

---

# **ASSET MANAGEMENT EXCHANGE UCITS ICAV**

An umbrella Irish collective asset-management vehicle with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended from time to time.

## **PROSPECTUS**

2 February 2024

---

## IMPORTANT INFORMATION

The Directors of the ICAV accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**This Prospectus must be read in conjunction with the Supplement of the particular Sub-Fund in which an investor wishes to invest, however, if there is a difference between the information herein and the information contained in the applicable Supplement, the information in the Supplement will prevail.**

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

After publication of an annual or half yearly report this Prospectus should be accompanied by, and read in conjunction with, the latest annual report and accounts and any subsequent half yearly report.

The Prospectus may be translated into languages other than English provided that any such translation shall only contain the same information and shall have the same meaning as the English language version of the Prospectus. To the extent that a conflict or inconsistency arises between the English language version of the Prospectus and a version prepared in any other language, the English language version shall prevail.

**The ICAV has been authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. The authorisation of the ICAV by the Central Bank is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. In addition, the authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.**

Investors should note that since securities may depreciate as well as appreciate in value, no assurance can be given by the ICAV or the Directors or any of the persons referred to in this Prospectus that the ICAV will attain its objectives. The price of Shares, in addition to the income arising therefrom, may decrease as well as increase. Accordingly, an investment should only be made where the investor is or would be in a position to sustain any loss on his or her investment. In addition investors should note that some Sub-Funds in the ICAV may invest in emerging markets, below investment grade securities and equity warrants, and that, therefore, an investment in the ICAV or Sub-Funds in question should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The difference at any one time between the sale and repurchase price of the Shares of any Sub-Fund means that the investment should be regarded as medium to long term.

Investors' attention is drawn to the section entitled "Risk Factors". Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Shares; (b) any applicable foreign exchange restrictions; and (c) any income and other taxes which may apply to their purchase, holding or disposal of Shares or payments in respect of Shares. Investors should consult, and must rely on, their own independent professional tax, legal and investment advisers as to matters concerning the ICAV and their investment in the ICAV.

This Prospectus contains a fair summary of the material terms of the information purported to be summarised herein. However, this is a summary only and does not purport to be complete.

Accordingly, reference is made to the agreements, documents, statutes and regulations referred to herein for the exact terms of such agreements, documents, statutes and regulations.

No offering literature or advertising in any form whatever shall be employed in the offering of the Shares except for this Prospectus and any other offering materials approved by the Manager on behalf of the ICAV. No person has been authorised to make any representations or provide any information with respect to the Shares except such information as is contained in this Prospectus. Neither the delivery of this Prospectus nor any sales made hereunder shall under any circumstances create an implication that there has been no change in the matters discussed in this Prospectus since the date hereof. The offeree must subscribe for Shares solely on the basis of the information set forth in this Prospectus.

**If investors are in any doubt regarding the action that should be taken, they should consult their stockbroker, bank manager, solicitor, accountant or other independent professional adviser.** The distribution of this Prospectus and the offering of the Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the ICAV to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by 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.

The ICAV shall, on request, supply Shareholders with copies of the most recent annual or interim reports (when available) free of charge. Such reports and this document (and any Supplement attached hereto) together constitute the Prospectus for the issue of Shares in the ICAV.

**The Directors may in their absolute discretion charge a redemption fee, as set out in the applicable Supplement. For the avoidance of doubt, the maximum redemption fee will not exceed 3% of the relevant redemption proceeds.**

Shareholders should note that all or part of the fees and expenses (including management fees) may be charged to the capital of the ICAV. This will have the effect of lowering the capital value of the Shareholder's investment and therefore, on redemptions of holdings, Shareholders may not receive the full amount invested. The payment of fees and expenses out of the capital of the ICAV may result in Shareholders forgoing the potential for future capital growth and the capital of the Sub-Fund may be eroded. Shareholders should further note that dividend payments may also be paid out of the capital of the relevant Sub-Fund, where this is stipulated in the relevant Supplement. Any such dividend payment would be achieved by forgoing the potential for future capital growth and the capital of the Sub-Fund may be eroded. In such circumstances, Shareholders may not receive back the full amount invested and this cycle may continue until all capital of the Sub-Fund is depleted. Therefore, there is a greater risk of capital erosion that exists in such Sub-Funds and this could result in capital erosion which could diminish the value of future returns for Shareholders in those Sub-Funds. Investors should also seek tax advice on the implications of dividend payments being paid out of capital. Details of the dividend policy for each Sub-Fund are contained in the relevant Supplement. The rationale for these payment mechanisms, where applicable, is to preserve the level of income generated by the underlying investments of each relevant Sub-Fund.

## DIRECTORY

---

### **Manager**

Carne Global Fund Managers (Ireland)  
Limited  
3<sup>rd</sup> Floor  
55 Charlemont Place  
Dublin 2  
Ireland  
D02 F985

### **Directors of the ICAV**

Elizabeth Beazley  
Yvonne Connolly  
Ruston Smith  
Robert Gardner

### **Administrator, Registrar, Transfer Agent**

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

### **Depositary**

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

### **Auditors**

PriceWaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Legal Advisers in Ireland**

McCann FitzGerald LLP  
Riverside One  
Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **Registered Office of the ICAV**

3<sup>rd</sup> Floor  
55 Charlemont Place  
Dublin 2  
Ireland  
D02 F985

### **Company Secretary to the ICAV**

Carne Global Financial Services Limited  
3<sup>rd</sup> Floor  
55 Charlemont Place  
Dublin 2  
Ireland  
D02 F985

## DEFINITIONS

---

<b>"1933 Act"</b>	means the US Securities Act of 1933, as amended;
<b>"1934 Act"</b>	means the US Securities Exchange Act of 1934, as amended;
<b>"Administrator"</b>	means Northern Trust International Fund Administration Services (Ireland) Limited or such other person or persons from time to time appointed as the administrator in respect of the ICAV in accordance with the requirements of the Central Bank;
<b>"Administration Agreement"</b>	means the agreement entered into between the ICAV, Manager and the Administrator, as may be amended, supplemented, novated or modified from time to time;
<b>"Base Currency"</b>	means the base currency of a Sub-Fund as set out in the applicable Supplement;
<b>"Business Day"</b>	shall have the meaning as set out in the applicable Supplement;
<b>"Carne IFS (UK)"</b>	means Carne International Financial Services (UK) Limited;
<b>"Central Bank"</b>	means the Central Bank of Ireland or any successor thereto;
<b>"Central Bank Act"</b>	means the Central Bank (Supervision and Enforcement) Act 2013, as such may be amended, supplemented or replaced from time to time;
<b>"Central Bank UCITS Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended or any further amendment thereto for the time being in force and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time;
<b>"CFTC"</b>	means the US Commodity Futures Trading Commission;
<b>"Closing Date"</b>	means the closing date of the Initial Offer Period in respect of a Sub-Fund as set out in the applicable Supplement;
<b>"Code"</b>	means the US Internal Revenue Code of 1986, as amended;

<b>“Data Protection Law”</b>	means the Data Protections Acts 1988 and 2003, European Data Protection Directive (95/46/EC) and the European Privacy and Electronic Communications Directive (Directive 2002/58/EC), as may be amended or supplemented, and on and from 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as may be amended or supplemented and any guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by any supervisory authority and any applicable national, international, regional, municipal or other data privacy authority or other data protection laws or regulations in any other territory in which the services are provided or received or which are otherwise applicable;
<b>“Dealing Day”</b>	means any Subscription Date or Redemption Date in respect of the relevant Sub-Fund;
<b>“Depositary”</b>	means Northern Trust Fiduciary Services (Ireland) Limited, or such other person from time to time appointed by the ICAV, in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	means the agreement between the ICAV, Manager and the Depositary, as may be amended, supplemented, novated or modified from time to time;
<b>“Directors”</b>	means the board of directors of the ICAV;
<b>“Distributors”</b>	means an entity appointed from time to time to act as a distributor of the Sub-Funds (which, as at the date of this Prospectus, includes Carne IFS (UK) which has been appointed to act as a distributor in respect of the ICAV);
<b>“ERISA”</b>	means the US Employee Retirement Income Security Act of 1974, as amended;
<b>“EU”</b>	means the European Union;
<b>“Euro” or “€”</b>	means the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the European Union;
<b>“Exempt Irish Investor”</b>	means: <ul style="list-style-type: none"> <li>(a) 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 section 785 of the Taxes Act applies which has made a Relevant Declaration which is in the possession of the</li> </ul>

ICAV prior to the occurrence of a chargeable event;

- (b) a company carrying on life business within the meaning of section 706 of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (c) an investment undertaking within the meaning of section 739B of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (d) a special investment scheme within the meaning of section 737 of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (e) a charity being a person referred to in section 739D(6)(f)(i) of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (f) a unit trust to which section 731(5)(a) of the Taxes Act applies which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (g) 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 and the qualifying fund manager within the meaning of section 784A of the Taxes Act has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (h) a person who is entitled to exemption from income tax and capital gains tax under section 848E of the Taxes Act where the Shares held are assets of a special savings incentive account within the meaning of section 848C of the Taxes Act and the qualifying savings manager within the meaning of section 848B of the Taxes Act has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;

- (i) 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 within the meaning of Chapter 2A of Part 30 of the Taxes Act and the PRSA administrator within the meaning of that Chapter has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (j) a credit union within the meaning of section 2 of the Credit Union Act 1997 which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (k) a qualifying management company within the meaning of section 734 (1) of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (l) a specified company within the meaning of section 734 (1) of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (m) a company in respect of its investment in a money market fund within the meaning of Regulation (EC) No 2423/2001 of the European Central Bank of 22/11/2001, where such company is within the charge to corporation tax and has made a declaration to that effect to the ICAV and has supplied details of its corporation tax reference number to the ICAV;
- (n) 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, and the National Treasury Management Agency has made a declaration to that effect to the ICAV;
- (p) the National Asset Management Agency which has made a declaration to that effect to the ICAV;
- (q) a Qualifying Company that has made a declaration to that effect to the ICAV and has supplied details of its corporation tax reference number to the ICAV;



- (r) an investment limited partnership within the meaning of section 739J of the Taxes Act which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event;
- (s) an Intermediary acting on behalf of persons who are neither Resident in Ireland nor Ordinarily Resident in Ireland for tax purposes or an Intermediary acting on behalf of the Irish Resident persons listed above which has made a Relevant Declaration which is in the possession of the ICAV prior to the occurrence of a chargeable event; or
- (t) any other Irish Resident or person Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to an obligation on the ICAV to withhold tax or to make payments of tax in respect of chargeable events in respect of that Shareholder, provided that, where necessary, they have completed the appropriate statutory declaration under Schedule 2B of the Taxes Act;

**“Exempt Non-Resident Investor”**

means a Shareholder that is neither Resident in Ireland nor Ordinarily Resident in Ireland at the time of the chargeable event and either (i) the ICAV is in possession of a Relevant Declaration to that effect and is not in possession of any information that would suggest that the information contained therein is no longer materially correct or (ii) the ICAV is in possession of a written notice of approval from the Revenue Commissioners to the effect that section 739D(7) of the Taxes Act is deemed to have been complied with in respect of that Shareholder and that approval has not been withdrawn;

**“FINRA”**

means the US Financial Industry Regulatory Authority, Inc.;

**“FINRA Rules”**

means the rules of FINRA, including Rules 5130 and 5131, as the same may from time to time be amended;

**“ICAV”**

means the Asset Management Exchange UCITS ICAV;

**“ICAV Act”**

means the Irish Collective Asset Management Vehicle Act 2015 and every statute or other provision of law modifying, extending or re-enacting the ICAV Act;

**“IGA”**

means the Ireland and US Intergovernmental Agreement

**“Initial Offer Period”**

means the initial offer period in respect of each series of Shares in a Sub-Fund as set out in the applicable Supplement;

