund may arise from time to time. Investors should be aware that situations involving uncertainties as to the valuation of such assets could have an adverse effect on the Net Asset Value of a Fund.

The Net Asset Value of a Fund may fluctuate over time according to the performance of a Fund's Investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value of a Fund is less than that at the time of investment. The value of the Shares and the income (if any) derived from them, can go down as well as up.

#### **5.54. Portfolio Turnover**

Turnover of a Fund's Investments may or may not be higher than the average for other more traditional portfolios and accordingly the level of commissions paid and other transaction costs is likely to be higher than average, which may adversely affect the returns realised by investors.

#### **5.55. Segregated Liability**

The ICAV is structured as an umbrella fund with segregated liability between Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the ICAV is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.

#### **5.56. Cybersecurity Risk**

The ICAV and its service providers, Shareholders and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the ICAV and its Shareholders, despite the efforts of the ICAV and its service providers and Shareholders to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of Shareholders' information. For example, unauthorised third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Manager, the Investment Manager, the Administrator, the Depositary or other service providers, Shareholders, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of these systems to disclose sensitive information in order to gain access to Shareholder/service provider data. A successful penetration or circumvention of the security of these systems could result in the loss or theft of a Shareholder's 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 to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which the Funds may invest, counterparties with which the ICAV engages in transactions and various other parties, which may also give rise to material adverse consequences for the ICAV including a decrease in the value of investments.

### **5.57. Business and Regulatory Risks Associated with Funds**

Legal, tax and regulatory changes could occur during the lifetime of the ICAV and/or its Funds that may adversely affect the ICAV and/or its Funds. The regulatory environment for funds pursuing alternative investment strategies is evolving and changes in the regulation of such funds may adversely affect the value of investments held by a Fund and the ability of each of the Funds to pursue its trading strategies. In addition, the securities markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of FDIs transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. Any future legal or regulatory change could substantially and adversely affect a Fund.

### **5.58. Regulatory Risks Related to U.S. State and Federal Securities Law**

The ICAV and the Funds are not registered as an “investment company” in reliance upon Section 3(c)(7) of the 1940 Act. Section 3(c)(7) of the 1940 Act depends in part, however, on all of the Shareholders who are U.S. Persons being Qualified Purchasers. Section 3(c)(7) under the 1940 Act and the rules of interpretations of the SEC defining Qualified Purchaser are highly complex. As a result, the ICAV and the Funds cannot assure their investors that they will not be deemed an “investment company” for purposes of the 1940 Act and required to register as such thereunder, in which event the ICAV, the Funds and the Manager could be subject to legal actions by regulatory authorities and others and could be forced to terminate. The costs of defending any such action could constitute a material part of the assets of the ICAV and the Funds. Termination could have materially adverse effects on the ICAV, the Funds and the value of the Shares.

Securities and investment businesses generally are regulated comprehensively and intensively under US state and federal laws and regulations. Any investigation, litigation or other proceeding that US state or federal regulatory agencies or private parties undertake that involves the Manager, the Investment Manager, the ICAV or the Funds could require them to spend a significant amount of money and time to address those matters, which could have materially adverse consequences for the ICAV and/or the Funds. In addition, because the ICAV and the Funds’ offering has not been registered under the 1933 Act, and the ICAV and the Funds are not registered under the 1940 Act, the ICAV and the Funds do not have certain regulatory protection available to investors in offerings or entities that are registered under such laws.

### **5.59. Fraud Risk**

A Fund will be exposed to the risk of fraud by third party service providers to, or the directors, officers or agents of, an investment entity in which a Fund is invested. These risks include fraud or bad faith relating to dealings with, or on behalf, of any investment entity where such officers, agents and third parties may receive direct or indirect benefit from dealings with or for that entity or where fees are received or cash flows handled in respect of that entity.

### **5.60. Terrorist Action**

There is a risk of terrorist attacks causing significant loss of life and property and damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect

on general economic conditions and market liquidity which may in turn adversely affect a Fund/s of the ICAV and its/their Shareholders.

#### **5.61. Custodial Risk**

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

#### **5.62. Foreign Account Tax Compliance Act**

The ICAV is required to comply with extensive reporting and withholding requirements designed to inform the US Department of the Treasury of US-owned foreign investment accounts. Failure to comply with these requirements will subject the ICAV to US withholding taxes on certain US-sourced income and gains. Shareholders may be requested to provide additional information to the ICAV to enable the ICAV to satisfy these obligations. See section headed "Taxation – Taxation in the United States".

#### **5.63. European Economic Risks**

Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non sovereign funding and debt. European, IMF and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms and may continue to do so. Financial markets, investor sentiment and credit ratings of institutions and Member States have already been adversely affected and may continue to be so. In addition, investment activity has been affected, as has the willingness and ability of financial institutions to extend credit and to obtain funding.

Member States within the Eurozone, and certain other Member States, are in ongoing discussions with a view to agreeing stricter financial disciplines. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted in the short to medium term.

There are increasing concerns that one or more Member States within the Eurozone may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the economy of the Member State and that of Europe and the wider world economy. The affect on creditors of a sovereign default is likely to be adverse.

The probability of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is difficult to predict the precise nature of the consequences of a Member State leaving the Euro as there has been no well-defined legal framework put in place in preparation for such an event.

However, it is likely that any Euro-denominated assets or obligations that the ICAV acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulations by governments, trade balances and imbalances and social, economic or political instability.

Predicting the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the ICAV's Euro-denominated investments becoming difficult to value, which could potentially result in negative consequences for the ICAV including suspension of Net Asset Value valuations and consequently of redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the ICAV's investments. They may also affect the ability of the ICAV to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the ICAV's portfolio and individual Share classes. Fluctuations in the exchange rate between the Euro and the US Dollar or other currencies could have a negative effect upon the performance of investments.

The Funds may face potential risks associated with the referendum on the United Kingdom's continued membership of the EU, which took place on June 23, 2016 and which resulted in a vote for the United Kingdom to leave the EU. The UK officially left the EU on 31 January 2020 but remained subject to EU regulations during an agreed transitional phase until 31 December 2020. Although a free trade agreement was ratified by both the EU and the UK in December 2020 and the transitional phase has ended, a number of uncertainties remain in connection with the UK's relationship with the EU regarding potential regulatory alignment or equivalence. Until the terms of the regulations are clearer, it is not possible to determine the full impact that the UK's departure and/or any related matters may have on the Fund.

From 1 January 2021, a memorandum of understanding is in place between the UK's Financial Conduct Authority, the European Securities and Markets Authority and the EU which permits the continued delegation of investment management. It is possible that there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. Where applicable, that decision to leave could materially and adversely affect the regulatory regime to which certain Investment Managers are currently subject in the United Kingdom, particularly in respect of financial services regulation and taxation. Furthermore, the vote to leave the EU may result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have a material adverse effect on the Funds. The vote for the United Kingdom to leave the EU may set in train a sustained period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit. It may also destabilize some or all of the other 27 members of the EU (some of which may be countries in which the Manager or Investment Manager conducts business) and/or the Eurozone. There may be detrimental implications for the value of certain of a Fund's

investments, its ability to enter into transactions, to value or realise certain of its investments or otherwise to implement its investment policy. This may be due to, among other things, increased uncertainty and volatility in United Kingdom, EU and other financial markets, fluctuations in asset values, fluctuations in exchange rates, increased illiquidity of investments located, traded or listed within the United Kingdom, the EU or elsewhere, changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price 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 a Fund's assets are or become subject to.

Furthermore, the exit of the United Kingdom from the EU could have a material impact on the United Kingdom's economy and the future growth of that economy, impacting adversely the ICAV's investments in the United Kingdom. It could also result in prolonged uncertainty regarding aspects of the United Kingdom economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the EU, could have a material adverse effect on the Funds.

#### **5.64. Sustainability Risks**

Sustainability Risks are principally linked to climate-related events resulting from climate change (physical risks) or to the society's response to climate change (transition risks), which may result in unanticipated losses that could affect a Fund's investments and financial condition. Social events (e.g. inequality, inclusiveness, labour relations, investment in human capital, accident prevention, changing customer behaviour, etc.) or governance shortcomings (e.g. recurrent significant breach of international agreements, bribery issues, products quality and safety, selling practices, etc.) may also translate into Sustainability Risks.

#### **5.65. Sustainable Investment Style Risk**

Certain Funds' application of sustainability criteria is designed and utilised to help identify companies that demonstrate the potential to reduce risk; however as with the use of any investment criteria in selecting a portfolio, there is no guarantee that the criteria used by such Funds will result in the selection of issuers or securities that will outperform other issuers/securities, or help reduce risk in the relevant Fund. The use of the Fund's sustainability criteria could also affect the Fund's exposure to certain sectors or industries, and could impact the Fund's investment performance depending on whether the sustainability criteria used are ultimately reflected in the market. Information used to evaluate a Fund's application of sustainability factors, like other factors used to identify companies in which to invest, may not be readily available, complete, or accurate, which could negatively impact the Fund's performance or create additional risk in that Fund.

#### **5.66. MiFID II**

In January 2014, the European Parliament announced that informal political agreement had been reached with the Council of Ministers of the EU on the principles to be contained in the proposed MiFID II Directive and the proposed Markets in Financial Instruments Regulation ("**MiFIR**") (together the "**MiFID II Proposals**"), which will replace and recast the Markets in Financial Instruments Directive ("**MiFID**"). When they come into force, the MiFID II Proposals will apply to investment firms, market operators and service providers providing post-trade transparency in the EU.

The MiFID II Proposals will require that all purchases and sales of financial instruments in the EU will have to be conducted on (i) Regulated Markets (“**RMs**”) (such as EU stock exchanges), (ii) Multilateral Trading Facilities (“**MTFs**”), or (iii) Organised Trading Facilities (“**OTFs**”). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives will have to be conducted on OTFs and all trading in shares in the EU will have to be conducted on organised trading venues such as RMs or MTFs. In addition, EU regulators will be empowered to limit the size of a net position which a person may hold in commodity derivatives, given their potential impact on food and energy prices. Under the new rules, positions in commodity derivatives (traded on trading venues and over the counter), would be limited, to support orderly pricing and prevent market distorting positions and market abuse. The MiFID II Proposals also introduce rules on algorithmic trading in financial instruments. Any EU investment firm engaging in algorithmic trading will be required to have effective systems and controls in place, such as “circuit breakers” that stop the trading process if price volatility gets too high. To minimise systemic risk, the algorithms used would have to be tested on trading venues and authorised by EU regulators. Records of all orders placed and cancelled by an EU investment firm’s algorithm will be required to be stored and made available to the applicable EU regulator upon request.

The MiFID II Proposals are still in a preliminary stage of negotiation and many provisions will require the adoption of delegated acts by the European Commission before the MiFID II Proposals become fully effective. Accordingly, it is difficult to predict the precise impact, if any, of the MiFID II Proposals on the Funds. Regulatory changes arising from the MiFID II Proposals may adversely affect the Funds’ ability to adhere to its investment approach and achieve its investment objectives.

#### **5.67. Changes in UCITS Regulations**

As a UCITS, the ICAV will be subject to any changes in the Regulations and Central Bank Requirements which may occur from time to time. Any changes in the Regulations or Central Bank Requirements could have negative consequences for the ICAV, whether intended or unintended, such as increasing the operating costs of the ICAV, limiting its ability to engage in certain investment strategies or to access certain markets or hold certain instruments or positions or to appoint certain service providers on terms favourable to the ICAV.

#### **5.68. Terrorist Risk, Hostilities, and Pandemic Risk**

Acts of terrorist violence, political unrest, armed regional and international hostilities and international responses to these hostilities, natural disasters, including hurricanes or floods, global health risks or pandemics or the threat of or perceived potential for these events could have a negative impact on the performance of a Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world. In particular, a novel coronavirus was first detected in late December 2019 in Wuhan City, Hubei Province, China and is causing an outbreak of respiratory disease in countries around the world. On February 11, 2020, the World Health Organization (the “WHO”) named the disease “COVID-19” and on March 11, 2020, the WHO declared a pandemic. Most countries around the world have suffered outbreaks of the disease and are likely to suffer a continued increase in recorded cases of the disease. The COVID-19 outbreak has seen a continual decline in global economic growth. There has been extreme volatility and limited liquidity in securities markets and such markets have been subject to governmental intervention. Certain Governments have

imposed restrictions on the manufacture of goods and the provision of services in addition to the free movement of persons. This has had a material impact on the activities of businesses, their profitability and their ability to generate positive cash flow. In these market conditions there is a much higher risk of credit defaults and bankruptcies. As a result, this may have a material impact on the performance of a Fund. There is a possibility with the severe decline in economic activity and restrictions imposed, of disruption of electricity, other public utilities or network services, as well as system failures at facilities or otherwise affecting businesses which could adversely affect the performance of a Fund. COVID19 has resulted in employees of the Investment Manager and certain of the other service providers to a Fund to be absent from work or work remotely for prolonged periods of time. The ability of the employees of the Investment Manager and/or other service providers to a Fund to work effectively on a remote basis may adversely impact the day to day operations of a Fund.