<b>“Initial Sub-Funds”</b>	means AMX UCITS ICAV – PGIM – Emerging Markets Aggregate and AMX UCITS ICAV – Intech – Global Defensive Equity;
<b>“Instrument of Incorporation”</b>	means the instrument of incorporation of the ICAV;
<b>“Intermediary”</b>	means a person who (a) carries on a business which consists of, or includes, the receipt of payment from an investment undertaking on behalf of other persons, or (b) holds shares in an investment undertaking on behalf of other persons;
<b>“Investment Undertaking”</b>	means an investment undertaking within the meaning of section 739B of the Taxes Act;
<b>“Investor Monies”</b>	means any unprocessed subscription monies received from investors, redemption monies payable to investors and/or dividends due to investors;
<b>“Ireland”</b>	means the Republic of Ireland;
<b>“Irish Resident”</b>	means any person who is a Resident of Ireland or Ordinarily Resident in Ireland for tax purposes;
<b>“Management Agreement”</b>	means the agreement pursuant to which the Manager was appointed as the UCITS management company in respect of the ICAV, as may be amended or novated from time to time;
<b>“Manager”</b>	means Carne Global Fund Managers (Ireland) Limited, which is the UCITS management company appointed to the ICAV or any successor UCITS management company to the ICAV appointed in accordance with the requirements of the Central Bank. The Manager will act as the responsible person for the purposes of the Central Bank UCITS Regulations;
<b>“Member State”</b>	means a member state of the EU;
<b>“Minimum Holding”</b>	means the minimum holding in respect of any Sub-Fund, as provided for in the applicable Supplement;
<b>“Minimum Initial Subscription”</b>	means the minimum initial subscription in respect of any Sub-Fund, as provided for in the applicable Supplement;
<b>“Net Asset Value”</b>	means the net asset value of the ICAV or of a Sub-Fund or of a series of Shares of a Sub-Fund, as is relevant in the circumstances as more fully described in the section headed “Valuation”;
<b>“Ordinarily Resident in Ireland”</b>	means, for the present purposes:  in the case of an individual, an individual who is ordinarily resident in Ireland for tax purposes; and in the case of a trust, a trust that is ordinarily resident in Ireland for tax purposes;

<b>“Participating Share” or “Share”</b>	means a participating share in the capital of the ICAV of no par value, issued subject to, and in accordance with the ICAV Act and the Instrument of Incorporation of the ICAV;
<b>“Portfolio Manager”</b>	means a third-party investment manager appointed by the Manager to manage the assets of a Sub-Fund;
<b>“Qualifying Company”</b>	means a qualifying company within the meaning of section 110 of the Taxes Act;
<b>“Recognised Clearing System”</b>	means any of the following clearing systems: <ul style="list-style-type: none"> <li>(a) BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD);</li> <li>(b) Central Moneymarkets Office;</li> <li>(c) Clearstream Banking SA;</li> <li>(d) Clearstream Banking AG;</li> <li>(e) CREST;</li> <li>(f) Depository Trust Company of New York;</li> <li>(g) Euroclear;</li> <li>(h) Monte Titoli SPA;</li> <li>(i) Netherlands Centraal Instituut voor Giraal Effectenverkeer BV;</li> <li>(j) National Securities Clearing System;</li> <li>(k) Sicovam SA;</li> <li>(l) SIS Sega Intersettle AG;</li> <li>(m) The Canadian Depository for Securities Ltd;</li> <li>(n) VPC AB;</li> <li>(o) Deutsche Bank AG, Depository and Clearing Centre;</li> <li>(p) Japan Securities Depository Centre (JASDEC);</li> <li>(q) Hong Kong Securities Clearing Company Limited; and</li> <li>(r) any other system for clearing securities which is designated by the Revenue Commissioners as a recognised clearing system;</li> </ul>

<b>“Recognised Market”</b>	means a market which is regulated, recognised, operating regularly and open to the public, relevant details of which are set out in Schedule 2 of this Prospectus. The Central Bank does not issue a list of approved markets;
<b>“Redemption Date”</b>	means the relevant Business Day on which the Shares in a Sub-Fund can be redeemed as set out in the applicable Supplement;
<b>“Relevant Declaration”</b>	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act;
<b>“Relevant Period”</b>	means in relation to a Share in the ICAV, a period of eight years beginning with the acquisition of a Share by a Shareholder and each subsequent period of eight years beginning immediately after the end of the preceding Relevant Period for as long as the Shareholder holds that Share;
<b>“Resident in Ireland”</b>	means: <ul style="list-style-type: none"> <li>- in the case of an individual, an individual who is resident in Ireland for tax purposes;</li> <li>- in the case of a trust, a trust that is resident in Ireland for tax purposes; and</li> <li>- in the case of a company, a company that is resident in Ireland for tax purposes.</li> </ul>

#### **Individual**

An individual will be regarded as resident in Ireland for a particular tax year if he/she is present in Ireland: (a) for a period of at least 183 days in that tax year, or (b) for a period of at least 280 days taking into account the number of days present in Ireland in that tax year together with the number of days present in Ireland in the preceding tax year, provided that the individual is resident in Ireland for at least 31 days in each of those tax years.

In determining the number of days present in Ireland, an individual is deemed to be present in Ireland if he/she is in the country at any time during the day.

#### **Trust**

A trust will be Resident in Ireland and Ordinarily Resident in Ireland for the purposes of Irish capital gains tax unless the general administration of the trust is ordinarily carried on outside Ireland and the trustees (being a single and continuing body of persons) or a majority of them for the time being are not Resident in Ireland or Ordinarily Resident in Ireland.

#### **Company**

A company will be Resident in Ireland if its central management and control is exercised in Ireland irrespective of where it is incorporated. For Ireland to be treated as the location for central management and control this typically means that Ireland is the location where all fundamental policy decisions of the company are made.

A company incorporated in Ireland after 1 January 2015 will be regarded for all purposes of Irish tax legislation as being resident in Ireland unless it is regarded for the purposes of a double tax treaty in effect with Ireland as being resident in that other tax treaty territory and not in Ireland.

A company incorporated in Ireland prior to 1 January 2015 will be similarly treated for the purposes of ascertaining tax residency after 1 January 2020 or if earlier, from the date of a major change of ownership of the company where there is a major change in the nature or conduct of the business of the company within the relevant period. Relevant period for this purpose means a period of 5 years from 1 January 2015 or the date of change of ownership, whichever is later. Otherwise, a company incorporated in Ireland prior to 1 January 2015 which does not have its central management and control in Ireland will be regarded as resident in Ireland except where:-

- the company or a related company (as described in section 23A of the Taxes Act) carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU member states or, resident in territories with which Ireland has a double taxation treaty (a "taxation treaty territory"), and the company is not ultimately controlled by persons who are not so resident, or the principal series of shares of the company or a related company is substantially and regularly traded on one or more recognised stock exchanges in the EU or in a taxation treaty territory; or
- pursuant to the terms of a double taxation treaty between Ireland and another territory, a company is regarded as a resident of a territory other than Ireland and as not resident of Ireland.

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 contained in section 23A of the Taxes Act;

<b>“Revenue Commissioners”</b>	means the Revenue Commissioners of Ireland;
<b>“SEC”</b>	means the US Securities and Exchange Commission;
<b>“Share(s)”</b>	means the Participating Shares of no par value in the capital of the ICAV;
<b>“Shareholder”</b>	means a holder of Shares in the ICAV;
<b>“State”</b>	means Ireland;
<b>“Sterling” or “£”</b>	means pounds sterling, the currency of the United Kingdom;
<b>“Sub-Fund”</b>	means any separate fund or funds from time to time established and maintained by the ICAV with the prior approval of the Central Bank;
<b>“Subscription Date”</b>	means the relevant Business Day on which Shares in a Sub-Fund can be purchased as set out in the applicable Supplement;
<b>“Supplement”</b>	means a supplement to this Prospectus containing information relating to a particular Sub-Fund;
<b>“Taxes Act”</b>	means the Taxes Consolidation Act 1997 (as amended) of Ireland;
<b>“Taxable Corporate Shareholder”</b>	means a corporate Shareholder who is not an Exempt Irish Investor and who is Resident in Ireland;
<b>“Transferable Securities”</b>	means shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange other than techniques and instruments utilised for efficient portfolio management, and which fulfil the requirements for transferable securities contained in the UCITS Regulations and the Central Bank UCITS Regulations;
<b>“UCITS”</b>	means an undertaking the sole object of which is the collective investment in either or both (i) Transferable Securities, (ii) other liquid financial assets of capital raised from the public, and which operates on the principle of risk-spreading, and the units/shares of which are at the request of the holders repurchased or redeemed directly or indirectly out of those undertakings’ assets. Action taken by a UCITS to ensure that the stock exchange value of its shares does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or redemption. Other liquid financial assets include cash deposits, financial derivative instruments, other

collective investment undertakings, index tracking funds and money market instruments;

**“UCITS 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) recast, including the associated implementing measures contained in Directive 2010/43/EU and Directive 2010/44/EU, and as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014, and as may be further amended from time to time;

**“UCITS Regulations”**

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 or any amendment thereto for the time being in force;

**“United Kingdom” or “UK”**

means the United Kingdom of Great Britain and Northern Ireland;

**“United States” or “US”**

means the United States of America, as defined in Regulation S under the 1933 Act;

**“US Dollars” or “US\$”**

means US dollars, the lawful currency of the United States;

**“United States Person”**

means a citizen or “resident alien” within the meaning of US income tax laws as in effect from time to time, a corporation or partnership or other entity created or organised in the United States or under the laws of the United States or any state, a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more United States Persons have the authority to control all substantial decisions of the trust, an estate which is subject to US tax on its worldwide income from all sources, or any person falling within the definition of the term “US person” under Regulation S promulgated under the 1933 Act or not qualifying as a “Non-United States person” under CFTC Regulation 4.7 under the CEA;

**“Valuation Date”**

means the relevant Business Day on which the Net Asset Value of a Sub-Fund, as is relevant in the circumstances, is calculated as set out in the applicable Supplement. For the avoidance of doubt, there will be a Valuation Date in respect of each Subscription Date and Redemption Date;

**“Valuation Point”**

means the relevant time in respect of each Valuation Date at which the Net Asset Value of a Sub-Fund is calculated as set out in the applicable Supplement.

## TABLE OF CONTENTS

---

<b>IMPORTANT INFORMATION</b> .....	<b>i</b>
<b>DIRECTORY</b> .....	<b>iii</b>
<b>DEFINITIONS</b> .....	<b>iv</b>
<b>THE ICAV</b> .....	<b>1</b>
Investment Objectives, Policies and Restrictions .....	1
Change in Investment Objectives and Policies .....	2
Financial Derivative Instruments .....	2
Securities Financing Transactions .....	4
Borrowing and Leverage Policy .....	4
Liquidity Management Tools .....	4
Dividend Payment Policy .....	4
Risk Factors .....	4
Investment Strategy and Instruments Risks .....	5
Structural Risks .....	13
Market and Regulatory Risks .....	17
Conflicts of Interest .....	20
<b>MANAGEMENT AND ADMINISTRATION</b> .....	<b>23</b>
The Directors .....	23
The Manager .....	24
The Directors of the Manager .....	25
The Administrator .....	27
The Depository .....	28
The Distributors and Other Parties .....	29
Data Protection Information .....	30
<b>SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS</b> .....	<b>31</b>
In Specie Subscriptions .....	33
Subscription Fees .....	34
Transfers .....	34
Switching of Shares .....	34
Redemptions .....	35
Redemption Fees .....	36
Deferral of Redemptions .....	36
In specie Redemptions .....	36
Anti-dilution Levy .....	36
Compulsory Redemptions .....	37
Suspension of Valuations and Subscriptions, Conversions and Redemptions .....	37
Investor Restrictions .....	37
Abusive Trading Practices .....	38
Umbrella Fund Cash Accounts .....	38
<b>VALUATION</b> .....	<b>40</b>
Allocation of Assets and Liabilities .....	40
Valuation Principles .....	41
Suspension of Valuation .....	45
Publication of the Net Asset Value .....	46
<b>FEES AND EXPENSES</b> .....	<b>47</b>
Management Fee .....	47
Portfolio Management Fee .....	47
Administration Fee .....	47
Depository Fee .....	47
Distribution Fee .....	47



Directors' Remuneration.....	47
Establishment Expenses.....	47
Other Expenses .....	48
<b>TAXATION.....</b>	<b>51</b>
Ireland .....	51
United Kingdom .....	57
<b>MATERIAL CONTRACTS.....</b>	<b>60</b>
The Management Agreement .....	60
The Administration Agreement.....	60
The Depositary Agreement .....	61
<b>GENERAL INFORMATION .....</b>	<b>62</b>
Share Capital .....	62
Instrument of Incorporation.....	62
Reports .....	66
Documents Available .....	66
<b>SCHEDULE 1.....</b>	<b>67</b>
<b>SCHEDULE 2.....</b>	<b>73</b>
<b>SCHEDULE 3.....</b>	<b>77</b>
<b>SCHEDULE 4 .....</b>	<b>80</b>

## THE ICAV

---

The ICAV is an Irish collective asset-management vehicle with variable capital established as an umbrella fund with segregated liability between its Sub-Funds authorised pursuant to the ICAV Act and the UCITS Regulations. The ICAV was established on 25 November 2022 under registration number C504030. The liability of the Shareholders is limited.

The ICAV is organised in the form of an umbrella fund with segregated liability between Sub-Funds. Each Sub-Fund will have a distinct portfolio of investments. Separate books and records will be maintained for each Sub-Fund.

For the avoidance of doubt, the assets of each Sub-Fund shall belong exclusively to such Sub-Fund and shall not be used to discharge directly or indirectly liabilities or claims against any other Sub-Fund and shall not be available for such purpose.

The ICAV may from time to time create additional series or sub-series of Shares within a Sub-Fund in accordance with the requirements of the Central Bank. The Directors may, in their absolute discretion, differentiate between the rights attaching to the different series or sub-series of Shares within a particular Sub-Fund including, without limitation, liquidity rights, dividend policy, level of fees, currencies and hedging policy in respect of each series.

The ICAV may from time to time create such Sub-Funds as the Directors may deem appropriate and with the prior approval of the Central Bank. Details of any Sub-Fund or Sub-Funds created in the future shall be as set out in the applicable Supplement in accordance with the requirements of the Central Bank. The applicable Supplement shall form part of, and should be read in conjunction with, this Prospectus, however, if there is a difference between the information herein and the information contained in the applicable Supplement, the information in the Supplement will prevail.

### **Investment Objectives, Policies and Restrictions**

The assets of each Sub-Fund will be invested in accordance with the investment objectives and policies of that Sub-Fund as set out in the applicable Supplement. The ICAV and the Manager, in consultation with any Portfolio Manager, are responsible for the formulation of the investment objectives and policies of each Sub-Fund and any subsequent change to these objectives and policies and for compliance with the investment and borrowing restrictions contained in the UCITS Regulations and the Central Bank UCITS Regulations as set out in Schedule 1, to which each Sub-Fund is subject. Additional restrictions (if any) relevant to each Sub-Fund will be as set out in the applicable Supplement.

Subject always to the requirements of the Central Bank, the Manager may, in consultation with the Depositary, permit a Sub-Fund to invest in other collective investment schemes, including, without limitation, other Sub-Funds. Such investment in other Sub-Funds is known as “**cross-investment**”. A Sub-Fund may not, however, invest in another Sub-Fund which itself holds Shares in another Sub-Fund of the ICAV. For the avoidance of doubt, any cross-investment, as described above, will be carried out in accordance with applicable law, including the U.S. Investment Advisers Act of 1940.

Where a Sub-Fund (the “**Investing Fund**”) cross-invests and invests in the Shares of another Sub-Fund (each a “**Receiving Fund**”), the rate of the Manager’s annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund’s assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) may not exceed the rate of the Manager’s maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund’s assets, such that there shall be no double charging of the Manager’s annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. Furthermore, where a Sub-Fund managed by a Portfolio Manager cross invests in another Sub-Fund,

the Portfolio Manager will waive the portion of its fee relating to that Sub-Fund's cross-investment in the other Sub-Fund.

A Sub-Fund may also invest in investment funds managed by the Manager or by an associated or related company of the Manager. Where a Sub-Fund invests in such an investment fund, the Manager will waive any preliminary/initial/redemption charge which it would normally charge in respect of that investment fund. Furthermore, the Manager in its sole discretion, may choose to waive any portion of its annual management fee at either the level of the ICAV or at the level of the related investment fund. In addition, where a commission is received by the Manager by virtue of a Sub-Fund's investment in a related investment fund or another Sub-Fund, this commission must be paid into the property of the investing Sub-Fund.

A Sub-Fund may from time to time hold cash or liquid assets on a short term basis and/or such other instruments as the Manager and/or the applicable Portfolio Manager considers appropriate to achieving the Sub-Fund's investment objective.

The Manager, in respect of one or more Sub-Funds, may delegate the portfolio management of all or a portion of the relevant Sub-Fund's assets to one or more Portfolio Managers. Additional fees will arise from this investment policy, as further detailed below.

### **Change in Investment Objectives and Policies**

A change to the investment objective, or a material change to the investment policy, of a Sub-Fund shall only be permitted if, a simple majority of the Shareholders in the relevant Sub-Fund vote in favour of such a change to the investment objective, or material change to the investment policy, of the relevant Sub-Fund. Approval by way of unanimous written consent from all Shareholders in the relevant Sub-Fund shall also be deemed sufficient. In the event of a change to the investment objective of a Sub-Fund and/or a material change to the investment policy of a Sub-Fund, where unanimous written consent has not been obtained, a reasonable notification period will be provided by the ICAV to enable the Shareholders in the relevant Sub-Fund to redeem their Shares prior to implementation of such changes, if they so wish.

### **Financial Derivative Instruments ("FDIs")**

Each Sub-Fund may, within the conditions and limits laid down by the Central Bank, for the purposes of investment, hedging and efficient portfolio management, enter into derivative instruments. The FDIs used by each Sub-Fund will be set out in the applicable Supplement, together with a full explanation of each FDI used by that Sub-Fund.

"Efficient Portfolio Management" ("EPM") for these purposes, means an investment decision involving transactions that are entered into for one or more of the following specific aims:

- a reduction of risk;
- a reduction of cost;
- the generation of additional capital or income for the Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund and the general provisions of the UCITS Regulations.

EPM techniques will be used in accordance with normal market practice. Assets received in the context of EPM are considered as collateral and will comply with the ICAV's collateral policy set out in Schedule 3 to this Prospectus. All the revenues arising from transactions relating to EPM shall be returned to the Sub-Fund following the deduction of any direct and indirect operational costs and fees arising from such transactions which shall be payable to the relevant counterparty. Details of the relevant counterparties and whether they are related parties to the Manager or Depositary will be disclosed in the annual reports

and interim reports. Such direct and indirect operational costs and fees will be at normal commercial rates together with VAT, if any, thereon, and will be borne by the ICAV or the relevant Sub-Fund.

As set out in the applicable Supplement, the Portfolio Manager may also, for EPM purposes, only enter into repurchase arrangements (repos) and stocklending arrangements with one or more counterparties in accordance with the requirements of the Central Bank (the “**stocklending/repurchase transactions**”). Any such stocklending/repurchase transactions will be subject to the conditions, limits and requirements of the Central Bank UCITS Regulations and the provisions of the Prospectus. In these transactions, and in respect of any FDIs traded on exchange or over-the-counter (“**OTC**”), collateral may move between the ICAV and the relevant counterparty, in accordance with the ICAV’s collateral policy set out in Schedule 3 to this Prospectus, in order to secure its obligations to any counterparty or to mitigate any counterparty risk.

Each Sub-Fund may employ techniques and instruments that are intended to provide protection against exchange rate risks in the context of the management of its assets and liabilities (i.e. currency hedging) by gaining an exposure to one or more foreign currencies or otherwise altering the currency exposure characteristics of securities held by the relevant Sub-Fund (i.e. active currency positions).

#### *Currency Hedging for Share Series*

The Manager may, in respect of any hedged series of Shares, hedge the currency exposure of that series through a series of FX hedging transactions back into the relevant Base Currency. Each hedging transaction will be clearly attributable to the relevant series of Shares and any gains/losses of the hedging transactions will accrue solely to the relevant series of Shares.

While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Manager or Portfolio Manager provided that the level of the currency exposure hedged does not exceed 105 per cent. of the Net Asset Value of a series. The positions will be reviewed on a daily basis to ensure that over-hedged positions do not exceed 105 per cent. and any over-hedged positions materially in excess of 100 per cent. will not be carried forward from month to month. Furthermore, the ICAV will ensure that under-hedged positions do not fall short of 95 per cent. of the portion of the Net Asset Value of the relevant series of Shares which is to be hedged and shall keep any such under-hedged position under review so as to ensure it is not carried forward from month to month. While the ICAV may attempt to hedge against currency exposure at a series level, there can be no guarantee that the value of a series will not be affected by fluctuations in the value of the Base Currency relative to the currency of the series. Any costs related to such hedging shall be borne separately by the relevant series. The ICAV shall not combine or offset currency exposures of different currency series and it shall not allocate currency exposures of assets of the ICAV to separate series of Shares. The use of series hedging strategies may substantially limit holders of Shares in the relevant series from benefiting if the series currency falls against the Base Currency and/or the currency in which the assets of a Sub-Fund are denominated. To the extent that the hedging is successful, the performance of the series is likely to move in line with the performance of the Base Currency series. Each Sub-Fund may implement currency hedging strategies by using spot and forward foreign exchange contracts and currency futures, options and swap contracts.

The Manager will employ a risk management process which will enable it to accurately manage, monitor and measure the risks attached to derivative positions and details of this process have been provided to the Central Bank. The ICAV will not utilise derivative positions which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Manager, in conjunction with the Portfolio Manager, will provide on request to Shareholders supplementary information relating to the risk management methods employed by the ICAV including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the relevant Sub-Fund.

## **Securities Financing Transactions (“SFTs”)**

A Sub-Fund may utilise SFTs including repurchase transactions, securities lending transactions and total return swaps. The proportion of a Sub-Fund’s assets under management that will be subject to SFTs will be set out in the applicable Supplement.

The counterparties to such SFTs will be corporate entities (which may or may not be related to the ICAV, the Manager, Depositary or their delegates) typically located in OECD jurisdictions. Accordingly, Manager or its affiliate will check that the counterparties 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. In addition, a credit assessment will be undertaken by the Manager or its affiliate with respect to each counterparty to ensure that each counterparty has a minimum credit rating of above investment grade. All revenues generated by SFTs are returned to the Sub-Fund and all fees and operating expenses are also paid for by the Sub-Fund.

SFTs shall be held either in the physical custody of the Depositary, or for the account of the Depositary by an agent or sub-depositary of the Depositary, or a central bank, depository or clearing corporation acting as a depository.

Any collateral used in the context of SFTs shall comply with the ICAV’s Collateral Policy as set out in Schedule 3 to this Prospectus. The risks associated with SFTs are more fully described in the section below entitled “Risk Factors”, including, “Derivatives Risk” and “Risks Linked to Management of Collateral” and the Risk Factors set out in the applicable Supplement.

## **Borrowing and Leverage Policy**

The borrowing and leverage limits in respect of any Sub-Fund will be set out in the applicable Supplement.

## **Liquidity Management Tools**

The Manager currently utilises MSCI LiquidityMetrics as its primary liquidity management tool. MSCI LiquidityMetrics is essentially a market impact model that can be manipulated in various ways to understand the potential impact and limitations of liquidity on trading scenarios.

MSCI ingests trade data from exchanges/other entities they have partnered with in order to update granular modelling of the relationship between Quantity, Bid-Ask Spread and Trading Horizon per security and how those relationships change with shifts in market volume, depth, elasticity and volatility. MSCI Liquidity Metrics provides forecast results with which to evaluate liquidity risk/likely redemption ability within a timeframe / market impact tolerance, through current or stressed scenario market conditions.