#### **5.69. Need for Independent Advice**

The ICAV, Promoter, Manager and Investment Manager have consulted with counsel, accountants and other experts regarding the formation of the ICAV and each Fund. Each prospective investor should consult its own legal, tax and financial advisors regarding the desirability of an investment in the ICAV and each Fund.

LK Shields Solicitors LLP ("**Counsel**") serves as counsel to the ICAV and may serve as counsel to other investment funds sponsored or managed by the ICAV. Counsel to the ICAV does not represent the Shareholders. Potential investors should seek independent legal counsel before making an investment in a Fund.

In connection with this offering of Shares and ongoing advice to the ICAV, Counsel has not represented, and will not be representing the Shareholders. No independent counsel has been, nor is it anticipated will be, retained to represent the Shareholders. Counsel's representation of the ICAV is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the ICAV upon which Counsel has not been consulted. Counsel does not undertake to monitor the compliance of the ICAV with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, in all cases, including the preparation of this Prospectus, Counsel relies upon information furnished to it by the ICAV and does not investigate or verify the accuracy and completeness of such information. In the course of advising the ICAV there may be times when the interests of these parties may differ from those of the Shareholders. Counsel does not represent the interests of the Shareholders in resolving such issues.

The foregoing list of risk factors is not complete. Prospective investors should consult with their own financial advisors before deciding to subscribe.

## **6. MANAGEMENT AND ADMINISTRATION**

The Directors control the affairs of the ICAV and are responsible for the overall investment policy, which will be determined by them and notified to the Manager. The Manager has delegated certain of its duties to the Investment Manager, the Administrator and the Distributor.

### **6.1. The Directors**

The ICAV shall be managed and its affairs supervised by the Directors whose details are set out below. The Directors are all non-executive directors of the ICAV. The ICAV has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV. The address of the Directors is the registered office of the ICAV.

#### **Rosemary Ward (Nationality: Irish - Irish Resident)**

Ms. Ward is a provider of independent consulting and directorship services, with over 20 years of experience in financial services. Ms. Ward has a background in fixed income sales with BZW, Goldman Sachs and Credit Suisse First Boston. Previously, she worked at HSBC Securities Services, and at the Irish Stock Exchange with responsibility for investment funds business development and product development.

Ms. Ward holds a BA (Hons) in Economics from Trinity College Dublin and an MBA in Finance and Accounting from D.I.T. She also holds a diploma in Corporate Governance and is a member of the Corporate Governance Institute.

#### **Lorcan Murphy (Nationality: Irish - Irish Resident)**

Mr. Murphy is an independent non-executive director and marketing and distribution professional, with 30 years of knowledge of global mutual funds, spanning operational management, risk management, compliance, product development and asset gathering. Currently, Mr. Murphy is a director and chair of several Irish UCITS funds.

Mr. Murphy works with ACOLIN Fund services out of Zurich, and, previously, he was head of Private Wealth Europe within Barclays Global Investors. He is a qualified Chartered Accountant (ICAI) and has a Bachelor of Business Science degree (Economics major) from Trinity College Dublin.

#### **Andrea Andreis (Nationality: Italian – UK resident)**

Mr. Andreis has about 20 years of experience in the financial services industry. In his current role as director, portfolio manager and head of research at Niche Asset Management Limited, he manages approximately €400 million of assets across three mutual funds. As part of this role, he is also responsible for leading and supervising the research of environmental, social, governance and sustainable development goals for the mutual funds under management.

He previously worked as a fund manager for Symphonia SGR SpA where he managed over €1.3 billion of assets across six mutual funds and as an equity and corporate debt analyst at Banca Intermobiliare di Investimenti e Gestioni SpA.

Mr. Andreis holds a Degree in Economics from the University of Turin.

**Massimo Baggiani (Nationality: Italian – UK resident)**

Mr. Baggiani has over 20 years of experience in the financial services industry. In his current role as director, portfolio manager, and chief investment officer at Niche Asset Management Limited, he manages approximately €400 million of assets across three mutual funds. As part of this role, he is also responsible for leading the investment team and advising the investment committee and board of directors on the investment strategy of the mutual funds under management.

He previously worked as a fund manager for Symphonia SGR SpA where he managed over €1.3 billion of assets across six mutual funds and as head of investments at Symphonia Multisicav SGR.

Mr. Baggiani holds a Degree in Economics from the University of Turin and an Investment Management Certificate from the CFA Institute. He is also a Certified European Financial Analyst (CEFA), an internationally-recognised, benchmarked qualification for investment and finance professionals which is accredited in 27 European countries and quality controlled by the European Federation of Financial Analysts Societies (EFFAS).

The Secretary of the ICAV is Maple Secretaries Limited.

**6.2. The Manager**

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

Management of the ICAV – General

The Directors control the affairs of the ICAV and have delegated certain of their duties to the Manager, which, in turn, has delegated certain of its duties to the Administrator, the relevant Investment Manager and the Distributor. The Depositary has also been appointed to hold the assets of each Fund. Consequently, all Directors of the ICAV in relation to the ICAV are non-executive.

The Manager

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

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

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

The directors of the Manager are:

**Neil Clifford (nationality: Irish – Irish resident)**

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

**Teddy Otto (nationality: German – Irish resident)**

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

**Michael Bishop (nationality: British – U.K. resident)**

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

**Sarah Murphy (nationality: Irish – Irish resident)**

Sarah is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Sarah is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$100bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

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

Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

**David McGowan (nationality: Irish – Irish resident)**

David joined Carne as the Global Chief Operating Officer in October 2019. David has over 15 years' experience in building and managing complex operations teams across a variety of industries. David has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of David's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Manager's regulatory environment as the Manager grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In David's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, David was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

David holds a BSc in Supply Chain Management and Logistics from the Aston University Manchester.

**Elizabeth Beazley (nationality: Irish – Irish resident)**

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

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

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

## Terms of Appointment

Pursuant to the Management Agreement the Manager is responsible for the general management and administration of the ICAV's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the ICAV.

The Manager shall exercise the due care of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Manager shall not be liable for any decline in the value of the Investments of the ICAV or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

Neither the Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Manager of its obligations and duties under the Management Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement.

The ICAV shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the ICAV and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement. The Manager's liability to the ICAV shall not be affected by the fact that the Manager has delegated all or any part of its function set out in the Regulations to a third party.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the 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 unable to perform its duties under the Management Agreement due to any change in law or regulatory requirement; (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. Either party may also terminate the

Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

### Remuneration Policy of the Manager

The Manager has remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines on sound remuneration policies under the Directive (“ESMA Remuneration Guidelines”). The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager'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. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration 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 Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

### **6.3. Investment Managers**

The Manager may appoint one or more Investment Managers to provide investment management services to a Fund, as disclosed in the relevant Supplement. Details of Investment Managers and sub-investment managers appointed in respect of a Fund, which are not paid out of the assets of a Fund directly, shall be available on request to Shareholders.

### **6.4. The Administrator**

CACEIS Ireland Limited has been appointed by the ICAV and the Manager to act as Administrator, Registrar and Transfer Agent under the terms of the Administration Agreement.

The Administrator will have the responsibility for the administration of the ICAV's and each Fund's affairs including the calculation of the Net Asset Value and preparation of the accounts of the ICAV, subject to the overall supervision of the Directors.

The Administrator was incorporated in Ireland as a private limited company on 26 May 2000 with registered number 327980 to provide administration services to collective investment schemes and is authorised by the Central Bank. The Administrator is owned by CACEIS which is a joint venture between Credit Agricole S.A. (69.5%) and Banco Santander S.A. (30.5%). The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administrator is responsible for providing administration services to the ICAV, including, inter alia, communication with Shareholders, maintaining the financial and account records of the ICAV, determining the Net Asset Value and Net Asset Value per Share, serving as the ICAV's agent for the issue and redemption of Shares, acting as registrar of the ICAV and each Fund, preparing financial statements, arranging for the provision of accounting, clerical and administrative services, maintaining corporate

records, and disbursing payments of fees.

The Administrator is not responsible for ensuring compliance by the ICAV and each Fund with the specific investment restrictions for a Fund as outlined in the Appendix for the relevant Fund.

The Administrator is a third party service provider to the ICAV and the Administrator is not responsible for the preparation of this Prospectus or the activities of the ICAV and therefore accepts no responsibility for any information contained in this Prospectus. The Administrator will not participate in the investment decision making process.

### Terms of Appointment

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other.

The Administration Agreement contains indemnities in favour of the Administrator, its delegates, directors, officers, employees, servants and agents excluding matters arising by reasons of negligence, fraud, wilful default, bad faith, recklessness, or material breach in the performance of its or their duties and obligations under the Administration Agreement and also contains provisions regarding the Administrator's legal responsibilities.

The Administration Agreement is subject to the laws of Ireland.

If a conflict of interest arises in respect of its role as administrator to the ICAV, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

### **6.5. The Depositary**

The ICAV has appointed CACEIS Bank, Ireland Branch to act as depositary in respect of the ICAV and each of its Funds pursuant to the terms of the Depositary Agreement. CACEIS Bank acting through its Ireland branch (CACEIS Bank, Ireland Branch) is regulated by the Central Bank.

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 Fund's 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 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 Regulations; and
- (ii) otherwise in accordance with the provisions of the Instrument and the 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.

## Terms of Appointment

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 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 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 Regulations.

The ICAV, on behalf only of its impacted Fund(s), will indemnify and hold harmless the Depositary, its officers, directors and employees of and from all damages, costs, liabilities and expenses resulting from the fact that the Depositary and/or these persons have acted for the Depositary pursuant to the Depositary Agreement and in accordance with proper instructions where required, other than in respect of where such costs, liabilities and expenses arise in circumstances where the Depositary would be liable as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and Regulations.

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 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, in which case the appointment of the Depositary shall continue until the authorisation of the ICAV is revoked.

## Conflicts of Interest

Pursuant to the 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 currency hedging services as well as acting as counterparty to OTC transactions and providing credit facility arrangements. The Depositary cannot provide administration and transfer agency services to the ICAV.

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:

1. 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;
2. 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 Regulations, the Depositary may delegate its safekeeping obligations provided that:

- (i) the requirements of Regulation 34A(3) of the Regulations are met;
- (ii) the services are not delegated with the intention of avoiding the requirements of the Regulations;
- (iii) the Depositary can demonstrate that there is an objective reason for the delegation; and
- (iv) 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 in Appendix III.

In accordance with the 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.

#### **6.6. Investment Manager and Promoter**

Niche Asset Management Limited is the promoter of the ICAV and an Investment Manager of certain Funds of the ICAV, as detailed in the relevant Supplement.

#### **6.7. Paying Agents, Local Representatives and Distributors**

The Directors, the Manager or their duly authorised delegates may appoint such paying agents, local representatives and Distributors as may be required to facilitate the authorisation or registration of the ICAV and/or the marketing of any of its Shares in any jurisdiction. Such appointments will be made in accordance with the Central Bank Requirements.

#### **6.8. The Auditor**

The auditor of the ICAV is EisnerAmper.

#### **6.9. Conflicts of Interest**

The Directors, Manager, Investment Managers, Administrator, Distributor, Depositary, their affiliates, officers and shareholders (collectively the "**Parties**" and each a "**Party**") are or may be involved in other financial investment and professional activities which may on occasion cause conflicts of interest with the management of the ICAV. These include management of other funds, purchases and sales of securities, investment and management consulting, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the ICAV may invest. In particular it is envisaged that the Investment Manager may be involved in advising other investment funds, which may have similar or overlapping investment objectives to or with the Funds of the ICAV. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. In the event that any of the assets of the ICAV would be invested in any such investment funds, the Party involved in providing such management or other advisory services will waive the preliminary or initial charges, which it may otherwise be entitled to charge for its own account. In relation to such investment of the ICAV's assets, if any commission or fees are or would be received by such Party or Parties by virtue of an investment of the assets of the ICAV in such investment fund, such commission will be paid to the ICAV for its own account.