## **Dividend Payment Policy**

Any dividend payment in respect of a Sub-Fund shall be made in accordance with the dividend policy of that Sub-Fund as set out in the applicable Supplement.

## **Risk Factors**

Potential investors in the ICAV should understand that all investments involve risks. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the ICAV. Prospective investors should consider seeking independent professional advice before deciding to invest in the ICAV. Except where the context otherwise requires, each reference to the Manager includes the Manager and the Portfolio Manager when acting in its capacity as the discretionary portfolio manager for the relevant Sub-Fund.

## **Investment Strategy and Instruments Risks**

### *Cross-Series Liability Risk*

Series of Shares do not have separate legal personality and there is no legislative segregation of liability between Share series. Accordingly, in the context of currency hedging transactions at Share series level, creditors of the Sub-Fund (e.g., the counterparty involved in effecting the hedge for the relevant series), absent contrary contractual provisions, may seek to enforce claims against all assets of the Sub-Fund, even if the creditors' claims relate to a single series of Shares. Furthermore, if there is a deficit in one series of Shares, assets of another series may be available to creditors to cover this deficit. These risks apply to any currency hedging activities by the Sub-Fund insofar as any gains/losses of the currency hedging transactions will generally accrue solely to the relevant Shares series and not to the Sub-Fund as a whole.

### *Investment Risk*

Potential investors should note that the investments of each Sub-Fund are subject to market fluctuations. There is no assurance that any appreciation in the value of investments will occur or that the investment objective of any Sub-Fund will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested. The difference between the cost of subscribing for Shares and the amount received on redemption means that any investment in the ICAV should be viewed as a medium to long-term investment. An investment should only be made by those who are able to sustain a loss on their investment.

### *Currency risk*

Each Sub-Fund's assets may, unless otherwise noted, be invested in securities denominated in currencies other than the relevant currency of such Sub-Fund and any income received from such securities will be received in the currencies of such securities, some of which may fall in value against the relevant currency of such Sub-Fund. Each Sub-Fund will compute its Net Asset Value and make any distributions in the denomination of the Shares while each Sub-Fund may, from time to time, engage in forward foreign exchange transactions to provide protection against exchange-rate risk. There is no guarantee that this objective will be achieved and consequently there is therefore a currency exchange risk which may affect the value of the Shares to the extent that the Sub-Fund makes investments in currencies other than the relevant currency of the Sub-Fund.

### *Currency Hedging Risk*

A Sub-Fund may enter into hedging transactions with respect to a particular series to attempt to offset the risk of exchange rate fluctuations between the currency in which such series is denominated and the currency or currencies in which the Sub-Fund's assets are denominated. A series' currency hedging will likely be limited to the estimated Net Asset Value of the relevant series, periodically adjusted (typically monthly or quarterly) for estimated changes in Net Asset Value. Because adjustments are not made more frequently, and because estimates are used in hedging, a currency hedged series will always be over- or under-hedged to some degree against its actual currency exchange risk.

Any currency hedging transactions are intended to protect the relevant series from currency losses but will also prevent any profit from currency gains. Further, there can be no assurance that any currency hedging transactions will be successful, and there are transaction costs associated with hedging, which are borne by those series. Moreover, liquidating Sub-Fund investments in order to settle currency hedging losses may result in a less liquid and less diversified portfolio for a Sub-Fund as a whole, including series other than the series for which the currency hedging transactions are being made.

Where the Portfolio Manager does not hedge against currency risk, performance of the Sub-Fund and the value of its assets may be strongly influenced by movements in currency exchange rates because currency positions held by a Sub-Fund may not correspond with the securities or positions held by the Sub-Fund.

Currency hedging is a trading strategy implemented through the use of derivatives, and a Sub-Fund will be required to settle trading losses on those derivatives, regardless of the liquidity of the Sub-Fund's investment portfolio. A Sub-Fund may seek to obtain a credit facility on which it can draw to post margin, pay fees or settle hedging losses. However, there can be no assurance that a credit facility provider will maintain the facility indefinitely, will not refuse a draw request, or will not itself fail, resulting in the loss of the credit line. Additionally, credit facilities will be limited in size and may not be sufficient to cover all margin calls or hedging losses, and credit facilities increase the cost of hedging because a Sub-Fund may be required to pay, among other things, (i) a commitment fee to obtain the facility, (ii) the initial costs of negotiating and putting in place the facility, and (iii) a spread over a bank lending rate on any borrowing.

The Sub-Fund or a hedging counterparty could determine at any time to discontinue a hedging transaction. Therefore, no prospective investor should invest in a series in reliance on the Sub-Fund hedging its currency risk at all times.

#### *Derivatives Risk*

Investment in certain derivatives can expose a Sub-Fund to potentially unlimited liability, especially where there is limited liquidity in the markets.

A Sub-Fund may employ various investment techniques, such as the derivatives set out in the Supplement for each Sub-Fund in order to afford the protection of capital or the enhancement of investment returns or for efficient portfolio management purposes. These derivative positions may be executed either on-exchange or over-the-counter. The primary risks associated with the use of such derivatives are (i) failure to predict accurately the direction of the market movements and (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of the Sub-Fund's derivatives. These techniques may not always be possible or effective in enhancing returns or mitigating risk.

A Sub-Fund's investments in over-the-counter derivatives are subject to the risk of counterparty default as described under the risk factor "Counterparty and Broker Credit Risk". In addition, a Sub-Fund may have to transact with counterparties on standard terms which can often be difficult to negotiate.

Additional risks associated with FDIs include: (i) failure to predict accurately the direction of any market movements; (ii) market risk, for example, the unpredictable movement of market prices or other variables that may form part of the valuation of a FDIs; (iii) liquidity risk, for example, the lack of appropriate levels of market liquidity leading towards an inability to liquidate or liquidation at unfavourable terms; (iv) credit risk, for example, exposure to the creditworthiness of the counterparty with which the FDI is entered into; and (v) legal risk, for example, the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

Price movements of forward contracts, futures contracts, options, contracts for difference and other derivative contracts in which a Sub-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. In addition governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since there is generally less government supervision and regulation of

emerging market stock exchanges and clearing houses than in more developed markets, a Sub-Fund may also be subject to the risk of the failure of the exchanges on which its positions trade or of their clearing houses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

#### *Risks Linked to the Management of Collateral*

In the event that collateral is received by a Sub-Fund, the risks linked to the management of collateral, such as operational and legal risks, will be identified, managed and mitigated by an updated version of the risk management process. The management and monitoring of collateral received, including monitoring its liquidity is dependent upon systems and technology operated by the Sub-Fund's service providers. Cyber-attacks, disruptions, or failures that affect the Sub-Fund and/or its service providers or counterparties may adversely affect the Sub-Fund, including by causing losses for the Sub-Fund or impairing the Sub-Fund's operations.

Legal and regulatory changes could adversely affect each Sub-Fund in its management of collateral. The effect of any future legal or regulatory change on a Sub-Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

Where a Sub-Fund receives collateral on any basis other than a legal title transfer basis, local custody services may be underdeveloped in many emerging market countries and there is custody risk involved in dealing in such markets. In certain circumstances, a Sub-Fund may not be able to recover some of its collateral. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-depository, retroactive application of legislation and fraud.

Liquidity risk can exist when certain non-cash collateral instruments are difficult to purchase or sell. A Sub-Fund's investments in non-cash collateral instruments may reduce the returns of the Sub-Fund because it may be unable to sell the non-cash collateral instruments at an advantageous time or price.

#### *Futures Risk*

Exchange traded future prices may exhibit similar volatility as their underlyings, but because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is achievable in a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial volatility to a leveraged Sub-Fund.

#### *Equity Securities Risk*

A Sub-Fund may hold long and short positions in common stocks, preferred stocks and convertible securities. Any such short positions may only be held synthetically. The Sub-Fund also may invest in depository receipts relating to non-US securities. Equity securities fluctuate in value in response to many factors, including the activities and financial condition of individual companies, the business market in which individual companies compete and general market and economic conditions.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Sub-Fund is called for redemption, the Sub-Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Sub-Fund's ability to achieve its investment objective.



### *Fixed-Income Securities Risk*

The value of fixed-income securities in which a Sub-Fund may invest will change in response to fluctuations in interest rates. For fixed-rate debt securities, when prevailing interest rates fall, the values of already-issued debt securities generally rise. When interest rates rise, the values of already-issued debt securities generally fall, and they may sell at a discount from their face amount. In addition, the value of certain fixed-income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed-income instruments, such as mortgage-backed securities, may fluctuate in response to changes in the economic environment that may affect future cash flows.

### *Short Selling Risk*

Some of the Sub-Funds may use high-risk strategies, such as selling securities short. Short selling exposes the seller to unlimited risk due to the lack of an upper limit on the price to which a security may rise. Furthermore, the emergency short sale rules adopted by financial market regulators may materially adversely impact the implementation of certain trading strategies making them uneconomical or impractical to implement, exposing a Sub-Fund to potential material losses.

### *Non-publicly Traded Securities*

A Sub-Fund may invest up to 10% of its Net Asset Value in non-publicly traded securities. A Sub-Fund may not be able to readily dispose of such non-publicly traded securities and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time.

Where appropriate, positions in a Sub-Fund's investment portfolio that are not publicly traded will be valued at probable realisation value as determined with care and in good faith by such competent person as may be appointed by the Directors and approved for that purpose by the Depositary, taking into account actual market prices, market prices of comparable investments and/or such other factors (e.g., the tenor of the respective instrument) as are deemed appropriate. There is no guarantee that the probable realisation value will represent the value that will be realised by a Sub-Fund on the eventual disposition of the investment or that would, in fact, be realised upon an immediate disposition of the investment. As a result, an investor redeeming from a Sub-Fund prior to realisation of such an investment may not participate in gains or losses therefrom.

### *Credit Risk*

Credit risk refers to potential losses due to counterparty default, such as the failure to pay coupons or principal of a bond. Another type of credit risk is the risk of settlement failure, that is, the failure of a counterparty to deliver or pay for securities.

### *Counterparty and Broker Credit Risk*

A Sub-Fund will be exposed to the credit risk of the counterparties such as the brokers, dealers and exchanges through which it deals, whether it engages in exchange-traded or off-exchange transactions. In relation to instruments not traded on a recognised exchange, these are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house.

The Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty or broker with which the Sub-Fund trades or of any clearing broker through which the relevant broker executes and clears transactions on behalf of the Sub-Fund, or of an exchange clearinghouse. This could result in substantial losses to the Sub-Fund.

### *Leverage Risk*

Leverage, through the use of margin and other forms of debt to finance portfolio purchases, increases returns to the investors if the Sub-Fund earns a greater return on leveraged investments than a Sub-Fund's cost of such leverage. However, the use of leverage exposes a Sub-Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Sub-Fund not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds a Sub-Fund's cost of leverage related to such investments. In the event of a sudden, precipitous drop in value of the Sub-Fund's assets, a Sub-Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by a Sub-Fund.

### *Valuation Risk*

Due to the nature of certain investments of a Sub-Fund, the counterparty may be the only party who can provide a valuation of such investments. As such, it may not always be possible to obtain a valuation from an independent third party. If such a situation arises, a Sub-Fund will seek to ensure that the counterparty will execute the transactions on normal commercial terms which are negotiated at arms' length.

### *Pricing Risk*

It is possible that errors may be made in the calculation of the Net Asset Value.

In determining whether compensation will be payable to a Sub-Fund and/or individual Shareholders as a result of such errors, the ICAV will have regard to the guidelines issued by Irish Funds to apply a materiality threshold, below which, subject to approval of the Depositary, compensation will not usually be payable. The Central Bank has not set any requirements in this regard.

In this context the materiality threshold currently applied by the ICAV is 0.5% of the Net Asset Value of the relevant Sub-Fund, which reflects, in the opinion of the Directors, general market practice at the date of this Prospectus.

As such, and subject on each occasion to the approval of the Depositary, compensation will generally not be payable for errors where the effect on the Sub-Fund's Net Asset Value is below the materiality threshold. There may however be circumstances when the Directors or Depositary consider it appropriate for compensation to be paid notwithstanding that the impact of the error was below the materiality threshold. Conversely, compensation will usually be paid in relation to errors where the impact on the Sub-Fund's Net Asset Value is in excess of the materiality threshold, with any decision not to pay compensation in such circumstances requiring the approval of the Directors and also the Depositary.

On providing notice to Shareholders and in consultation with the Depositary, the Directors reserve the right to change the materiality threshold (should, for example, they deem general market practice to have changed). The Central Bank's approval of this Prospectus should not be interpreted as an endorsement of what is a market practice, rather than a legislative or regulatory requirement.

### *Market Risk*

Each Sub-Fund's investment approach is subject to various investment-related types of risks, including market risk. Market risk includes unexpected directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, panicked or forced selling of riskier assets and contraction of available credit or other financing sources.

### *Emerging Markets Risk*

Emerging markets require consideration of matters not usually associated with investing in securities of issuers in developed capital markets. Emerging markets may present different economic and political conditions from those in western markets, and less social, political and economic stability. The absence, until relatively recently, of any move towards capital markets structures or to a free market economy mean that exposure to emerging markets is more risky than investing in western markets.

Investments in emerging markets may carry risks with failed or delayed settlement and with registration and custody of securities. Companies in emerging markets may not be subject to accounting, auditing and financial reporting standards or be subject to the same level of government supervision and regulation as in more developed markets. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets which may result in problems in realising investments. Lack of liquidity and efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time there may be difficulties in purchasing or selling securities there.

The Net Asset Value of a Sub-Fund may be affected by uncertainties such as political or diplomatic developments, social instability and religious differences, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation, confiscation or other taking of assets, debt moratoria and/or debt defaults and changes in legislation relating to the level of foreign ownership in certain sectors of the economy.

A Sub-Fund may invest in emerging markets where custodial and/or settlement systems are not fully developed. The assets of the Sub-Funds 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 market risks. Such risks include (i) a non-true delivery versus payment settlement, (ii) a physical market, and as a consequence the circulation of forged securities, (iii) poor information with regard to corporate actions, (iv) a registration process that affects the availability of the securities, (v) lack of appropriate legal/fiscal infrastructure, and (vi) lack of compensation/risk funds with the relevant central depository. Furthermore, even when a Sub-Fund settles trades with counterparties on a delivery-versus-payment basis, it may still be exposed to credit risk to parties with whom it trades.

There are also other risks associated with investment in emerging markets. Such risks include a potentially low level of investor protection (the absence of, or the failure to observe, legal and regulatory standards designed to protect investors); poor or opaque corporate governance (loss may be caused owing to the ineffective manner in which an organisation is controlled or managed); legislative risk (that laws may be changed with retrospective and/or immediate effect); and political risk (that the interpretation or method of enforcement of laws may be changed with a consequent and adverse effect on a Sub-Fund).

#### *Strategy Risk*

Each Sub-Fund is subject to strategy risk. Strategy risk is associated with the failure or deterioration of an entire strategy. Strategy-specific losses can result from excessive concentration in the same investment approach or broad events that adversely affect particular strategies (e.g., illiquidity within a given market). Certain Portfolio Managers will employ high risk strategies.

#### *Volatility Risk*

The performance of a Sub-Fund's investments and the pursuit of its investment objectives could be affected by market volatility. A Sub-Fund's investment programme may involve the purchase and sale of relatively volatile instruments such as derivatives, which are frequently valued based on implied volatilities of such derivatives compared to the historical volatility of underlying securities. Fluctuations or prolonged changes in the volatility of such securities, therefore, can adversely affect the value of investments held by a Sub-Fund.

### *Changes in Portfolio Managers and Allocations*

The Manager may from time to time select new or replacement Portfolio Managers to manage each Sub-Fund. These changes will be made in the Manager's sole discretion. Each Sub-Fund's success depends to a great extent on the Manager's ability to identify and select a successful Portfolio Manager for the relevant Sub-Fund.

### *Cyber Security Risk*

Cyber security breaches may occur allowing an unauthorised party to gain access to assets of the Sub-Funds, Shareholder data, or proprietary information, or may cause the Manager, a Portfolio Manager, any Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

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

### *Data Protection Risk*

In order to maintain security and to prevent infringement of Data Protection Law, the Manager, the Administrator or the Depositary where acting as a "data controller" are each required to evaluate the risks inherent in the processing of data and implement measures to mitigate those risks, such as encryption. Such measures are required to ensure an appropriate level of security, including confidentiality, taking into account the state of the art and the costs of implementation in relation to the risks and the nature of the personal data to be protected. Potential investors and Shareholders should be aware that certain data security risks can arise by processing of personal data, such as accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed which may in particular lead to physical, material or non-material damage. There may be instances where processing operations by the Manager, the Administrator and/or the Depositary are likely to result in a high risk to the rights and freedoms of potential investors or Shareholders, however, the relevant data controller will be responsible for the carrying out of a data protection impact assessment to evaluate, in particular, the origin, nature, particularity and severity of any such risk. A personal data breach may, if not addressed in an appropriate and timely manner, result in physical, material or non-material damage to potential investors or Shareholders such as loss of control over their personal data or limitation of their rights, discrimination, identity theft or fraud, financial loss, damage to reputation, loss of confidentiality of personal data protected by professional secrecy or any other significant economic or social disadvantage to the natural person concerned and/or to the ICAV.

### *Concentrated Portfolio; Possible Positive Correlation Amongst Sub-Funds*

Each Sub-Fund may concentrate its investments in sub-investment grade instruments. Sub-Funds may, therefore, hold similar portfolios, increasing the concentration of a Sub-Fund's portfolio. The strategies

utilised by the Portfolio Managers are expected to exhibit a substantial degree of positive correlation, reducing the diversification, and, accordingly, the risk control profile, of a Sub-Fund's portfolio. The Portfolio Managers' strategies may follow the same general investment thesis. As a result, the Sub-Funds may incur losses at or about the same time.

#### *Credit Markets*

The Manager expects certain of the Sub-Funds' portfolios to be concentrated in the credit markets. The identification of attractive investment opportunities in these markets is difficult and involves a significant degree of uncertainty. The credit markets are, in general, highly susceptible to interest-rate movements, government interference, economic news and investor sentiment. There has recently been significant volatility in the credit markets. There was significant volatility in the credit markets in 2007-2009, and volatility can be expected to arise in the future.

The market for credit instruments other than high-quality government debt instruments can also become substantially reduced. This poses the risk that a Portfolio Manager may need to sell leveraged credit instrument positions at discounts to fair value in order to meet margin calls. At the same time, the dealers may correspondingly reduce the value of outstanding positions, resulting in additional margin calls as loan-to-value triggers are hit under prime brokerage and swap agreements. Downward pressures on price and leverage could cause substantial or total losses for a Sub-Fund.

During the financial market crisis of 2007-2009, the market for credit instruments was so illiquid that a number of investment funds had to sell otherwise desirable investments in other asset classes in order to meet margin calls on their credit positions. Some investment grade securities and money market funds also became relatively illiquid.

#### *Asset-Backed Securities ("ABS")*

The primary risks associated with ABS investing include liquidity, volatility, complexity, valuation, interest rate and prepayment risks. The liquidity of ABS can vary substantially depending on where in the ABS capital structure the Portfolio Manager invests and the nature of the investment strategy. The lack of liquidity in the ABS markets, and the possibility of forced selling by distressed banks and other holders of ABS, increases the likelihood of significant return volatility, especially on a mark-to-market basis, which could affect the calculation of Net Asset Value and, therefore, the calculation of management fees and the valuation of in-specie distributions. The complex nature of ABS requires that Portfolio Managers make certain assumptions regarding outcomes of a number of factors affecting security valuations, including home price appreciation (depreciation), delinquencies, default and recovery rates, etc. If Portfolio Managers are not conservative in their analysis of these factors, they risk underestimating the actual risk of their investment. Additional complexity arises because ABS rely on on-going execution to realise value, such as loan servicing and high quality reporting of loan performance within a pool. Portfolio Managers must also be capable of assessing the quality of this execution in order to accurately price ABS. Valuations in this sector are also influenced by the potential for government intervention in the housing and mortgage markets, which could influence residential mortgage-backed securities prices in unforeseen ways. Each type of ABS also entails unique risks depending on the type of assets involved and the legal structure used. ABS typically experience credit risk. There is also the possibility that recoveries on repossessed collateral may not, in some cases, be available to support payments on these securities because of the inability to perfect a security interest in that collateral.

#### *Loans in Lesser Developed Markets*

Sub-Funds may acquire interests in loans made to borrowers in lesser developed markets. Investing in such loans may present a greater degree of risk than investing in loans issued to borrowers in more developed markets due to possible exchange rate fluctuations, possible exchange controls, less publicly-available information, more volatile markets, less securities regulation, and less favourable tax provisions (including possible withholding taxes). Investments in such loans may be affected by

political, social, and economic uncertainty affecting a country or region. The legal and regulatory environment may also be different between countries, particularly as to bankruptcy and reorganisation, and it may be impossible or prohibitively expensive for a Sub-Fund to enforce its rights in the courts of a lesser developed jurisdiction. There may be less publicly available information about certain companies in lesser developed markets than would be the case for comparable companies in more developed markets and certain companies in lesser developed markets may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of companies in more developed markets. In addition, the marketability of loans in lesser developed markets can be expected to be less liquid and subject to greater volatility than comparable loans to companies or individuals in more developed markets.

#### *Securities Lending and Loss of Voting Rights*

A Sub-Fund may engage in securities lending. When a security is loaned as part of such Sub-Fund's securities lending programme, title of the security will typically transfer to the borrower. In this regard, the borrower of the security will, in such circumstances, temporarily become the legal and beneficial owner of the security and all voting rights in respect of the security will be transferred to the borrower for the period during which the relevant security is on loan to it. Therefore, while a securities loan is outstanding, and until the loaned securities are credited back to the Sub-Fund's account upon termination of the loan, the relevant Sub-Fund will not be in a position to exercise any of the rights it may have ordinarily have had with respect to the relevant security out on loan and any entity which may be appointed to provide a proxy voting service will not be in a position to carry out its proxy voting or corporate engagement services with respect to investee companies.

#### *Collateral for Loaned Securities*

In order to secure any loaned securities, the borrower will transfer collateral to the relevant Sub-Fund or the Sub-Fund's securities lending intermediary. The borrower will typically over-collateralise the securities on loan, such that the value of the posted collateral (together with margin) will typically be in excess of 100% of the value of the loaned securities (the "**Over-Collateralisation**"). Where, however, a borrower of loaned securities fails to return the securities to the Sub-Fund or to the Sub-Fund's securities lending intermediary by the agreed delivery date, notwithstanding the Over-Collateralisation, the value of the collateral could, in certain market conditions, fall in value and be insufficient to replace the full value of the loaned securities.

Additionally, if the borrower defaults and the market value of the loaned securities increases on the day that the borrower defaults, the collateral provided by the borrower may be insufficient to fully collateralise the loaned securities.

#### *Securities Lending Counterparty and Credit Risk*

Any Sub-Fund which engages in securities lending will be exposed to the credit risk presented by the counterparty to any securities lending contract. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially. If the borrower files for bankruptcy or proves insolvent, the relevant Sub-Fund's entitlement to liquidate the collateral may be restricted.

### **Structural Risks**

#### *Taxation*

Any change in the ICAV's tax status or in legislation could affect the value of investments held by the ICAV and affect the ICAV's ability to provide a return to investors. Potential investors and Shareholders should note that the statements on taxation, which are set out herein and in each Supplement, are based on advice regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus and each Supplement. As is the case with any investment, there can be

no guarantee that a tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely. The attention of potential investors is drawn to the tax risks associated with investing in the ICAV, particularly the section headed "Taxation".