In addition, the Manager, the Depositary, any delegates or sub-delegates of the Manager or of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the foregoing (each a "Connected Person") may each from time to time deal, as principal or agent, with the ICAV provided that such dealings are conducted at arm's length and in the best interests of Shareholders. Transactions entered into with a Connected Person for on behalf of the ICAV are permitted only in circumstances where at least one of the following conditions is satisfied: (i) the value of the transaction is certified by a person approved by the Depositary (or by the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary being independent and competent;

or (ii) execution is on best terms on an organised investment exchange under the rules of the relevant exchange; or (iii) where (i) or (ii) are not practical, execution is on terms which the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary), is satisfied conforms to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders at the date of the transaction. In the case of each transaction entered into with a Connected Person for or on behalf of the ICAV, the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary), shall document the manner in which it has complied with the principles set out at (i) to (iii) above and where a transaction with a Connected Person is conducted in accordance with (iii) above, the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the requirement that such transactions be conducted as if at arm's length and in the best interests of Shareholders at the date of the transaction.

Each Connected Party will provide the Manager with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the ICAV's annual and semi-annual reports in respect of all Connected Party transactions. The appointment of the Manager, Investment Managers, the Administrator, the Distributor and the Depositary in their primary capacity as service providers to the ICAV are excluded from the scope of these Connected Person requirements.

Pursuant to the 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.

The Manager's or Investment Managers' fees are based on a percentage of the Net Asset Value of each Fund. The Investment Managers may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly.

#### **6.10. Meetings**

Pursuant to the Act, the Directors have elected to dispense with the holding of annual general meetings. Notwithstanding this, one or more Shareholders holding, or together holding, not less than 10% of the voting rights in the ICAV, or the Auditor of the ICAV, may require the ICAV to hold an annual general meeting in a specific year, by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year and the ICAV shall hold the required meeting.

#### **6.11. Accounts and Information**

The accounting period of the ICAV and each Fund will end on 31 December in each year.

The ICAV on behalf of each Fund will prepare an annual report and audited financial statements made up to 31 December in each year, which will be published within four months of the end of the accounting period to which they relate i.e. normally in April of each year. The ICAV on behalf of each Fund will also prepare a semi-annual report and unaudited half-yearly financial statements made up to 30 June in each year which will be published within two months of the end of the half-year accounting period to which they relate i.e. normally in August of each year.

The first annual report and audited financial statements of the ICAV/Funds will be made up to 31 December 2022. The first semi-annual report will cover the period ending 30 June 2023.

Copies of this Prospectus, Supplements, Key Investor Information Documents and the annual and half-yearly reports of the ICAV/Funds may be obtained from the Administrator at the address given under "Directory" and on the website designated by the ICAV for this purpose: [www.nichejungle.com](http://www.nichejungle.com).

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with International Financial Reporting Standards.

## **7. VALUATION, SUBSCRIPTIONS AND REDEMPTIONS**

### **7.1. Calculation of Net Asset Value**

The Net Asset Value of each Fund will be expressed in its Base Currency. The calculation of the Net Asset Value of each Fund and of each Share class thereof will be carried out by the Administrator in accordance with the requirements of the Instrument, and details are set out under the heading "Statutory and General Information" below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share class in a Fund, the Net Asset Value attributable to each Share class and the Net Asset Value per Share per class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share shall also be made public at the offices of the Administrator during normal business hours and will be made available on the internet on Bloomberg (and will be kept up to date), or in some other manner as may be notified to Shareholders from time to time at the discretion of the Directors, in accordance with the requirements of the Central Bank.

The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the Share class by the number of Shares of that class and rounding the result to two decimal places.

Where there are different classes of Shares within a Fund, a Fund's Supplement shall state whether or not a hedging policy is being adopted in respect of any such class of Shares.

### **7.2. Subscription**

The Directors may issue Shares of any class of any Fund on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any Share class together with subscription and settlement details and procedures will be set out in the relevant Supplement. Shares shall be issued at the initial offer price, or, the Subscription Price, plus any charges, as specified in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the ICAV's register of shareholders. Share certificates will not be issued. Each Shareholder will be sent a written trade confirmation confirming ownership of the relevant Shares.

Under the Instrument, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have the power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the ICAV to adverse tax or regulatory consequences and may request further details or evidence of identity from an applicant or holder of Shares.

The Directors may, at any time and in their discretion, resolve to close a Fund or one or more class of Shares to subscriptions or conversions for a period of time. The circumstances in which they may do so include, but are not limited to, circumstances where the strategy run by the relevant Investment Manager, of which the Fund forms part, has reached a size where, in the opinion of the Investment Manager, the universe of securities in which the strategy may invest may become too small to enable the Investment

Manager to continue to invest the assets of the strategy effectively if the Fund, and therefore the strategy, continues to grow. Such Funds may be re-opened at any time by a resolution of the Directors. In exercising the discretion provided above, the Directors may, at any time, decide to close a Fund or a class of Shares and not to accept any further investment into the relevant Fund or class (i) from investors who have not yet invested into the said Funds or into the said Share classes (“Soft Closure”) or (ii) from any investor including investors already invested in the relevant Fund or Share class (“Hard Closure”). Decisions taken by the Directors on Soft Closure and Hard Closure may have immediate or non-immediate effect and may be effective for an unspecified period of time. In relation thereto, a notification will be displayed on the website of the ICAV and will be updated according to the status of the said Shares classes or Funds.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

No Shares of any Share class will be issued or allotted during a period when the determination of Net Asset Value of that Share class is suspended.

All subscriptions will be dealt on a forward pricing basis, i.e. by reference to the Subscription Price per Share calculated in respect of a Fund as at the Valuation Point on the relevant Dealing Day. Any applications received after the cut-off time specified in the relevant Supplement will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Directors on an exceptional basis only provided the application is received by the Administrator before the relevant Valuation Point (which for this purpose shall be the close of business in the market that closes first on each Dealing Day).

Shares in the Fund distinguished by minimum initial subscription, minimum holding, minimum redemption requirements and levels of fees and charges levied are as set out in the relevant Supplement. The Directors may, in their discretion, waive the minimum subscription, minimum holding and/or minimum redemption amounts either generally or in a specific case.

Each of the Share Classes in the Fund may be offered a) through distribution agents, platforms or financial intermediaries that are not eligible to receive commissions under local adviser charging rules or that decide not to receive commissions or b) to intermediaries, investing on behalf of individual clients under discretionary mandates, or c) to such other investors as may be determined by the Directors.

#### Application Forms

All applicants applying for the first time for Shares in the ICAV must complete (or arrange to have completed under conditions approved by the Directors) and sign the Application Form prescribed by the Directors in relation to the ICAV and the relevant Share Class of a Fund.

Subsequent applications by existing Shareholders may be made by facsimile or a pdf attached to an email, which may be processed without a requirement to submit certified copies of documents, or otherwise in writing as may be prescribed by the Directors, in accordance with the requirements of the Central Bank, from time to time, provided that there has been no change in the relevant details of the Shareholder. Application Forms may be obtained from the Manager or the Administrator. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile or a pdf attached to an email, to the relevant facsimile or email address of the Administrator contained in the Application Form, at the risk

of the applicant. Initial applications can be made by facsimile or pdf attached to an email provided that a copy of the Application Form, and copies or certified copies (as applicable) of supporting documentation in relation to money laundering prevention checks, is sent to the facsimile or email address of the Administrator. Completed Application Forms should be sent to the Administrator by the dealing deadline time specified in the relevant Supplement.

Failure to provide a copy of the Application Form (and the relevant supporting documentation in relation to anti-money laundering) by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. Moreover, applicants will not receive redemption proceeds dividend payments or be able to make additional subscriptions until the Administrator has received a copy of the Application Form and anti-money laundering procedures have been completed.

#### Subscription Price

The "**Subscription Price per Share**" shall be ascertained by:

- (a) determining the Net Asset Value of the relevant Fund calculated as of the Valuation Point on the Dealing Day on which the subscription is to be effective;
- (b) dividing that amount by the number of Shares of the Fund in issue at the relevant Valuation Point;
- (c) adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any); and
- (d) adjusting by such amount as may be necessary to round the resulting amount to two decimal places or such other number of decimal places as the Directors may determine.

Where relevant (and disclosed in the Supplement in respect of a Fund) a Sales Fee shall also be payable. The Sales Fee shall be calculated as a percentage of the Subscription Price per Share which will not exceed 3% of the subscription proceeds. Please see Section 8.6 for further details.

Subscription monies received prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the ICAV/relevant Fund until transferred to the Fund's account. This is on the basis that the relevant bank account is the Depositary's "nostro" or general cash account and is not a collection account within the meaning of the Investor Money Regulations, i.e. it is not designated as a subscription/redemption account and is not an account which is opened to hold monies for the benefit of an investor in the ICAV. Accordingly, investors should note that prior to transfer to the ICAV/Fund account, investors may be exposed to the creditworthiness of the Depositary and the relevant credit institution where subscription monies are held and neither the Directors nor the ICAV shall have any fiduciary duties to the investor in respect of such monies.

#### Anti-Dilution Levy

The Directors reserve the right to impose an Anti-Dilution Levy as a fee of up to 1% (to be communicated to the Administrator) on the value of the relevant subscription to cover dealing costs and to preserve the

value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund. Any such sum will be paid into the account of the relevant Fund.

#### Initial Offer of Shares

Applications for Shares during an Initial Offer Period must be received (together with cleared funds and all required anti-money laundering documentation) during the relevant Initial Offer Period. All applicants for Shares during an Initial Offer Period must complete (or arrange to have completed under conditions approved by the Directors) the Application Form.

The Initial Offer Price of Shares will be set out in the relevant Fund Supplement.

#### Fractions

Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Price for one Share, provided however that fractions shall not be less than two decimal points or such number of decimal points of a Share as the Directors may determine from time to time. Subscription monies, representing less than the relevant fraction of a Share will not be returned to the applicant but will be retained by the Fund in order to defray administration costs

#### Method of Payment

Subscription payments net of all bank charges should be paid to the Administrator by CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the ICAV in consultation with the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

#### Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share class. Subscriptions may be accepted in a currency other than the designated currency of the relevant Share class at the discretion of the Administrator. Please see Section 7.7 in relation to currency of payment and foreign exchange transactions.

#### Timing of Payment

Payment in full in cleared funds in respect of a subscription (including the Sales Fee, if any) must be received no later than the time set out in the relevant Supplement (or within such other periods as may be permitted by the Directors). If payment has not been received by the time for receipt by the Administrator on behalf of the Fund, any allotment of Shares made in respect of such application may be cancelled. In such event and notwithstanding cancellation of the application, the Directors may charge the applicant interest on the outstanding subscription monies at normal commercial rates and for any expense incurred by the ICAV for any loss to the Fund arising out of such non-receipt. In addition, the ICAV will have the right to sell all or any part of the applicant's holding of Shares in any other Fund in order to meet these charges. The ICAV reserves the discretion to require receipt of subscription monies on the Dealing Day that the Shares are to be issued and the ICAV may exercise this discretion, for example, with respect to new

investors in a Fund. In exercising this discretion, the ICAV will take into account legal considerations, timing matters and other considerations. Investors will be notified in advance, should the ICAV exercise this discretion.

Subscription monies representing less than the Subscription Price for one Share will not be returned to the applicant. Fractions of up to two decimal places of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price for one Share.

#### Registrations and Confirmations

Contract notes confirming ownership will generally be sent to applicants within five Business Days of the relevant Dealing Day, setting out details of the Shares which have been allotted.

### **7.3. Redemption**

Shareholders may redeem their shares in respect of any Dealing Day.

The Directors may also compulsorily redeem Shares according to the provisions of this Prospectus and the Instrument.

If a redemption request is received after the deadline for receipt of requests for redemption for any particular Dealing Day, it shall (subject to Directors' discretion) be treated as a request for redemption in respect of the following Dealing Day and Shares will be redeemed at the Redemption Price as at the Valuation Point relevant to the next following Dealing Day.

If total requests for redemption on any Dealing Day exceed 10% of the Net Asset Value of a Fund whose assets under management as at that Dealing Day exceed the sum of €200 million (or its equivalent), each redemption request in respect of Shares in the Fund may, if in their sole discretion the Directors acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced "pro rata" so that the total number of Shares for the Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value of the relevant Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Directors shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Directors shall have the same power) until the original request has been satisfied in full. Redemption requests carried forward to any subsequent Dealing Day(s) shall be treated in accordance with the terms of the Instrument. If redemption requests are so carried forward, the Directors shall ensure that the Shareholders affected thereby are promptly informed.

#### Redemption Price

The "**Redemption Price per Share**" shall be ascertained by:

- (a) determining the Net Asset Value of the relevant Fund calculated as of the Valuation Point on the Dealing Day on which the redemption is to be effective;
- (b) dividing that amount by the number of Shares of the Fund in issue at the relevant Valuation Point;

- (c) deducting such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any); and
- (d) adjusting by such amount as may be necessary to round the resulting amount to two decimal places or such other number of decimal places as the Directors may determine.

Where relevant (and disclosed in the Supplement in respect of a Fund) a Redemption Fee shall also be payable. The Redemption Fee shall be calculated as a percentage of the Redemption Price per Share which will not exceed 2% of the redemption proceeds. Please see section 8.6 for further details.

#### Anti-Dilution Levy

The Directors reserve the right to impose an Anti-Dilution Levy as a fee of up to 1% (to be communicated to the Administrator) on the value of the relevant repurchase to cover dealing costs and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Any such sum will be paid into the account of the Fund.

### **7.4. Procedures for Redemptions**

A redemption request in the form of a signed redemption form must be received by the Administrator by the time set out in the relevant Supplement (or in exceptional circumstances, such later time/or date as the Directors shall determine in respect of a specific application before the relevant Valuation Point). Instructions by facsimile, pdf attached to an email or such other means in accordance with the requirements of the Central Bank will be accepted only where payment is made to the account of record.

### **7.5. Payment of Redemption Monies**

#### Method of Payment

Redemption payments will be sent by CHAPS, SWIFT or telegraphic transfer at the risk and expense of the Shareholder to the bank account detailed on the Application Form or in exceptional circumstances as subsequently notified to the Administrator in writing. The Administrator will not make redemption payments to a party other than the Shareholder.

#### Currency of Payment

Shareholders will be repaid in the designated currency of the relevant Share class. In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

#### Timing of Payment

Redemption proceeds in respect of Shares will be paid by the time set out in the Supplement and, in any event, within ten Business Days of the relevant Dealing Deadline provided that a copy of the Application Form (including any documents in connection with anti-money laundering procedures) has been received and the anti-money laundering procedures have been completed. Redemption proceeds will be sent by

telegraphic transfer at the risk and expense of the Shareholder to the Shareholder's designated bank account.

## **7.6. Subscriptions/Redemptions in Specie**

### Subscription in Specie

The Directors may issue Shares of any Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an application form as required under this Prospectus and/or otherwise satisfied all the requirements of the Directors and the Administrator as to such person's application;
- (b) the nature of the investments transferred into the Fund are such as would qualify as investments of such Fund in accordance with the Investment objectives, policies and restrictions of such Fund;
- (c) no Shares shall be issued until the investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the ICAV. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties or Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

### Redemption in Specie

- (a) The Directors may, provided that they are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and with the agreement of a Shareholder whose Shares in any Fund are being redeemed, elect that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.
- (b) If the discretion conferred upon the Directors by paragraph (a) is exercised, the Directors shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and the amount of cash to be paid to the Shareholder. The allocation of Investments in satisfaction of an

in specie redemption request shall be subject to the approval of the Depositary. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder.

- (c) If a redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of a Fund the Directors may in their sole discretion redeem the Shares by way of exchange for Investments and in such circumstances the Directors will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder. The cost of such a sale may be charged to the Shareholder. It is not the intention of the Directors to charge this cost.

#### **7.7. Currency of Payment and Foreign Exchange Transactions**

Where payments in respect of the purchase or redemption of Shares or dividend payments are tendered or requested in a currency other than the currency of denomination of the relevant Fund/Share class of the Fund, any necessary foreign exchange transactions will be arranged by the Manager or Investment Manager for the account of and at the risk and expense of the investors. Such transactions shall take place, in the case of subscriptions, at the time cleared funds are received, in the case of redemptions, at the time the request for redemption is received and accepted, and in the case of dividends, at the time of payment. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the ICAV's bankers. The value of the Shares denominated in a currency other than the Base Currency of the relevant Fund will be subject to exchange rate risk.

#### **7.8. Compulsory Redemption**

All the Shares of the ICAV or the Shares of any Fund or class of Shares may be compulsorily redeemed:

- (a) where Shares are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors;
- (b) where, in the opinion of the Directors, such redemption would eliminate or reduce the exposure of the ICAV or its Shareholders to adverse tax or regulatory consequences or if Shares are held by a Shareholder who is not a Qualified Holder;
- (c) where not less than 75% of the Shareholders (voting at the meeting either in person or by proxy) approve of the redemption of the Shares at a general meeting of the relevant Share class of which not less than 21 days notice has been given;
- (d) at the discretion of the Directors, if the Fund ceases to be listed on a stock exchange;
- (e) a Shareholder has not completed the anti-money laundering procedures to the satisfaction of the ICAV and/or the Administrator; or
- (f) at the discretion of the Directors acting reasonably, upon the provision of reasonable notice to a Shareholder.

The ICAV may deduct Duties and Charges and a Redemption Fee from the proceeds of any such compulsory redemption prior to remitting same to a redeeming Shareholder.

## 7.9. Switching Between Funds

Shareholders have the ability to switch into another class of Shares in the Fund or a different sub-fund subject to the requirements as specified below. On the establishment of any new Fund (or class thereof) the Directors shall specify the switching rights relating to such Fund (or class thereof), where such rights are different to those set out in this section.

Switching may be effected by application to the Administrator on such switching form as may be prescribed by the Directors.

If a switch from a Share class or Fund (the "**Original Share Class**" or "**Original Fund**" as the context requires) to another class or Fund (the "**New Share Class**" or "**New Fund**" as the context requires) would result in a Shareholder holding a number of Shares in the Original Share Class or Original Fund with a value of less than the minimum holding as set out in the Supplement for the relevant class or Fund, the ICAV (or the Administrator on its behalf) may, at its discretion, switch the whole of the applicant's holding of Shares in the class or Fund or refuse to effect any switch. The Shareholder must also meet the minimum redemption requirements set out in the Supplement for the Original Share Class or Original Fund and the minimum subscription requirements set out in the Supplement for the relevant Fund or New Fund. No conversions will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions will apply equally to conversions.

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

$$A = \frac{B \times (C \times D \times F)}{E}$$

Where:

- A = the number of Shares of the New Share Class or New Fund to be allotted;
- B = the number of Shares of the Original Share Class or Original Fund to be switched;
- C = the Redemption Price per Share of the Original Share Class or Original Fund in respect of the Valuation Point on the relevant Dealing Day;
- D = if relevant, the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds where the Base Currencies of the relevant Funds are different. Where the Base Currencies of the relevant Funds are the same, D=1;
- E = the Subscription Price per Share of the New Share Class or New Fund in respect of the Valuation Point on the relevant Dealing Day plus the current switching fee (of up to 1% of the Redemption Price of the Shares in the Original Share Class or Original Fund); and

F = if relevant, the switching factor to be applied to switching between Funds with different Settlement Dates. This factor will be determined by the Administrator as being derived from the borrowing rate of interest (which may be retail or business depending on the volume of switching) where the Settlement Date for Shares in the New Fund is earlier than the Settlement Date for Shares in the Original Fund. In such circumstances, this factor shall operate to compensate the New Fund for late settlement. In all other cases, including where the Settlement Dates of the relevant Funds are the same,  $F=1$ .

The length of time for completion of a switch will vary depending on the Funds or Share classes involved and the time when the switch is initiated. In general, the length of time for completion of a switch will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired.

The class Q Shares, as set out in the relevant Supplement, which will be listed on the Borsa Italiana market for open-end funds, are excluded from any form of switching.

#### **7.10. 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 as defined in the Data Protection Legislation and they are giving their explicit consent to the processing of such personal data as described in this section and the Application Form. Further, by completing the Application Form, they are confirming that they have fully explained to any third party whose personal data is disclosed by them to the ICAV the purposes and use for which that information has been obtained and how the information may be used, in the same detail as set out in this Prospectus and that each such person has explicitly consented to such.

For the purposes of the Data Protection Legislation, the data controller in relation to any personal data of prospective investors is the ICAV.

This data will be used for the purposes set out the Application Form and for matters including administration of the investors account, transfer agency, statistical analysis and research. Furthermore, by signing the Application Form, investors acknowledge that they are providing their consent to the ICAV, its delegates and its or their duly authorised agents/data processors and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the ICAV and any related accounts on an on-going basis and to contact prospective investors by post, telephone, e-mail, facsimile or other means regarding their investments and financial needs;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to carry out and comply with tax reporting requirements;
- (e) to comply with legal and regulatory obligations applicable to the investor and the ICAV;

- (f) for disclosure to the U.S. Internal Revenue Service to meet the ICAV's obligations under FATCA as further disclosed in the section entitled "Taxation" below; and/or
- (g) for other legitimate business interests of the ICAV.

Such personal data may be processed by:

- (a) the ICAV, its delegates and its or their agents/data processors and any of their respective related, associated or affiliated companies;
- (b) third parties including technology providers, legal advisers, financial advisers, auditors, the Revenue Commissioners, the Garda Síochána and regulatory bodies including but not limited to the Central Bank; and/or
- (c) any third parties who provide services to the ICAV.

The processing of such personal data may include the transfer of data out of the EEA to a country which does not have equivalent data protection to that of the EEA including, without limitation, the countries outside the European Economic Area. By submitting personal data, a prospective investor agrees to this transfer, storing or processing.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV. The ICAV may charge a fee for this which will not exceed €6.35. Investors also have a right to amend and rectify any inaccuracies in their personal data held by the ICAV, the right to object to the use of their data and the right to block any specific uses of their data by making a request to the ICAV at its registered office.

The ICAV undertakes to hold any personal information provided by investors in accordance with Data Protection Legislation.

By signing the Application Form, prospective investors consent to the recording of telephone calls that the ICAV make to and receive from the Manager, Administrator, the Depositary or the Investment Manager and their delegates or duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Prospective investors also consent to the ICAV, the Manager or the Investment Manager sending information about other investment services to them by letter, telephone or other reasonable means of communication. Investors understand that they have a right not to receive such information.

#### **7.11. Anti-Money Laundering**

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify their identity to the ICAV or Administrator. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of copies or certified copies (as applicable) of the relevant documentation. Depending on the circumstances of each application, verification may not be required where the application is made through a recognised intermediary. This exception will only apply if the intermediary in question is regulated by the relevant regulatory body within a country recognised by Ireland as having equivalent anti-money laundering regulations.

By way of example, an individual may be required to produce a copy of a passport or other photographic identity document and a copy of a non-photographic identity document such as a utility bill or bank statement. In the case of corporate applicants this may require production of a copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of some or all directors and beneficial owners. The ICAV or the Administrator may request further documentation to be provided upon written request.

The details given above are by way of example only and the ICAV or the Administrator will request such information and documentation as it considers 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 or Administrator (as delegate of the ICAV) may refuse to accept the application or any subsequent application and the subscription monies relating thereto or may refuse to settle a redemption request or pay dividends until proper information has been provided. Investors should note specifically that redemption proceeds will not be paid to a third party account (other than in exceptional circumstances approved by the ICAV).

Each applicant for Shares acknowledges that the ICAV and the Administrator shall be held harmless against any loss arising as a result of a failure to process an application for Shares, or a delay settling redemption proceeds, if such information and documentation as has been requested by the ICAV or the Administrator (as delegate of the ICAV) 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 resident in a prohibited country or territory and is not an individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website 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 sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

#### **7.12. Transfer of Shares**

Shares are (save as hereinafter specified and subject to such other conditions as may be set out in the relevant Supplement) freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees must complete an application form and provide such other information (e.g. as to identity) as the ICAV or its delegates may reasonably require. The Directors may decline to register any transfer of a Share:

- (a) where they are aware or believe that such transfer would result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the ICAV to adverse tax, legal or regulatory consequences; or
- (b) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a minimum holding as set out in the Supplement for the relevant Fund.

### 7.13. Temporary Suspensions

The ICAV may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any Share class of any Fund:

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being prejudicial to, or detrimental to the interests of, owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated;
- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the ICAV or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the ICAV is unable to repatriate funds required for the purpose of making redemption payments or when such payments 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 the transfer of monies or assets required for subscriptions, redemptions or trading;
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the ICAV;
- (f) during any period in which a counterparty with which the ICAV has entered into a swap transaction is unable to make any payment due or owing under the swap, including where it is unable to repatriate or exchange at a reasonable rate the proceeds of its underlying hedge;
- (g) during any period when the Directors, in their discretion, consider suspension to be required or in the interests of the ICAV, a Fund or the Shareholders of a Fund; or
- (h) during any period during which the Directors, in their discretion, consider suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Fund or of the ICAV.

The ICAV, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the ICAV will immediately (and in any event during the Business Day on which the suspension occurred) notify the Central Bank and any other competent authority

in a Member State or other country in which Shares are marketed and published in such publication(s) as the Directors may determine.

#### Cash Accounts

Subscription monies received prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the relevant Fund until transferred to the Fund's account. This is on the basis that the relevant bank account is the Depository's "nostro" or general cash account and is not a collection account within the meaning of the Investor Money Regulations, i.e. it is not designated as a subscription/redemption account and is not an account which is opened to hold monies for the benefit of an investor in the ICAV. Accordingly, Investors should note that prior to transfer to the Fund account, Investors may be exposed to the creditworthiness of the Depository and the relevant credit institution where subscription monies are held and neither the Directors nor the ICAV shall have any fiduciary duties to the investor in respect of such monies.