#### *Tax Audits*

ICAV may be audited by tax authorities in various jurisdictions. An income tax audit may result in an increased tax liability of the ICAV including with respect to years when an investor was not a Shareholder of the ICAV, which could reduce the Net Asset Value of the ICAV and affect the return of all Shareholders.

#### *Temporary suspension*

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be temporarily suspended as set out in more detail in the section headed "Suspension of Valuation".

#### *Controlling Shareholder*

There is no restriction on the percentage of the ICAV's or a Sub-Fund's Shares that may be owned by one person or a number of connected persons. A redemption by a controlling Shareholder or other large Shareholder may impact on a Sub-Fund's portfolio as described under the section entitled "Possible Effects of Substantial Redemptions".

#### *Past Performance Not Indicative of Future Results*

There can be no assurance that (i) a Sub-Fund's investment objective will be realised; (ii) a Sub-Fund's investment policy will prove successful; or (iii) investors will not lose all or a portion of their investment in a Sub-Fund. For further details see the sections headed "Investment Objectives, Policies and Restrictions" and "Management and Administration - The Manager".

The past performance of the ICAV, any Sub-Fund or other investment funds or accounts managed or sponsored by the Manager or any Portfolio Manager or its affiliates is not indicative of the future performance of any Sub-Fund. There can be no assurance any Portfolio Manager will be able to manage a Sub-Fund successfully.

#### *Limited Operating History of Portfolio Managers*

Some of the Portfolio Managers appointed to a Sub-Fund may have short performance records that may not be indicative of their longer term or future performance.

#### *In Specie Distributions*

Although it is the Manager's preference on redemptions by investors from or the termination of a Sub-Fund that the Sub-Fund will liquidate all of its investments and distribute only cash to Shareholders, there can be no assurance that this objective will be attained and in certain situations a Sub-Fund may pay the proceeds in specie. Distributions may be made partly in cash and partly in specie.

#### *Cross-Liability between Sub-Funds*

The ICAV is established as a segregated portfolio company. As a matter of Irish law, the assets of one Sub-Fund will not be available to satisfy the liabilities of another. However, the ICAV is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of one Sub-Fund will not seek to enforce such

Sub-Fund's obligations against another Sub-Fund. At the date of this document, the Directors are not aware of any such existing or contingent liability.

#### *Risk of Regulatory Action and Litigation; Possible Indemnification Obligations*

The ICAV, a Sub-Fund, the Manager, or a Portfolio Manager could be named as a defendant in, or otherwise become involved in, litigation or a regulatory proceeding. Legal and regulatory actions can be time-consuming and expensive, and can frequently lead to unexpected delays or losses. The outcome of such proceedings, which may materially and adversely affect the value of the Sub-Fund, may be impossible to anticipate, and such proceedings may continue without resolution for long periods of time. Litigation may consume substantial amounts of a defendant's time and attention, often to an extent disproportionate to the amounts at stake in the litigation. A Sub-Fund would likely be required to expend significant resources responding to any litigation or regulatory action related to it. Moreover, a Sub-Fund may be obligated to indemnify a Portfolio Manager or other counterparties, and any of their respective principals and affiliates under the various agreements entered into with such parties against certain liabilities they may incur in connection with their relationship with the Sub-Fund. The ICAV also indemnifies the Manager pursuant to the Management Agreement.

#### *Other Accounts Advised by Portfolio Managers*

The Portfolio Managers may manage other accounts (including other accounts in which such Portfolio Managers may have an interest) that, together with accounts already being managed, could increase the level of competition for the same trades a Sub-Fund might otherwise make, including the priorities of order entry. This could make it difficult or impossible to take or liquidate a position in a particular security or futures contract at a price indicated by a Portfolio Manager's strategy.

#### *Credit Facilities*

In the discretion of the Manager, any redemption or subscription receivable may be funded through credit facilities provided to a Sub-Fund at prevailing market rates by the Sub-Fund's custodian or its affiliates or from unaffiliated third parties. A Sub-Fund may also utilise credit facilities for portfolio management purposes, including but not limited to posting margin for, paying fees or expenses relating to or settling currency hedging transactions. Should such credit facilities be utilised, a Sub-Fund would be subject to greater risk of loss than if it did not utilise such credit facilities. Moreover, the Sub-Fund would incur additional interest and other expenses with respect to such facilities. Lenders typically accept a Sub-Fund's assets as collateral and would be able to keep such assets in satisfaction of the Sub-Fund's debts should the Sub-Fund default on its obligations to the credit facility provider.

Credit arrangements typically include a number of different terms which permit the lender to effectively require that the credit line be materially reduced or terminated. Upon an event of default relating to a credit facility, it is likely that the credit facility provider would attempt to exercise its remedies, including the sale or redemption of a Sub-Fund's assets, on shorter notice and more frequent redemption dates than those available to Shareholders. Certain terms of credit facilities may also have the effect of imposing constraints on a Sub-Fund's investment programs and the liquidity and other parameters of an investment in the Sub-Fund.

#### *Risks Related to the Manager and Portfolio Managers*

Day-to-day decisions with respect to the investment activities of the Sub-Funds will be made by the Manager and/or the Portfolio Managers. Investors will not have the opportunity to evaluate fully for themselves the relevant economic, financial, and other information regarding any Sub-Fund's investments. Shareholders will be dependent on the Manager's judgment and abilities in selecting Portfolio Managers and effecting any strategy overlays, as well as the Portfolio Managers' judgment and abilities in selecting investments. There is no assurance that the Manager or any Portfolio Manager



will be successful. Accordingly, no subscriber should purchase any Shares unless it is willing to entrust all aspects of the selected Sub-Fund's investment activities to the relevant Portfolio Manager.

#### *Other Clients*

A Portfolio Manager may manage other investment vehicles aside from the relevant Sub-Fund and has not agreed to commit any particular percentage of its time or resources to the management of the relevant Sub-Fund.

#### *Possible Effects of Substantial Redemptions*

Substantial redemptions of Shares could require a Sub-Fund to liquidate its positions more rapidly than would otherwise be desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Under these circumstances, the Directors also may defer redemptions in accordance with the provisions of the Prospectus. These factors could adversely affect the Net Asset Value per Share of the Shares redeemed and those remaining outstanding, and could also adversely affect future trading decisions, which could in turn adversely affect future results. The obligation to provide for periodic redemptions may require a Portfolio Manager to trade a Sub-Fund's portfolio differently than if it was not subject to such redemption right, which may adversely affect the performance of such Sub-Fund.

#### *Compulsory Redemption of Shares*

The Shares of any Shareholder may be compulsorily redeemed as more fully described in the section headed "Compulsory Redemptions".

#### *Risks Associated with Umbrella Fund Cash Accounts*

An umbrella fund cash account will operate in respect of the ICAV rather than a relevant Sub-Fund and the segregation of Investor Monies from the liabilities of Sub-Funds other than the relevant Sub-Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Sub-Funds by or on behalf of the ICAV.

In the event of an insolvency of the Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to any other Sub-Funds will also be held in the umbrella fund cash accounts. In the event of the insolvency of a Sub-Fund (an "Insolvent Sub-Fund"), the recovery of any amounts to which another Sub-Fund (the "Beneficiary Sub-Fund") is entitled, but which may have transferred in error to the Insolvent Sub-Fund as a result of the operation of the umbrella fund cash account, will be subject to applicable law and the operational procedures for the umbrella fund cash account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Sub-Fund may have insufficient funds to repay amounts due to the Beneficiary Sub-Fund.

In the event that an investor fails to provide the subscription monies and all requisite documentation associated with its subscription application within the timeframe stipulated in the applicable Supplement, the investor will be required to indemnify the Sub-Fund against the liabilities that may be incurred by it. The Manager may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Sub-Fund. In the event that the Manager is unable to recoup such amounts from the defaulting investor, the relevant Sub-Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Sub-Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the umbrella fund cash account. Any interest earned on the monies in the umbrella fund cash account will be for the benefit of the

relevant Sub-Fund and will be allocated to the Sub-Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance titled "Umbrella funds- cash accounts holding subscription, redemption and dividend monies" is new and, as a result, may be subject to change and further clarification. Therefore, the structure of any umbrella fund cash account maintained may differ materially from that outlined in this Prospectus.

#### *Different Investment Experience of Investors*

Because investors will both acquire and redeem Shares of a Sub-Fund at different times, certain investors may experience a loss on their Shares even though other investors experience gains and the particular Sub-Fund, as a whole, is profitable. Consequently, the performance of a Sub-Fund will not necessarily be representative of any particular Shareholder's investment experience in it.

#### *Charges*

In addition to normal and usual operating expenses, each Sub-Fund will be subject to the management fee and the administration fee, payable irrespective of profitability, and its transactional expenses and custodial costs. Such fees may be substantial even during losing fiscal periods. In addition, some of the investment strategies employed by the Sub-Funds may require a high volume of trading. Therefore, turnover and brokerage commissions may be greater than for other investment entities of similar size.

### **Market and Regulatory Risks**

#### *Market, Economic and Regulatory Changes*

Changes in political, market and economic conditions, tax or other laws or regulations or accounting standards and/or government intervention in markets may have an adverse effect on a Sub-Fund's investments and on Share value. The likelihood of these types of adverse changes and the extent to which they may affect the business of a Sub-Fund cannot be foreseen.

#### *Governmental Intervention*

Global financial markets have in the recent past undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has, in certain cases, been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. The Sub-Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted.

#### *Changes in the UK Political Environment*

From 1 January 2021, European Union laws ceased to apply in the UK, following the UK's withdrawal from the membership of the European Union (commonly known as "**Brexit**").

While the ongoing impact of Brexit remains unclear (and may remain uncertain for some time), it could have a significant adverse impact on the UK, European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty could continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets

based, doing business, or having service or other significant relationships in, the UK or the European Union, including companies or assets held or considered for prospective investment by the ICAV.

The withdrawal of the UK's membership from the EU may also adversely affect the ability of UK service providers or UK counterparties to access markets, make investments or enter into agreements (on either their own behalf or on behalf of the ICAV or a Sub-Fund), or continue to work with non-UK counterparties and service providers, all of which may result in increased costs to the ICAV and/or a Sub-Fund. It is possible that UK investors in the ICAV may be subject to fewer protections than EU investors in the ICAV.

#### *Pandemic could result in adverse performance of a Sub-Fund*

A new strain of coronavirus, COVID-19, has quickly spread, resulting in severe illness and, in some cases, death. The spread of COVID-19 has adversely affected markets and world economies. Continued proliferation of COVID-19 may adversely affect a Sub-Fund and/or the Shareholders, which could be more or less adverse depending on, among other things: geographical range, infection rates, severity and mortality of the virus; the types of measures taken by governments and private organizations to prevent the spread of the virus; the timing and efficacy of a vaccine; and the effect of the virus on global markets and interest rates. Early responses have included quarantines or bans on public events, each of which can adversely affect commerce, spending, local economies and businesses dependent on transportation and personal interaction. COVID-19 has been declared a pandemic by The World Health Organization and U.S. Center for Disease Control which could lead to unforeseeable negative consequences to a Sub-Fund, including the potential suspension of a Sub-Fund's Net Asset Value calculation and the suspension of subscriptions, redemptions and/or switches in respect of a Sub-Fund subject to and in accordance with the "Suspension of Valuation" section of this Prospectus.

#### *Russia-Ukraine Conflict*

There is currently an ongoing military conflict between Russia and the Ukraine which has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Fund or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to a Sub-Fund. Such impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It has limited the ability of a Sub-Fund to source, diligence and execute new investments and to manage, finance and exit investments. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which each Sub-Fund intends to pursue, all of which could adversely affect the relevant Sub-Fund's ability to fulfil its investment objectives.

Additionally, given the exporting nature of Russia's economy (especially in the raw materials and fuels markets), it is not possible to foresee the effect of such conflict on the European economy. Particularly, the conflict has led to an abrupt increase in the price of electricity and fuels, which may continue to have a direct impact on inflation and probably an increase in interest rates and problems in the supply of raw materials and energy, the impact of which on the European economy is unknown and difficult to measure.