## **8. FEES AND EXPENSES**

### **8.1. General**

Each Fund shall bear its attributable proportion of the organisational expenses of the ICAV.

All fees and expenses relating to the establishment of the ICAV and the fees of the professional advisers to the ICAV (including legal, accounting, tax, regulatory, compliance, fiduciary and other professional advisers) (establishment expenses) not exceeding €60,000 will be borne by the ICAV and will be amortised over the first 60 months of the lifetime of the respective Fund or such other period as the Directors may determine and will be charged as between the various Share classes thereof established by the ICAV within the amortisation period and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable and provided that each Fund thereof will bear its own direct establishment costs. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the unamortised balance of establishment and organisational costs, the Directors will reconsider this policy. On an ongoing basis, the Investment Manager may, at its total discretion, offer to reimburse the Fund for some of these establishment expenses. Any such offer will be subject to the acceptance of the same by the Directors and will be documented on an individual basis. For avoidance of doubt, there is no obligation on the Investment Manager to make such an offer.

Details of other fees and expenses relating to the ICAV and Shareholders are set out in the relevant Supplement, for each Fund.

Value added tax (if any) on fees payable by the ICAV will be borne by the ICAV.

### **8.2. Manager's Fees**

The Manager shall be paid a fee out of the assets of each Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, as are set out in the relevant Supplement. The Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses incurred on behalf of the relevant Fund.

### **8.3. Investment Advisory Fees**

Details of any fees payable out of the assets of any Fund to a duly appointed investment adviser will be disclosed in the relevant Supplement. An investment adviser appointed by the Manager in respect of a Fund shall also be entitled to be repaid out of the assets of the relevant Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Fund.

### **8.4. Investment Managers Fees**

The fees which may be charged by any Investment Manager to each Share class of each Fund will be set out in the relevant Supplement.

The Investment Manager may be paid different fees for investment management in respect of individual Share classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Share classes. Unless otherwise specified in the relevant Supplement, the Investment

Managers fee is payable by the ICAV monthly in arrears. The Investment Managers fee will be calculated and accrued daily.

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

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

The Investment Manager shall also be entitled to be repaid out of the assets of the relevant Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Fund.

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

#### **8.5. Distributor's Fees**

The Distributor shall be entitled to receive from the ICAV a fee in relation to each Fund or Class as specified in the relevant Supplement. Unless otherwise specified in the relevant Supplement, the Distributor's fee is payable by the ICAV monthly in arrears. The Distributor's fee will be calculated and accrued daily. The Distributor shall also be entitled to be repaid out of the assets of the relevant Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Fund.

#### **8.6. Sales Fee**

The Directors may, at their discretion, impose a Sales Fee not exceeding 3% of the Subscription Price per Shares. The Directors may, at their discretion, reduce or waive such Sales Fee or differentiate between applicants as to the amount of such Sales Fee. A Sales Fee may be imposed with respect to a particular Fund or Share class as set forth in the Supplement for the relevant Fund, which may be below the maximum fee of 3% of the subscription proceeds of Shares.

#### **8.7. Redemption Fee**

A Redemption Fee not exceeding 3% of the redemption proceeds of Shares being redeemed may be imposed with respect to a particular Fund or class as set out in the Supplement for the relevant Fund. The Directors may, at their discretion, reduce or waive such Redemption Fee or differentiate between applicants as to the amount of such Redemption Fee.

In the event of a Redemption Fee being charged, Shareholders should view their investment as medium to long-term.

## **8.8. Switching Fee**

Shareholders of a class of Shares within a Fund may switch to a class of Shares within the Fund or such other fund, at the Directors discretion, provided however that all of the criteria applicable to switching between funds as set out in the Prospectus are complied with. Shareholders may be subject to a switching fee as set forth in the Supplement for the relevant Fund and which shall be calculated as a percentage of the Redemption Price of Shares in the original fund. It is not currently the intention of the Directors to charge a switching fee.

## **8.9. Administrator's and Depositary's Fees**

The Depositary shall be entitled to receive out of the net assets of each Fund an annual depositary fee, accrued and calculated on each Valuation Point and payable monthly in arrears, as set out in the relevant Supplement. The Depositary's fees will include sub-custodians' fees.

The Depositary is also entitled to fees including securities transaction / settlement fees (which will be charged at normal commercial rates) and other vouched out-of-pocket expenses out of the assets of the Fund (plus VAT thereon, if any).

The Administrator shall be entitled to receive an administration fee as set out in the relevant Supplement. Such fee shall accrue monthly and be paid monthly in arrears. The Administrator shall also be entitled to receive registration fees, transaction and other charges at normal commercial rates which shall accrue monthly and be paid monthly in arrears. The Administrator shall also be entitled to be reimbursed by the Fund for all reasonable and vouched out-of-pocket expenses incurred by it for the benefit of the Fund in the performance of its duties under the administration agreement.

## **8.10. Directors' Fees**

The Directors shall be entitled to a fee and remuneration for their services, at a rate to be determined from time to time by the Directors, provided that no Director may be paid in excess of €25,000 in any one financial year without the approval of the Board.

The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the ICAV.

## **8.11. Paying Agent Fees**

Fees and expenses of any paying agents appointed by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which a Paying Agent has been appointed.

## **8.12. Operational Expenses**

The ICAV may also pay out of the assets of each Fund:

- (a) any fees in respect of circulating details of the Net Asset Value (including publishing prices), Net Asset Value per Share and Net Asset Value per Share per class;

- (b) stamp duties;
- (c) the Central Bank's industry funding levy;
- (d) taxes;
- (e) corporate secretarial fees;
- (f) rating fees (if any);
- (g) execution only brokerage or other expenses of acquiring and disposing of Investments;
- (h) all expenses incurred in relation to the registration of any Investments into and transfer of any Investments out of the name of the ICAV, a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any Investment or the custody of Investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (i) all expenses incurred in the collection of income and administration of the ICAV;
- (j) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (k) fees and expenses of the auditors, tax, legal and other professional advisers of the ICAV;
- (l) fees and expenses of any portfolio monitoring and/or proxy voting agents;
- (m) fees connected with listing of Shares on any stock exchange;
- (n) fees and expenses in connection with any marketing material, services, advertisements of the ICAV and the Shares issued or to be issued, the distribution of Shares and costs of registration and agency fees (which shall be at normal commercial rates) of the ICAV in jurisdictions outside Ireland;
- (o) all fees of any sub-distributors, paying agents or local representatives (which shall be at normal commercial rates) required to facilitate the authorisation or registration of the ICAV and/or any Fund and the marketing of Shares in any jurisdiction;
- (p) costs of preparing, printing and distributing the Prospectus, any Supplements, Key Investor Information Documents, reports, accounts and any explanatory memoranda;
- (q) any necessary translation fees;
- (r) any costs incurred as a result of periodic updates of the Prospectus of the ICAV, and of any Supplement or Key Investor Information Document, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);

- (s) in respect of each financial year of the ICAV in which expenses are being determined, such proportion (if any) of any establishment expenses as are being amortised in that year;
- (t) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (u) any interest on any borrowings of the ICAV;
- (v) fees connected with the winding-up of the ICAV, any Fund or termination of any class of Shares;
- (w) all fees and expenses of the Directors and any Directors' insurance premia;
- (x) any other fees and expenses relating to the management and administration of the ICAV or attributable to the ICAV's Investments;
- (y) all costs and expenses incurred by the ICAV and any of their appointees.

The above expenses shall be charged as between each Fund and Share class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to each Fund (and Share class or Share classes thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the Net Asset Value of the Funds. Expenses of the ICAV which are directly attributable to a specific Share class or Share classes of Shares are charged against the income available for distribution to the holders of such Shares. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period. On an ongoing basis, the Investment Manager may, at its total discretion, offer to reimburse the Fund for some of these operating expenses. Any such offer will be subject to the acceptance of the same by the Directors and will be documented on an individual basis. For avoidance of doubt, there is no obligation on the Investment Manager to make such an offer.

### **8.13. Anti-Dilution Levy**

The Directors reserve the right to impose an Anti-Dilution Levy in the case of subscriptions and/or redemptions as more particularly described in sections 7.2 and 7.3 of this Prospectus.

## 9. ALLOCATION OF ASSETS AND LIABILITIES

The Instrument contains the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, and shall not (save as provided in the Acts) be used to discharge directly or indirectly the liabilities of or claims against any Fund and shall not be available for any such purpose;
- (d) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it is derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditor, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have the power at any time and from time to time, subject to the approval of the Auditor, to vary such basis, provided that the approval of the Auditor shall not be required in any case where the asset or liability is allocated between the Funds pro rata to their Net Asset Value.

## 10. TAXATION

### 10.1. General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may have citizenship, residence, domicile or otherwise be subject to tax.***

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

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

### 10.2. Irish Taxation

The Directors have been advised that on the basis that the ICAV is resident in Ireland for taxation purposes, the taxation position of the ICAV and the Shareholders is as set out below.

### 10.3. Definitions

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

#### **"Courts Service"**

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

#### **"Equivalent Measures"**

apply to an investment undertaking where the Irish Revenue Commissioners have given the investment undertaking notice of approval in accordance with Section 739D(7B) of the Taxes Act and the approval has not been withdrawn.

**"Exempted Irish Investor"** means:

- (a) an Intermediary, acting on behalf of persons outlined in (b) to (s) below;
- (b) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;

- (c) a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- (d) an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- (e) an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- (f) a special investment scheme within the meaning of Section 737 of the Taxes Act;
- (g) a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- (h) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- (i) a qualifying management company (within the meaning of Section 739B of the Taxes Act);
- (j) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a specified company within the meaning of Section 734(1) of the Taxes Act;
- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- (m) an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act;
- (n) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (o) the National Asset Management Agency;
- (p) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- (q) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- (r) a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act, in respect of payments made to it by the ICAV; or
- (s) any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV;

provided that a Relevant Declaration is in place.

**"Foreign Person"** means a person who is neither an Irish Resident nor an Irish Ordinary Resident for tax purposes who has provided the ICAV with the Relevant Declaration under Schedule 2B of the Taxes Act and in respect of whom the ICAV is not in possession of any information that would reasonably suggest that the Relevant Declaration is incorrect or has at any time been incorrect.

**"Intermediary"** means a person who:

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

**"Ireland"** means the Republic of Ireland (the State).

**"Irish Ordinary Resident"** means

- (a) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- (b) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. Ordinary residence, for an individual, is defined as:

- (a) 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.
- (b) 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 s/he is not resident.

**"Irish Resident"** means

- (a) in the case of an individual, means an individual who is resident in Ireland for tax purposes; or
- (b) in the case of a trust, means a trust that is resident in Ireland for tax purposes; or
- (c) in the case of a company, means a company that is resident in Ireland for tax purposes.

#### Residence – Individual

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

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

#### Residence – Company

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

A company incorporated in Ireland is automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

#### Residence – Trust

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

**"Personal Portfolio Investment Undertaking (PPIU)"** means an investment undertaking, under the terms of which some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by – the investor, a person acting on behalf of the investor, a person connected with the investor, a person connected with a person acting on behalf of the investor, the investor and a person connected with the investor, or a person acting on behalf of both the investor and a person connected with the investor.

An investment undertaking is not a PPIU if the only property which may or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

**"Relevant Declaration"** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying this Prospectus.

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

**"Taxable Irish Person"** means any person, other than

- (a) a Foreign Person; or

(b) an Exempted Irish Investor.

"**Taxes Act**" means the Taxes Consolidation Act 1997 (of Ireland) as amended.

#### **10.4. The ICAV**

The ICAV will be regarded as resident in Ireland for tax purposes if its central management and control is exercised in Ireland and the ICAV is not regarded as resident elsewhere. It is the intention of the Directors that the business of the ICAV will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. On that basis, the ICAV is not chargeable to Irish tax on its income and gains.

However, a tax can arise on the happening of a "chargeable event" in the ICAV. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of appropriate tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period.

No tax will arise on the ICAV in respect of chargeable events in respect of a Shareholder who is (i) a Foreign Person at the time of the chargeable event provided that a Relevant Declaration or Equivalent Measures are in place or (ii) an Exempt Irish Investor provided that a Relevant Declaration is in place.

In the absence of a Relevant Declaration or Equivalent Measures, as applicable, being in place there is a presumption that the Shareholder is a Taxable Irish Person.

A chargeable event does not include:

- (a) an exchange by a Shareholder, effected by way of any arm's length bargain within the ICAV of Shares in the ICAV for other Shares in the ICAV;
- (b) any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated for the purposes of Chapter 1A in Part 27 of the Taxes Act by the Irish Revenue Commissioners;
- (c) a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, civil partners or former civil partners, subject to certain conditions;
- (d) an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another investment undertaking;

If the ICAV becomes liable to account for tax where a gain arises on the occurrence of a chargeable event, the ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV

becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Where the chargeable event is the ending of a Relevant Period, the ICAV has the option of electing to value the Shares at certain dates other than at the date of the deemed eight year disposal itself.

Where less than 10% of the Net Asset Value of Shares in the ICAV is held by Taxable Irish Persons, the ICAV will elect not to deduct tax on the happening of a chargeable event on the ending of a Relevant Period and the ICAV will advise the Irish Revenue Commissioners of this election. The ICAV is deemed to have made this election once it notifies Shareholders in writing that it will make the required report. Shareholders who are Taxable Irish Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners on a self-assessment basis. Such Shareholders should contact the Administrator to ascertain whether the ICAV has made such an election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

To the extent that any tax arises on the happening of a chargeable event which is the ending of a Relevant Period, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the ICAV, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares does not exceed 15% of the total value of the Shares in the ICAV. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners.

Dividends received by the ICAV from investment in Irish equities may be subject to Irish dividend withholding tax (currently at the rate of 25%). However, the ICAV can make a declaration to the payer that it is an investment undertaking (within the meaning of Section 739B of the Taxes Act) beneficially entitled to the dividends which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

Anti-avoidance provisions apply where an investment undertaking is regarded as a PPIU in respect of an Irish Taxable Person who is an individual. In such circumstances any payment to a Shareholder will be taxed at a rate of 60% (or 80% where the amount is not correctly included in a tax return). It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti-avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

Please see the "Shareholders" section below dealing with the tax consequences for the ICAV and the Shareholders of chargeable events in respect of:-

- (a) Shareholders who are Foreign Persons;
- (b) Shareholders who are Exempt Irish Investors; and
- (c) Shareholders who are Irish Taxable Persons.

## 10.5. Shareholders

### Shareholders who are Foreign Persons

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder who is a Foreign Person. In the absence of a Relevant Declaration or approval from the Irish Revenue Commissioners to operate Equivalent Measures, tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in the paragraph "*Shareholders who are Irish Taxable Persons*" below.

To the extent that a Shareholder is acting as an Intermediary on behalf of a Foreign Person no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such person and the ICAV is not in possession of any information that would reasonably suggest that the information contained therein is not, or is no longer, materially correct or if the Directors have received approval from the Irish Revenue Commissioners that Equivalent Measures are in place.

A corporate Shareholder which is a Foreign Person but which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

Where taxes are withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholder, Irish legislation does not provide for a refund of tax except in the following circumstances:

- (a) The appropriate tax has been correctly returned by the ICAV and within one year of making of the return the ICAV can prove to the satisfaction of the Irish Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the ICAV.
- (b) Where a claim is made for a refund of Irish tax under Section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

A Shareholder is obliged to notify the ICAV should it cease to be a Foreign Person.

### Shareholders who are Exempt Irish Investors

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder who is an Exempt Irish Investor. In the absence of a Relevant Declaration, tax will arise on the happening of a chargeable event in the ICAV regardless of the status of the Shareholder. The appropriate tax that will be deducted is as described in the paragraph "*Shareholders who are Irish Taxable Persons*" below.

To the extent that a Shareholder is acting as an Intermediary on behalf of an Exempt Irish Investor no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such person and the ICAV is not in

possession of any information that would reasonably suggest that the information contained therein is not, or is no longer, materially correct.

Depending on their own particular Irish taxation circumstances, Exempt Irish Investors may be liable to Irish tax, under the self-assessment system of taxation, in respect of income and gains derived from their Share in the ICAV.

A Shareholder is obliged to notify the ICAV should it cease to be an Exempt Irish Investor.

### **Shareholders who are Irish Taxable Persons**

Unless a Shareholder which is Irish Resident or Irish Ordinary Resident is an Exempted Irish Investor or the Shares are purchased by the Courts Service, the ICAV will deduct tax on the occasion of a chargeable event in respect of such Shareholder.

Tax at the rate of 41% will have to be deducted by the ICAV on distributions and gains arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder. Tax at a rate of 41% will also be required to be deducted by the ICAV on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder.

Tax at a rate of 25% will have to be deducted by the ICAV where the Shareholder is a company regardless of the nature of the distribution and the Shareholder has provided a formal declaration to the ICAV of its corporate status including its Irish tax reference number.

In general, non-corporate Irish Taxable Persons will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the ICAV on payments received. Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such a Shareholder may be liable to capital gains tax (currently at the rate of 33%) in the year assessment in which the Shares are disposed of.

Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the ICAV.

Any Irish Taxable Person who receives a distribution or a gain on any encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain under the self-assessment system of taxation.

### **10.6. Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax, currently at the rate of 33%), provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), and that:

- (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland;
- (b) at the date of the disposition, either the Shareholder disposing of the Shares is neither domiciled nor Ordinarily Resident in Ireland or the disposition is not subject to Irish law; and
- (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

#### **10.7. Stamp Duty**

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

No stamp duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

#### **10.8. Automatic Exchange of Information**

**The following is a general discussion of the application of the Foreign Account Tax Compliance Act and the Common Reporting Standard to the ICAV, as well as existing and prospective investors or Shareholders. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder's particular situation. Investors should consult their independent tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the Shares, including the tax consequences under United States federal laws (and any proposed changes in applicable law).**

##### The Common Reporting Standard ("CRS")

Ireland and a number of other jurisdictions have entered or propose to enter into multilateral arrangements modelled on the Common Reporting Standard ("CRS") for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development ("OECD"). The CRS is effective in Ireland from 1 January 2016 and this would require the ICAV to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

##### *Data protection notice - collection and exchange of information under the CRS*

For the purposes of complying with its obligations under the CRS as implemented in Irish law and to avoid the imposition of financial penalties thereunder, the ICAV may be required to collect certain information in respect of each non-Irish resident Shareholder (and the direct and indirect individual beneficial owners of the Shares (if any)) and, to the extent required pursuant to the CRS, to annually report such information to the Irish Revenue Commissioners. Such information includes the name, address, jurisdiction of residence,

tax identification number (TIN), date and place of birth (as appropriate) of the non-Irish resident Shareholder and (if relevant) the direct or indirect beneficial owners of the Shares; the “account number” and the “account balance” or value at the end of each calendar year; and the gross amount paid or credited to the Shareholder during the calendar year (including aggregate redemption payments). Such information in relation to all non-Irish resident Shareholders will in turn be exchanged, in a secure manner, by the Irish Revenue Commissioners with the tax authorities of other relevant participating jurisdictions under the CRS in accordance with the requirements of (and solely for the purposes of compliance with) the CRS.

Further information in relation to the CRS can be found on the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie).

All prospective investors and Shareholders should consult with their respective tax advisers regarding the possible implications of CRS on their investments in the ICAV.

#### Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as “FATCA”. The thrust of these provisions is that details of US investors holding assets outside the US will ultimately be reported by financial institutions to the US Internal Revenue Services (“IRS”) as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime is effective from 1 July 2014. The basic terms of FATCA appear to include the ICAV as a 'Financial Institution', such that, in order to comply, the ICAV may require all Shareholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“Irish IGA”) on 21 December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the ICAV may require investors to provide the ICAV with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the ICAV. Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their particular circumstances.

Although the ICAV will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the ICAV pursuant to FATCA, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected.

Information Requirements for the purposes of FATCA and the CRS

Each investor agrees to provide the ICAV with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the ICAV as may be necessary for the ICAV to comply with its obligations under FATCA and the CRS.

## **11. STATUTORY AND GENERAL INFORMATION**

### **11.1. Registration, Registered Office and Share Capital**

The ICAV was registered in Ireland on 16 July 2021 as an Irish collective asset-management vehicle with variable capital, segregated liability between its Funds and with limited liability.

The registered office of the ICAV is 38 Upper Mount Street, Dublin 2, Ireland.

The authorised share capital of the ICAV is two Subscriber Shares of €1 each and 5,000,000,000,000 Shares of no par value. Niche Asset Management Limited and Devine & Partners Limited hold the two Subscriber Shares.

Neither the Subscriber Shares nor the Shares carry pre-emption rights.

### **11.2. Share Rights**

The holders of Shares shall:

- (a) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;
- (b) be entitled to such dividends as the Directors may from time to time declare; and
- (c) in the event of a winding up or dissolution of the ICAV, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

The holders of Subscriber Shares shall not be entitled to any dividend whatsoever in respect of their holding of Subscriber Shares.

### **11.3. Voting Rights**

This is dealt with under the rights attaching to the Shares referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or proxy.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the ICAV in a general meeting will require a simple majority of the votes cast by the Shareholders voting in person or (being a corporation) is present by duly authorised representative by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or (being a corporation) is present by duly authorised representative or by proxy and (being entitled to vote) voting in general meetings is required

in order to pass a special resolution including a resolution to (i) rescind, alter or amend an article of the Instrument or make a new article of the Instrument and (ii) wind up the ICAV.

#### **11.4. Instrument**

The sole object for which the ICAV is established is the collective investment in Transferable Securities and/or other liquid financial assets referred to in the Regulations, of capital raised from the public and which operates on the principle of spreading investment risk in accordance with the Regulations.

The following section is a summary of the principal provisions of the Instrument of the ICAV not previously summarised in this Prospectus.

#### **11.5. Alteration of share capital**

The ICAV may from time to time by ordinary resolution increase its capital, consolidate and divide its Shares or any of them into Shares of a larger amount, sub- divide its Shares or any of them into Shares of a smaller amount, or cancel any Shares not taken or agreed to be taken by any person. The ICAV may also by special resolution from time to time reduce its share capital in any way permitted by law.

#### **11.6. Issue of Shares**

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Acts allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the ICAV.

#### **11.7. Variation of rights**

Whenever the share capital is divided into different classes of Shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding Shares issued in that Share class (and at the adjourned meeting the necessary quorum shall be one person holding Shares of that Share class or his proxy).

The special rights attaching to any Shares of any class shall not (unless the conditions of issue of such class of Shares expressly provide otherwise) be deemed to be varied by the creation or issue of other Shares ranking *pari passu* therewith.

#### **11.8. Directors**

Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or committees of Directors or general meetings or separate meetings of holders of any class of Shares or otherwise in connection with the business of the ICAV. Any Director who devotes special attention to the business of the ICAV, for example serving on an audit committee of the Board if one is established, may be paid such extra remuneration as the Directors may determine (see the section headed "Fees and Expenses" above in relation to Director's fees).

- (a) A Director may hold any other office or place of profit under the ICAV (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the ICAV on such terms as the Directors may determine.
- (b) Subject to the provisions of the Acts, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the ICAV or any subsidiary or associated company thereof or in which the ICAV or any subsidiary or associated company thereof is otherwise interested;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the ICAV or in which the ICAV is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the ICAV for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- (c) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the ICAV. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including but not limited to any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).
- (d) There is no provision in the Instrument requiring a Director to retire by rotation or by reason of any age limit and no share qualification for Directors.
- (e) The number of Directors shall not be less than two.
- (f) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two.
- (g) The office of a Director shall be vacated in any of the following circumstances i.e. if:
  - (i) he ceases to be a Director by virtue of any provisions of the Acts or becomes prohibited by law from being a Director;
  - (ii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;

- (iv) he resigns from his office by notice to the ICAV;
- (v) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
- (vi) by a resolution passed by a majority of the Directors he is requested to vacate office;
- (vii) the ICAV by ordinary resolution so determines; or
- (viii) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and a majority of the Directors pass a resolution that he has by reason of such absence vacated office.

The ICAV may also, as a separate power, in accordance with and subject to the provisions of the Acts, by ordinary resolution of the Shareholders, remove any Director (including a managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Instrument or in any agreement between the ICAV and any such Director.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of a voluntary arrangement, nor has a receiver been appointed to any asset of such Director; or
- (iii) been a director with an executive function in a company that, while he/she was such a director or within 12 months after he/she ceased to be such a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or was subject to company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

### **11.9. Borrowing powers**

The Directors may exercise all the powers of the ICAV to borrow or raise money (including the power to borrow for the purpose of repurchasing Shares) and to hypothecate, mortgage, charge or pledge its undertaking, property and assets or any part thereof, but only in accordance with the provisions of the Regulations.

### **11.10.Dividends**

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Acts, the Directors may from time to time if they think fit, declare and pay dividends on a class or classes of Shares. If the Directors so resolve and, in any event, on the winding up of the ICAV or on the total redemption of Shares, any dividend which has remained unclaimed for six years shall be forfeited and become the property of the relevant Fund.