#### *MiFID II*

The package of European Union market infrastructure reforms known as "MiFID II" (Markets in Financial Instruments Directive 2014/65/EU) is expected to have a significant impact on the European

capital markets. MiFID II, which took effect from 3 January 2018, increases the regulation of trading platforms and firms providing investment services.

Among its many reforms, MiFID II will bring in significant changes to pre-trade and post-trade transparency obligations in respect of financial instruments admitted to trading on EU trading venues, including a new transparency regime for non-equity financial instruments; an obligation to execute transactions in shares and derivatives on a regulated trading venue; and a new focus on regulation of algorithmic and high frequency trading. These reforms may lead to a reduction in liquidity in certain financial instruments, as some of the sources of liquidity exit European markets, and an increase in transaction costs, and, as a consequence, may have an adverse impact on the ability of the Portfolio Managers to execute the investment programs effectively.

MiFID II imposes new rules on MiFID investment firms requiring them to unbundle the costs of research and other services from dealing commission and restricting their ability to receive certain types of goods and services from brokers.

Where a Portfolio Manager which is a MiFID investment firm receives research in relation to a Sub-Fund, such research shall be received in accordance with applicable laws, including MiFID II. Where a Portfolio Manager is not directly subject to the requirements of MiFID II (because, for example, the Portfolio Manager is based outside the E.U.), such research will be received in accordance with applicable laws or measures designed to achieve broadly equivalent outcomes.

In either case, this may result in an increase in the investment-related expenditure of the ICAV and/or negatively impact a Portfolio Manager's ability to access investment research.

#### *US Dodd-Frank Wall Street Reform and Consumer Protection Act*

In response to the financial crises of 2008 - 2009, the US Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Reform Act") was enacted in July 2010. The Reform Act established a comprehensive framework for the regulation of markets, market participants and financial instruments that previously were unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. The Reform Act and regulations adopted pursuant to the Reform Act could have a material adverse impact on the profit potential of the Sub-Funds.

The Reform Act includes provisions that comprehensively regulate the US over-the-counter derivatives markets for the first time. The Reform Act requires that a substantial portion of over-the-counter derivatives must be executed in regulated markets and be submitted for clearing to regulated clearinghouses. Over-the-counter trades submitted for clearing are subject to minimum initial and variation margin requirements set by the relevant clearinghouse. Over-the-counter derivative dealers also are required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations, as was widely permitted before the Reform Act. This has increased and will continue to increase the dealers' costs, which costs are generally passed through to other market participants in the form of higher fees and less favourable dealer marks. Over-the-counter trades that are not submitted for clearing are subject to minimum initial and variation margin requirements mandated by the CFTC, SEC and/or U.S. Federal prudential regulators. Over-the-counter derivatives dealers are also subject to new business conduct standards, disclosure requirements, reporting and recordkeeping requirements, transparency requirements, position limits, limitations on conflicts of interest, and other regulatory requirements. These requirements further increase the overall costs for over-the-counter derivative dealers, which may be passed along to market participants, including the Sub-Funds, as market changes continue to be implemented. It remains unclear how the US over-the-counter derivatives markets will continue to adapt to this new regulatory regime, along with additional, sometimes overlapping, regulatory requirements imposed by non-US regulators.

Although the Reform Act requires many US over-the-counter derivative transactions previously entered into on a principal-to-principal basis to be submitted for clearing by a regulated clearinghouse, some of the US derivatives that may be traded by the Sub-Funds may not be centrally cleared. The risk

of counterparty non-performance can be significant in the case of these over-the-counter instruments, and bid-ask spreads may be unusually wide in these heretofore substantially unregulated markets. While the Reform Act is intended in part to reduce these risks, its success in this respect remains uncertain.

### **Conflicts of Interest**

Due to the operations which are or may be undertaken by the Manager, the Administrator, the Depositary, the Directors, any other service providers appointed by the Manager and their respective holding companies, subsidiaries and affiliates (each an “**interested party**”), conflicts of interest may arise. Conflicts of interest will be resolved fairly.

Certain of the conflicts outlined below apply directly to the ICAV and the Sub-Funds and others apply to the Portfolio Managers to whom the Sub-Funds’ assets may be allocated. Except where the context otherwise requires, each reference to the Manager includes the Manager acting in its capacity as UCITS management company of the ICAV, as well as the Portfolio Managers.

In the event that a conflict of interest does arise, the Directors will endeavour to ensure that any such conflict is resolved fairly and in the best interests of the Shareholders.

#### *Directors*

It is envisaged that some or all of the Directors may hold directorships of investment funds (other than the ICAV) which may have similar or overlapping investment objectives to or with the ICAV. Each of the Directors will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have.

#### *Proprietary Investments*

An interested party may acquire or dispose of any investment, notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the ICAV. This proprietary investing may compete with the Sub-Funds. Shareholders will not be permitted to inspect the records of any proprietary investing.

#### *Transactions Involving the ICAV and Interested Parties*

An interested party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the ICAV by virtue of a transaction effected by the ICAV in which the interested party was concerned, provided that the acquisition or disposal by an interested party of such investments in a transaction with the ICAV is effected on normal commercial terms as if negotiated on an arm’s length basis and transactions must be in the best interests of the Shareholders and done in compliance with the requirements of the Central Bank.

Such dealings will be deemed to have been effected on normal commercial terms negotiated at arm’s length for purposes of Irish law if: (1) a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent certifies that the price at which the transaction is effected is fair; or (2) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or (3) where (1) and (2) are not practical, the transaction is executed on terms which the Depositary is, or the Directors in the case of a transaction involving the Depositary are, satisfied are normal commercial terms negotiated at arm’s length and are in the best interests of Shareholders.

Where transactions are conducted in accordance with (1) or (2) above, the Depositary must document how it complied with the requirements therein. Where transactions are conducted in accordance with (3) above, the Depositary, or the Manager in the case of transactions involving the Depositary, must

document their rationale for being satisfied that the transaction conformed to the principles outlined above.

The Manager may cause a Sub-Fund to purchase or sell securities from or to other clients or funds advised by the Manager or its affiliates, including other Sub-Funds, when the Manager believes such transactions are appropriate and in the best interests of the Sub-Fund and such other clients or funds. In the event the Manager or its affiliates wishes to reduce the investment of one or more such clients or funds in such a security and increase the investment of other clients or funds in such security, it may effect such transactions by directing the transfer of the security between the clients or funds. The Manager or its affiliates may also effect such transactions in order to re-balance portfolios and provide better liquidity to the clients or funds involved. Any such purchase and sale will take place at the stated net asset value of the security being purchased or sold. Any incremental costs and expenses associated with any such investment will be borne by all such clients or funds on a *pro rata* basis. In addition, the Manager or its affiliates may recommend that a Sub-Fund purchase or sell an investment that is being sold or purchased, respectively, at the same time by the Manager, an affiliate or another advisory client. In relation to cross trades and such simultaneous purchases and sales, the Manager or its affiliates may have a conflict of interest between acting in the best interests of the Sub-Fund and assisting another client or fund by selling or purchasing a particular security.

#### *Other Activities/Clients*

The interested parties may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets that may also be purchased or sold by the ICAV. No interested party is under any obligation to offer investment opportunities of which it becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by it from any such transaction. However, such other funds or accounts may compete for the time and attention of such parties and might create other conflicts of interest. The agreements with such parties do not require them to devote any particular amount of time to the ICAV or any Sub-Fund.

The Manager also has a conflict of interest in managing multiple Sub-Funds, as what may be in the best interest of one Sub-Fund may be to the detriment of another Sub-Fund. The Manager and its affiliates may provide ancillary services to the ICAV other than management services. Such services will be provided on an arms' length basis.

#### *Valuation of Assets*

From time to time, the Manager may require that a competent person be appointed to value assets belonging to a Sub-Fund in circumstances set out in the "Valuation" section of this Prospectus. Where such competent person to value any asset belonging to a Sub-Fund is an interested party, a conflict of interest may arise. For example, where a valuation is provided by the Portfolio Manager or an affiliate, such Portfolio Manager's fee may increase as the value of the assets of the Sub-Fund increases.

#### *Compensation for Sales of Shares*

Certain parties that sell Shares and their employees may receive ongoing compensation in respect of selling Shares. As a result, they have a conflict of interest in consulting with investors as to the purchase and redemption of Shares. Further, different parties involved in the sales of Shares may receive different amounts of compensation with respect to the Shares, and Distributors may receive different amounts of compensation with respect to sales of Shares of the Sub-Funds than from other products advised by the Manager and/or its affiliates, including different Sub-Funds, or third parties and therefore may have incentives to favor one or more products over others.

#### *Variation in Terms and Fair Treatment of Shareholders*

Pursuant to the UCITS Directive, the Manager will at all times ensure that Shareholders are treated fairly and in accordance with the terms of the Sub-Fund or, if applicable, the series of Shares within a relevant Sub-Fund, in which a Shareholder has invested. The Manager will ensure the fair treatment of Shareholders within the same Sub-Fund or, if applicable, the fair and equal treatment of Shareholders within the same series within a Sub-Fund, through its decision-making procedures and organisational structure which identify any differential treatment, or the right thereto, accorded to any Shareholder. In addition, the Manager will monitor the terms of any side arrangements (if any) entered into with Shareholders in relation to their investment in the ICAV to seek to ensure the fair treatment of Shareholders.

Subject to the Manager's obligation to treat investors fairly, a Sub-Fund, through the establishment of a separate series or sub-series or entering into a separate agreement or some other mechanism, may enter into an arrangement with one or more Shareholders that has the effect of establishing rights under, or altering or supplementing the terms of, this Prospectus, the relevant Supplement, the Instrument of Incorporation, or the relevant Shareholder's subscription documents solely with respect to that or those Shareholders. This type of arrangement may grant a Shareholder preferential rights with regard to, for example: timing of redemptions (including Redemption Dates, lock up periods etc.); prior notice period for redemptions; notice of certain events affecting, or information regarding, the Manager and its affiliates, any of their principals, the Sub-Fund, the Directors, a Portfolio Manager and its principals; management fees; the extent of any direct indemnification of any Sub-Fund by a Shareholder; or other matters. The Manager will not enter into this type of arrangement if the Manager or the Directors determine that the arrangement would have a material adverse effect on other Shareholders. Furthermore, details of the terms of such differential treatment, together with a description of the type of investor that has been afforded such treatment and details of any economic or legal links which such investor may have with the ICAV or the Manager will be made available to investors, upon request, before they invest in such Sub-Fund.

A Sub-Fund may provide certain information regarding the Sub-Fund's investments to certain Shareholders and not to other Shareholders. This information could give the Shareholders that receive the information an actual or perceived advantage in determining whether to purchase or redeem Shares. Funds and/or accounts that the Manager or its affiliates manage, other than the Sub-Funds, that invest in the Sub-Funds may also enter into arrangements with their investors, similar to those described above. Affiliates of the Manager and their principals or employees, or funds or accounts advised by them other than the Sub-Funds, may invest with a Portfolio Manager on terms more favourable than those available to the Sub-Funds, and, as investors in any third party fund managed by a Portfolio Manager, may act in ways adverse to the interests of the Sub-Funds. It is the intention of some or all Portfolio Managers generally not to provide Shareholders in the Sub-Funds with regular access to its portfolio managers (the "PMs"). However, as a result of arrangements outside of and the Manager's control, certain Shareholders may (directly or indirectly) have access to the PMs, including in connection with investments in other funds that are directly managed by the Portfolio Manager or through investment consulting or other commercial relationships. The other Shareholders will have no recourse against any Sub-Fund, the Manager, and/or any of their affiliates in the event that certain Shareholders receive additional and/or different rights and/or terms as a result of such arrangements.