### **11.11.Distribution of assets on a liquidation**

- (a) If the ICAV shall be wound up, the liquidator shall, subject to the provisions of the Acts, apply the assets of the ICAV on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) firstly, in the payment to the Shareholders of each Share class of a sum in the currency in which that Share class is designated or in any other currency selected by the liquidator as nearly as possible equal of such Share class (at the prevailing rate of exchange) to the Net Asset Value of the Shares held by such Shareholders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the ICAV (if any) not comprised within any of the Funds and not (save as provided in the Acts) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of 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 (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the holders of each class of Shares of any balance remaining in the relevant Fund, such payment being made in proportion to the numbers of Shares held;
  - (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the Net Asset Value of each Fund and within each Fund to the Net Asset Value of each Share class and in proportion to the number of Shares held in each class.

### **11.12.Minimum Viable Size**

Each Fund must achieve a Net Asset Value of at least €8,000,000 or such other amount as may be determined by the Directors and notified to Shareholders in the relevant Fund from time to time (the “**Minimum Viable Size**”) within 24 months of its launch. In the event that a Fund does not reach the

Minimum Viable Size within such period, or subsequently drops below such Minimum Viable Size following such period, then, upon prior written notice, the ICAV may redeem any Shares in issue in the Fund and return the redemption proceeds to Shareholders.

#### **11.13. Termination of Funds**

The Directors, in their sole and absolute discretion, may terminate a Fund in any of the following events:

- (a) a Fund shall cease to be authorised or otherwise officially approved;
- (b) if there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
- (c) if there is any change in material aspects of the business, in the economic or political situation relating to a Fund or the ICAV which the Directors consider would have material adverse consequences on the investments of the Fund; or
- (d) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions.

#### **11.14. Indemnities**

To the extent permitted by the Act and the Regulations, the Directors (including alternates), secretary and other officers of the ICAV shall be indemnified by the ICAV against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of negligence or wilful misconduct).

#### **11.15. Valuation**

The assets of the ICAV and the calculation of the Net Asset Value of the Shares:

- (a) The Net Asset Value of a Fund shall be determined (except in the case of suspension) as at each Valuation Point and shall be the value of all the assets comprised in a Fund less all the liabilities attributable to the Fund calculated in accordance with the Regulations.
- (b) The assets of the ICAV shall be deemed to include (i) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (ii) all bills, demand notes, certificates of deposit and promissory notes, (iii), all bonds, forward currency transactions, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for difference, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other Investments and securities owned or contracted for in respect of the ICAV; (iv) all stock and cash dividends and cash distributions to be received in respect of the ICAV and not yet received by the ICAV but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined, (v) all subscription payments due but not yet received by the ICAV, (vi) all interest accrued on any interest-bearing securities attributed to the ICAV except to the extent

that the same is included or reflected in, the principal value of such security, (vii) all other Investments of the ICAV, (viii) the establishment costs attributable to the ICAV and the cost of issuing and distributing Shares of the ICAV in so far as the same have not been written off; and (ix) all other assets of the ICAV of every kind and nature including prepaid expenses as valued and defined from time to time by the Manager.

- (c) The valuation principles to be used in valuing the ICAV's assets are as follows:
- (i) the Manager shall be entitled to use the amortised cost method of valuation, whereby Investments are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, the amortised cost method of valuation may only be used in relation to Funds which 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 the market valuation is carried out in accordance with the Central Bank's guidelines. Money market instruments may be valued on an amortised cost basis, in accordance with the Central Bank's requirements;
  - (ii) the value of any Investment which is quoted, listed or normally dealt in on a Regulated Market, including units or shares in exchange-traded funds, shall (save in the specific cases set out in paragraph (i) above or in the relevant paragraphs below) be based on the closing mid-market price on such Regulated Markets as at the last Valuation Point or the last traded price when no closing mid-market price is available, provided that:
    - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Manager may, in its absolute discretion select any one of such markets for the foregoing purposes (provided that the Manager has determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such Investments) and once selected a market shall be used for future calculations of the Net Asset Value of that Investment unless the Manager otherwise determines;
    - B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which, for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Manager, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person appointed by the Manager (and approved for the purpose by the Depositary ); and
    - C. in the case of any Investment which is quoted, listed or normally dealt in or on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment;

- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value therefor estimated with care and good faith by a competent person appointed by the Manager (and approved for the purpose by the Depositary);
- (iv) the value of any Investment which is a share of, unit of or participation in an open-ended collective investment scheme shall be the latest available net asset value for the Investment as published by the collective investment scheme in question or, where such Investment is quoted, listed or dealt in on a Regulated Market, may be a value determined in accordance with the provisions of paragraph (c)(ii) above;
- (v) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (vi) deposits/cash in hand shall be valued at their principal/face/nominal amount plus accrued interest from the date on which the same were acquired or made;
- (vii) treasury bills shall be valued at the closing mid-market price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value therefor estimated with care and good faith by a competent person appointed by the Manager (and approved for the purpose by the Depositary);
- (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the closing mid-market price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Manager the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (ix) the value of any futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value thereof estimated with care and good faith by a competent person appointed by the Manager (and approved for the purpose by the Depositary);
- (x) the value of any OTC FDI contracts shall be:
  - A. the quotation from the counterparty provided that such quotation is provided on at least a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or

- B. an alternative valuation as the Manager deems it necessary in accordance with the requirements of the Central Bank. This may be a valuation that is provided on at least a daily basis by a competent person (which may be the ICAV) or an independent pricing vendor provided that the appointed party has adequate means to perform the valuation, is appointed by the Manager and the appointment is approved by the Depositary (or a valuation by any other means, provided that the appointed party is approved by the Depositary) and the rationale/methodologies used shall be clearly documented. The valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such alternative valuation must be reconciled to that of the counterparty on a monthly basis. Where significant differences arise on the monthly reconciliation, these must be promptly investigated and explained;
- (xi) Notwithstanding the foregoing provisions, OTC FDI contracts may, alternatively be valued in accordance with the requirements of relevant regulations and/or the requirements of the Central Bank;
  - (xii) forward foreign exchange and interest rate swaps contracts may be valued in accordance with the previous paragraph or by reference to freely available market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation);
  - (xiii) notwithstanding any of the foregoing sub-paragraphs, the Manager may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability, dealing costs and/or such other considerations as the Manager may deem relevant, the Manager considers that such adjustment is required to reflect the fair value thereof;
  - (xiv) a particular or specific asset valuation may be carried out using an alternative method of valuation if the Manager deems it necessary and the alternative method of valuation is approved by the Depositary and the rationale or methodologies used shall be clearly documented;
  - (xv) the Manager may, in order to comply with any applicable accounting standards, present the value of any assets of the ICAV in financial statements to Shareholders in a manner different to that set out in this section.
- (d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

#### Swing Pricing Adjustment

A Fund may suffer dilution of the Net Asset Value per Share due to investors buying or selling Shares in a Fund at a price that does not reflect the dealing and other costs that arise when security trades are undertaken by the Manager or Investment Manager to accommodate cash inflows or outflows. In order to counter this impact, a swing pricing mechanism may be adopted to protect the interests of Shareholders of a Fund. If on any Dealing Day, the aggregate net transactions in Shares of a Fund exceed a pre-determined

threshold (based on a consideration of the net dealing activity in the relevant Fund on a Dealing Day), as determined and reviewed for each Fund on a periodic basis by the Directors, the Net Asset Value per Share may be adjusted upwards or downwards to reflect net inflows and net outflows respectively. The net inflows and net outflows will be determined by the Directors or their delegate based on the latest available information at the time of calculation of the Net Asset Value per Share. The extent of the price adjustment will be set by the Directors to reflect dealing and other costs. Such adjustment may vary from Fund to Fund and will not exceed 2% of the original Net Asset Value per Share. The price adjustment applicable to a specific Fund is available on request from the ICAV at its registered office.

Similarly, in order to protect the interests of Shareholders in a Fund that is being merged into a receiving Fund, the Directors may adjust the final Net Asset Value per Share of the merging Fund, or make other appropriate adjustments in order to ensure that the impact of any pricing adjustment made through the swing pricing mechanism in the receiving Fund as a result of cash inflows or outflows in the receiving Fund on the merger date does not adversely affect the merging Fund or the receiving Fund.

The Directors may consider it appropriate not to apply the swing price adjustment to the Net Asset Value per Share of a Fund where it is seeking to attract inflows to assist a Fund in reaching a certain size. If such a decision is taken in relation to a Fund, the Directors will pay the dealing and other costs resulting from securities trades to avoid the Fund suffering dilution of the Net Asset Value. Where this happens Shareholders will subscribe or redeem at a Net Asset Value that will not have been adjusted upwards as would have been the case if the swing pricing mechanism had been applied.

Specifically in the case of the ICAV, swing pricing will not be applied in addition to any Anti-Dilution Levy.

#### **11.16. Money Laundering**

The Directors of the ICAV, the Manager, the Investment Manager and the Administrator have a responsibility to regulators for compliance with money laundering regulations and, for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity and/or to fulfil other requirements. Until satisfactory proof of identity is provided and/or those requirements are fulfilled, the Directors reserve the right to withhold issuance redemption and approval of transfers of Shares and payment of dividends.

In case of delay or failure to provide satisfactory proof of identity, the ICAV may take such action as they see fit including the right to redeem issued Shares compulsorily.

#### **11.17. Commissions**

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the ICAV in connection with the issue or sale of any capital of the ICAV.

#### **11.18. Inspection of Documents**

Copies of the following documents may be obtained during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the offices of the ICAV in Dublin.

- the Instrument of the ICAV;
- the Prospectus and Supplements of the ICAV;
- the Key Investor Information Documents;
- the latest annual and semi-annual reports of the ICAV (where issued).

#### **11.19. Complaints handling**

Holders of Shares may lodge any complaint regarding the ICAV as per applicable laws and regulations with the Manager and any other service providers, including, but not limited to, the Distributor and the Administrator.

Additional information on the complaints process for making a complaint to the Manager regarding the ICAV is available in its complaints handling policy available free of charge online at <http://www.carnegroup.com>.

#### **11.20. Litigation**

The ICAV is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the ICAV since its registration.

#### **11.21. Miscellaneous**

- (a) The ICAV does not have, as at the date of this Prospectus, any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.
- (b) The ICAV does not have, nor has it had since its registration, any employees.
- (c) No Director has any interest in any assets which have been acquired or disposed of by or leased to the ICAV or are proposed to be acquired by, disposed of or leased by the ICAV, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the ICAV.
- (d) The ICAV has not and does not intend to purchase or acquire, nor agree to purchase or acquire, any real property.

**APPENDIX I**  
**STOCK EXCHANGES AND REGULATED MARKETS**

With the exception of permitted investment in unlisted securities investment will be restricted to those stock exchanges and markets listed below in this Prospectus or revision thereof each of which stock exchange and market is regulated, operates regularly, is recognised and is open to the public. These stock exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as same may be amended. The Central Bank does not issue a list of approved markets and exchanges:

1. All stock exchanges of the Member States of the EU, Australia, Canada, Hong Kong, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States.
2. The following stock exchanges:

Australia	The Australian Stock Exchange
Brazil	The Sao Paulo Stock Exchange/BOVESPA
Canada	The TSX Venture Exchange The Montreal Stock Exchange
Hong Kong	The Hong Kong Exchange
Indonesia	The Indonesia Stock Exchange
Japan	The Fukuoka Stock Exchange The Nagoya Stock Exchange The Osaka Exchange, Inc. The Sapporo Securities Exchange The Tokyo Stock Exchange The Tokyo Stock Exchange Jasdaq
Mexico	The Mexican Stock Exchange
New Zealand	The New Zealand Stock Exchange NZSE
Singapore	The Singapore Exchange
South Africa	The Johannesburg Stock Exchange
South Korea	Korea Stock Exchange - KSE KOSDAQ Market The Korea Exchange Incorporated
Switzerland	The Swiss Stock Exchange SWX
United Kingdom	The Alternative Investment Market AIM

	The London Stock Exchange
USA	The American Stock Exchange
	The NASDAQ Stock Market
	The New York Stock Exchange

3. Any approved derivative market:-

(a) within the European Economic Area, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland, United Kingdom and the United States on which financial derivative instruments are traded;

(b) the following markets:

Brazil	BM&FBOVESPA
Columbia	Bolsa De Valores
China	China Financial Futures Exchange
	China Foreign Exchange Trade System
	Shanghai Futures Exchange
India	OTC Exchange of India
	Multicommodity Exchange of India Ltd.
	National Commodity & Derivatives Exchange Ltd.
Indonesia	Jakarta Futures Exchange (Bursa Benjangka Jakarta)
	Jakarta Negotiated Board
The Republic of Korea	Korea Exchange (Futures Market)
Malaysia	Bursa Malaysia Derivatives Exchange (Mdex)
Mexico	Mexican Derivatives Exchange (Mercado Mexicana de Derivados)
Singapore	Singapore Exchange Derivatives Clearing Limited
	Catalist
South Africa	Alternative Exchange
	South African Futures Exchange
Taiwan	Taiwan Futures Exchange
	Gretai Securities market
Thailand	Agricultural Futures Exchange of Thailand
	Thailand Futures Exchange
Turkey	Turkish Derivatives Exchange

4. The following regulated markets:
- (c) the markets organised by the International Capital Market Association;
  - (d) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion";
  - (e) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
  - (f) the OTC market in Japan regulated by the Securities Dealers Association of Japan;
  - (g) NASDAQ in the United States;
  - (h) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the Securities and Exchange Commission;
  - (i) the French market for "Titres de Creance Negotiable" (OTC market in negotiable debt instruments);
  - (j) the OTC market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;
  - (k) the Second Marche of the stock exchange set up in France in accordance with the laws of France;
  - (l) the market in the United Kingdom known previously as the "Grey Market" that is conducted through persons governed by the United Kingdom Financial Conduct Authority's Market Conduct Sourcebook;
  - (m) the markets organised by the International Securities Market Association;
  - (n) NASDAQ Europe (the European Association of Securities Dealers Automated Quotation);
  - (o) the Chicago Mercantile Exchange (CME) and the Chicago Board of Trade (CBOT);
  - (p) the Singapore Exchange (SGX);
  - (q) the Sydney Futures Exchange (SFE);
  - (r) the Hong Kong Futures Exchange (HKFE);
  - (s) the Korea Exchange (Futures Market);
  - (t) the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority Inc. (and

by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation).

For the purposes of investment in FDIs, a Fund will only invest in FDIs dealt in Regulated Markets in the European Economic Area ("**EEA**") referred to above or in any of the other non-EEA markets referred to above.

Investment in Russia, if any, will only be made in securities that are listed or traded on the Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS).

**APPENDIX II**  
**INVESTMENT AND BORROWING RESTRICTIONS**

Investment of the assets of the relevant Fund must comply with the Regulations and by the Central Bank Requirements which provide:

**1. Permitted Investments**

Investments of each Fund are confined to:

- 1.1. Transferable securities and money market instruments, as prescribed by the Central Bank Requirements, 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, operating 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, in accordance with the Central Bank Requirements, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs.
- 1.6. Deposits with credit institutions.
- 1.7. Financial derivative instruments.

**2. Investment Restrictions**

- 2.1. Each Fund may invest no more than 10% of its Net Asset Value in Transferable Securities and money market instruments other than those referred to in paragraph 1.
- 2.2. Recently Issued Transferable Securities

Subject to paragraph (2) a responsible person shall not invest any more than 10 per cent of the net assets of a Fund in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply. Paragraph (1) does not apply to an investment by a responsible person in US securities known as "Rule 144A securities" provided that:

- (a) the relevant securities are issued with an undertaking to register the securities with the SEC within one 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, at which they are valued by the Fund.

- 2.3. Each Fund may invest no more than 10% of its 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 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 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. To avail of this provision the prior approval of the Central Bank is required.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the Transferable Securities or money market instruments are issued or guaranteed by 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.
- 2.6. The Transferable Securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7. Cash booked in accounts and held as ancillary liquidity, shall not exceed:
- (a) 10% of the Net Asset Value of each Fund; or
  - (b) where the cash is booked in an account with the Depository, 20% of the Net Asset Value of each Fund.
- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- (a) investments in Transferable Securities or money market instruments;
  - (b) deposits, and/or
  - (c) counterparty risk exposures arising from OTC derivatives transactions.
- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in Transferable Securities and money market instruments within the same group.

- 2.12. Each 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 and Straight-A Funding LLC.

Each 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 investment fund.
- 3.2. Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3. A Fund may not invest in a UCITS or other CIS which is not itself prohibited from investing more than 10% of its net asset value 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's 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's investment in the units of such other CIS.
- 3.5. Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Fund.
- 3.6. A Fund will not invest in a Fund which itself holds shares in other Funds within the ICAV;
- 3.7. The investing Fund of the ICAV may not charge an annual management fee in respect of that portion of its assets invested in other Funds within the ICAV (whether such fee is paid directly at the investing Fund level, indirectly at the receiving Fund level or a combination of both), such that there shall be no double charging of the annual management fee to the investing Fund as a result of investments

in the receiving Fund (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the ICAV).

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

- 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 specified by the Central Bank Requirements and is recognised by the Central Bank.
- 4.2. The limit of 20% may be raised to 35% and applied to a single issuing entity, where this is justified by exceptional market conditions.

#### **5. General Provisions**

- 5.1. The ICAV, or the Investment Manager acting in connection with all of the Funds 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:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

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

- 5.3. 5.1 and 5.2 shall not be applicable to:
  - (a) Transferable Securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (b) Transferable Securities and money market instruments issued or guaranteed by a non-Member State;
  - (c) Transferable Securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (d) 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 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.

- (e) Shares held by the ICAV in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.
- 5.4. A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or money market instruments which form part of their assets.
  - 5.5. The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
  - 5.6. If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
  - 5.7. Neither the ICAV, nor the Investment Manager may carry out uncovered sales of:
    - (a) Transferable Securities;
    - (b) money market instruments<sup>1</sup>;
    - (c) units of investment funds; or
    - (d) financial derivative instruments.
  - 5.8. A Fund may hold ancillary liquid assets.

## **6. FDIs**

- 6.1. The UCITS global exposure relating to FDI must not exceed its total net asset value.
- 6.2. Position exposure to the underlying assets of FDIs, including embedded FDIs in Transferable Securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits prescribed by the Central Bank Requirements. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria specified by the Central Bank Requirements.)
- 6.3. UCITS may invest in FDIs dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

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

6.4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## **7. Borrowing Restrictions**

The Regulations provide that the ICAV in respect of each Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), 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. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

**APPENDIX III  
LIST OF SUB-DELEGATES**

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.

<b>CACEIS Correspondents in respect of Financial Instruments as at March 2022. Subject to change by the Depositary.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
<b>EUROPE</b>	
AUSTRIA	CACEIS BANK S.A.,GERMANY BRANCH
BELGIUM	CACEIS BANK
CYPRUS	HSBC CONTINENTAL EUROPE, GREECE
DENMARK	SKANDINAVISKA ENSKILDA BANKEN, DENMARK
FINLAND	SKANDINAVISKA ENSKILDA BANKEN, HELSINKI
FRANCE	CACEIS BANK
GERMANY	CACEIS BANK, GERMANY BRANCH
GREECE	HSBC CONTINENTAL EUROPE GREECE
ICELAND	CLEARSTREAM BANKING, LUXEMBOURG
IRELAND	EUROCLEAR BANK SA NV HSBC BANK PLC
ITALY	CACEIS BANK, ITALY BRANCH MONTE TITOLI SPA (CSD)
THE NETHERLANDS	CACEIS BANK EUROCLEAR NETHERLANDS (CSD)
NORWAY	SKANDINAVISKA ENSKILDA BANKEN, AB
POLAND	BANK PEKAO S.A.

<b>CACEIS Correspondents in respect of Financial Instruments as at March 2022. Subject to change by the Depository.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
PORTUGAL	BANCO SANTANDER TOTTA, S.A.
SPAIN	CACEIS BANK SPAIN S.A.U.  IBERCLEAR (CSD)  AFB (SPECIFIC SET UP) *
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB
SWITZERLAND	CACEIS BANK, SWITZERLAND BRANCH - SIX SIS AG (CSD)
TURKEY	CITIBANK A.S., ISTANBUL
UNITED KINGDOM	HSBC SECURITIES SERVICES, LONDON
<b>ICSD</b>	CLEARSTREAM BANKING S.A., LUXEMBOURG  Euroclear Bank SA/NV Brussels
<b>EASTERN EUROPEAN STATES</b>	
BULGARIA	UNICREDIT BULBANK AD, SOFIA
CROATIA	ZAGREBACKA BANKA D.D., ZAGREB
CZECH REPUBLIC	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.
ESTONIA	AS SEB PANK, TALLINN
HUNGARY	UNICREDIT BANK, HUNGARY ZRT
LATVIA	AS SEB BANKA
LITHUANIA	AS SEB BANKAS
ROMANIA	UNICREDIT BANK S.A.
RUSSIA	AO UNICREDIT BANK MOSCOW JSC
SERBIA	UNICREDIT BANK SERBIA JSC,
SLOVAKIA	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S POBOČKA ZAHRANIČNEJ BANKY
SLOVENIA	UNICREDIT BANK SLOVENJA D.D.
<b>AMERICAS</b>	

<b>CACEIS Correspondents in respect of Financial Instruments as at March 2022. Subject to change by the Depository.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
ARGENTINA	BANCO SANTANDER RIO S.A.
BRAZIL	SANTANDER CACEIS BRASIL DTVM S.A.
CANADA	CIBC MELLON, TORONTO
CHILE	BANCO DE CHILE
COLOMBIA	SANTANDER CACEIS COLOMBIA S.A., SOCIEDAD FIDUCIARIA
MEXICO	BANCO S3 MEXICO S.A. Institución de Banca Múltiple
PERU	CITIBANK DEL PERU S.A., LIMA
USA	BROWN BROTHERS HARRIMAN, NEW YORK
<b>ASIA</b>	
BANGLADESH	THE HONGKING AND SHANGHAI BANKING CORPORATION LIMITED, DHAKA
CHINA (A SHARES & CIBM)	DEUTSCHE BANK (CHINA) CO LTD * STANDARD CHARTERED BANK (CHINA) LTD * CHINA CONSTRUCTION BANK * INDUSTRIAL AND COMMERCIAL BANK OF CHINA * AGRICULTURAL BANK OF CHINA * BANK OF CHINA *
CHINA (B SHARES)	HSBC BANK (CHINA) COMPANY LTD
CHINA (STOCK AND BOND CONNECT)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
HONK KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
INDIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, MUMBAI BRANCH
INDONESIA	PT BANK HSBC INDONESIA

<b>CACEIS Correspondents in respect of Financial Instruments as at March 2022. Subject to change by the Depository.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TOKYO
KOREA (SOUTH)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SEOUL  STANDARD CHARTERED KOREA LIMITED, SEOUL
MALAYSIA	HSBC BANK MALAYSIA BERHAD
PAKISTAN	STANDARD CHARTERED BANK (PAKISTAN) Ltd.
PHILIPPINES	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, MANILLA BRANCH
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
SRI LANKA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SRI LANKA BRANCH
TAIWAN	HSBC BANK (TAIWAN) LTD
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, BANGKOK
VIETNAM	HSBC BANK (VIETNAM) LTD
<b>AFRICA</b>	
BOTSWANA	STANDARD CHARTERED BANK (BOTSWANA) LIMITED
EGYPT	CITIBANK, CAIRO
GHANA	STANDARD CHARTERED BANK, GHANA
KENYA	STANDARD CHARTERED BANK (KENYA) LIMITED
MOROCCO	ATTIJARIWafa BANK, CASABLANCA
MAURITIUS	STANDARD CHARTERED BANK (MAURITIUS) LTD
NIGERIA	STANDARD CHARTERED BANK NIGERIA LIMITED
SOUTH AFRICA	STANDARD CHARTERED BANK JOHANNESBURG
WAEMU	STANDARD CHARTERED BANK CÔTE D'IVOIRE

<b>CACEIS Correspondents in respect of Financial Instruments as at March 2022. Subject to change by the Depository.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
ZAMBIA	STANDARD CHARTERED BANK ZAMBIA PLC
<b>MIDDLE EAST</b>	
BAHRAIN	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Bahrain Branch)
ISRAEL	BANK HAPOALIM B.M.
JORDAN	STANDARD CHARTERED BANK, JORDAN
KUWAIT	BNY MELLON, SA/NV (which sub-delegates to HSBC Bank Middle East, Kuwait)
OMAN	THE BANK OF NEW YORK MELLON SA/NV, SUB HSBC BANK OMAN S.A.O.G
QATAR	THE BANK OF NEW YORK MELLON SA/NV, SUB HSBC BANK MIDDLE EAST, DOHA BRANCH
UNITED ARAB EMIRATES	THE BANK OF NEW YORK MELLON SA/NV (which sub-delegates to HSBC Bank Middle East, Dubai)
<b>OCEANIA</b>	
AUSTRALIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SYDNEY BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, AUCKLAND BRANCH

The Depository reserves the right to amend the above list any time circumstances require such an amendment.

The above list is for information only and its contents are subject to change. The above list is intended neither to influence the ICAV's investment decisions nor to amend or supplement any agreement governing the ICAV's relations with the Depository. Neither the above list nor any of its contents may be disclosed to any third party or used for any other purpose without the proper written consent of the Depository. The Depository has gathered the information from a source it considers reliable, however, it cannot be responsible for inaccuracies, incomplete information or updating of the information furnished hereby.