## MANAGEMENT AND ADMINISTRATION

### Directors of the ICAV

*Yvonne Connolly (nationality: Irish – Irish resident)*

Yvonne Connolly is Chief Networking Officer and Country Head, Ireland, at Carne Group, and has over 25 years' experience in financial services. Yvonne's specialist areas include corporate governance, product development and fund administration. She has assisted investment managers and service providers with change management, operational development and efficiency. She also serves as a director for Irish management companies.

Prior to joining the Carne Group, Yvonne worked as an independent consultant to a number of large service providers in Dublin, and was Vice-President and Head of Operational Development at State Street International Ireland (formerly Deutsche Bank). At State Street, Yvonne was a member of the senior management team reporting to the CEO and was a key contributor to the overall strategy and direction of the business. She was also a director of a number of investment companies.

Yvonne trained as a chartered accountant with KPMG, specialising in corporate taxation. A fellow of the Institute of Chartered Accountants, she holds a professional diploma in accounting from Dublin City University and a Bachelor of Education degree from St. Patrick's College of Education Dublin. Yvonne was Chair of Irish Funds, the funds industry association in Ireland, from 2019 – 2020 and is a regular speaker at industry events globally.

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

Elizabeth Beazley is a Managing Director in Carne Group with over 20 years' experience in the funds' industry focusing on fund establishment, operations and corporate governance. During her time in Carne Group, Elizabeth has held a number of roles including Global Head of Onboarding covering a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. Elizabeth acts as non-executive director on a number of fund boards, including Carne Global Fund Managers (Ireland) Limited. Prior to joining Carne, she spent 4 years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for Bank of Bermuda (now HSBC).

Elizabeth has been a member of various industry working groups and currently sits on the Irish Funds' Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business at University College Dublin. Elizabeth is a member of the Association of Chartered Certified Accountants

*Ruston Smith (nationality: United Kingdom – United Kingdom resident)*

Ruston Smith has over 35 years' experience in the pension fund and investment industry.

He was the former Group Pensions, Insurable Risk and a People Director at Tesco and CEO of Tesco Pension Investment Ltd - FCA approved in house investment manager.

Ruston is now the Chair of the Tesco Pension Fund (DB and DC) and Tesco Pension Investment Ltd, Non Executive Chair of JP Morgan Asset Management (UK and EMEA), Non Executive Chair of Smart Pension Ltd, Non Executive Chair of the Pensions Management Institute, Independent Trustee and Chair of the Funding and Investment Committee for the BAE Pension Fund, AMX Advisory Board, Governor of the PPI and Chair of GroceryAid.



Ruston was on the Bank of England, Treasury and FCA's Steering Group on Investment in Productive Finance and is also involved with other industry initiatives.

Ruston was Co-Chair of the DWP's 2017 Auto Enrolment Review Board, led the Simpler Annual Statement initiative (which became a regulatory requirement), chaired the cross regulator and industry 'Standardised Assumptions Group', led the Member Costs and Charges Initiative and was on the Treasury's Patient Capital DC Steering Group. Ruston is also a former Chair of the Pensions and Lifetime Savings Association.

*Robert Gardner (United Kingdom)*

Robert Gardner is an entrepreneur, investor, and innovator with a proven track record of success in protecting and growing assets in the pensions and wealth management industry. Previously Director of Investments at FTSE100 company St James's Place PLC, Rob managed over £150 billion in client investments. He is also a successful B-Corp founder, having built companies such as Redington and mallowstreet and a financial education charity called RedSTART. Rob's dream is a world worth living in - economically, environmentally, and socially. He is currently the Co-Founder and Co-CEO of Rebalance Earth. Rebalance Earth creates high-integrity nature credits that protect and grow biodiversity and generate prosperity for the communities that preserve nature and capture carbon. Over the next decade, Rebalance Earth aims to protect and restore nature, capturing over one gigatonne of CO2 and generating daily income for millions worldwide to create a world worth living in. Rob began his career in financial services at Deutsche Bank before joining Merrill Lynch in 2003, working as a director in their Insurance and Pensions Solutions Group.

### **The Manager**

The Manager was incorporated in Ireland as a private company on 10 November 2003 with limited liability under the Companies Act 2014 under registration number 377914 with its registered office at 55 Charlemont Place, Dublin 2, Ireland, D02 F985. The Manager's main business is the provision of fund management services to collective investment schemes. As at the date of this Prospectus, the authorised share capital of the Manager is €10,000,000, divided into 10,000,000 ordinary shares of €1.00 each. The issued and paid up share capital of the Manager is €1,575,100. The Manager has been authorised by the Central Bank as a UCITS management company under the UCITS Regulations and is regulated by the Central Bank.

Pursuant to the terms of the Management Agreement, the Manager shall provide or procure the provision of investment management services, distribution, registration, transfer agency and administrative services to the ICAV. The Manager also acts as promoter of the ICAV.

The Management Agreement allows the Manager, with the prior approval of the Central Bank and in accordance with the Central Bank UCITS Regulations, to delegate its management duties to other parties. The Manager intends to appoint a Portfolio Manager to provide discretionary investment management services to a Sub-Fund and/or an investment adviser to provide investment advisory services to a Sub-Fund or to the Manager. Any such appointment will be in accordance with the requirements of the Central Bank and details will be as set out in the applicable Supplement. In accordance with the requirements of the UCITS Directive, the liability of the Manager to the ICAV and its Shareholders shall not be affected by the delegation of investment management functions to a Portfolio Manager or by any further sub-delegation by a Portfolio Manager.

The Manager is the UCITS management company of the ICAV. The appointment of a new UCITS management company must be approved by the Central Bank.

The relevant experience, past and present, of each director of the Manager is outlined below, along with their main activities outside of acting as the directors.

The directors will have responsibility for the administrative management and supervisory functions of the Manager, along with the Manager's risk officer and compliance officer.

### **The Directors of the Manager**

The following are the directors of the Manager:

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

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

*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.

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

Sarah is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Sarah began her career at

the Carne Group as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining the Carne Group, 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.

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

Information regarding Elizabeth Beazley can be found in the section “*Directors of the ICAV*” above.

*Christophe Douche (nationality: French – Luxembourg resident)*

Christophe Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

Christophe currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department.

Christophe has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

*Jackie O'Connor - (nationality: British – Irish resident)*

Jackie O'Connor is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd (“**GSAMFSL**”), Goldman Sachs Asset Management's (“**GSAM**”) Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Jackie was responsible for setting up GSAMFSL in Ireland.

Prior to that, Jackie was international head of regulatory reform for GSAM, responsible for identifying and implementing requirements under new regulations within the EMEA and Asia Pacific regions. Earlier in her career, Jackie worked in a number of roles within the GSAM and the wider Goldman Sachs Group, including global project manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Jackie holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

#### *Remuneration Policy*

The Manager has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Guidelines on sound remuneration policies under the UCITS Directive (“**ESMA Remuneration Guidelines**”). The Manager will procure that any delegate, including any Portfolio 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 Sub-Funds or the Instrument of Incorporation. It is also aligned with the investment objectives of each Sub-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 directors, to ensure that the overall remuneration system operates as intended and that the remuneration payouts 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.

#### *Benchmarks Regulation*

Pursuant to Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”), where a benchmark is used by a Sub-Fund within the meaning of the Benchmarks Regulation, the Manager is required to produce and maintain a robust written plan setting out the actions that it would take in the event that such a benchmark materially changes or ceases to be provided. The Manager shall comply with its obligations under the Benchmarks Regulation and further information on the written plan is available on request.

#### **The Administrator**

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Manager to act as administrator, registrar and transfer agent under the terms of the Administration Agreement.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world’s leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2022, the Northern Trust Group’s assets under custody and administration totalled in excess of US\$12.8 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV’s books and accounts, liaising with the auditors in

relation to the audit of the financial statements of the ICAV and the provision of certain Shareholder registration and transfer agency services in respect of Shares of each Sub-Fund.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Manager or the ICAV and is not responsible for the preparation of this Prospectus other than the preparation of the above description and accepts no responsibility or liability for any information contained in this Prospectus except disclosures relating to it.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the ICAV. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement and in the best interests of the Shareholders.

### **The Depositary**

The Manager has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the ICAV. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2022, the Northern Trust Group's assets under custody and administration totalled in excess of US\$12.8 trillion.

The Depositary is responsible for providing safe custody, oversight and asset verification services for all of the ICAV's assets which are held under the control of the Depositary in a segregated account in the name of the Manager on behalf of the ICAV or in the name of the ICAV and therefore, not available to the creditors of the Depositary, in the event of its insolvency. Pursuant to the UCITS Regulations, the Depositary, in respect of the ICAV, shall, inter alia, monitor and verify the ICAV's cash flows, custody all of the ICAV's financial instruments that are capable of being held in custody and shall perform verification and record keeping services in respect of the ICAV's other assets.

Up-to-date information on: the identity of the Depositary; a description of the Depositary's duties; a description of any conflicts of interest that may arise in the context of the appointment of the Depositary; and a description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation will be made available to investors upon request.

#### *Conflicts of Interest related to the Depositary*

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

Potential conflicts of interest may arise as between the ICAV, the Manager 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 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:

- (a) 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;

- (b) implementing, on a case-by-case basis:
  - (i) 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
  - (ii) 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*

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the ICAV's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule 4, and an up-to-date list of the Depositary's sub-custodians will be available to the Shareholders upon request.

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

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

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

### **The Distributors and Other Parties**

The Manager may, from time to time, appoint distributors, sub-distributors, paying agents, representative agents, facilities agents, information agents or other entities in the context of the distribution, placement or marketing of Shares.

The fees and expenses of sub-distributors, paying agents, representative agents, facilities agents, information agents or such other entities appointed to market, distribute or place the Shares of a Sub-

Fund shall, where those fees and expenses are to be borne by the Sub-Fund in question, be at normal commercial rates.

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose, or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediary entity rather than directly to or from the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (i) subscription monies prior to the transmission of such monies to the Depositary for the account of the relevant Sub-Fund, and (ii) redemption monies payable by such intermediate entity to the relevant investor.

### **Data Protection Information**

Prospective investors should note that by completing the application form they are providing personal information to the ICAV, which may constitute personal data within the meaning of Data Protection Law. This personal data will be kept only for as long as necessary and used for the purposes of client identification, administration, updating the ICAV's records for fee billing, to monitor and record calls and electronic communications for quality, business analysis, training, investigation and fraud prevention purposes, for crime detection, prevention, investigation and prosecution and to enforce or defend the Manager's, the Administrator's or Depositary's rights directly or through third parties to whom either the Manager, Administrator or Depositary delegates such rights or responsibilities, statistical analysis, market research, and to comply with any applicable legal or regulatory requirements, such as anti-money laundering checks and related actions which the ICAV, the Manager, the Administrator or the Depositary considers necessary to meet any legal obligations. The Manager and the Administrator will retain your personal information for the duration of your investment in the ICAV and for as long as is required for the ICAV or the Administrator to perform the services or perform investigations in relation to same depending on whether additional legal/regulatory obligations mandate that the ICAV retains your personal information. Data may be disclosed to third parties including regulatory bodies, tax authorities in accordance with the CRS and any other tax reporting obligations under legislation or regulation, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. Investors have the following rights in respect of their personal data kept by the ICAV, the Manager, the Administrator or the Depositary: the right to access their personal information, the right to rectify their personal information, the right to restrict the use of their personal information, the right to request that their personal information is erased, the right to object to processing of their personal information and the right to data portability (in certain specific circumstances as set out in more detail in the application form).

## **SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS**

---

*The discussion below relates to subscription, transfer and redemption terms applicable to the Sub-Funds.*

The Directors shall, before the initial offer of Shares in any Sub-Fund, determine the terms on which such Shares will be issued, details of which will be as set out in the applicable Supplement.

After the relevant Closing Date for each Sub-Fund, the ICAV may offer Shares in each Sub-Fund on each Subscription Date at an issue price equal to the Net Asset Value per Share of the relevant Sub-Fund on each Valuation Date. Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued up to four decimal places.

Dealing in each Sub-Fund is on a forward pricing basis. A forward price is the price calculated at the next Valuation Point of the Sub-Fund after the subscription, redemption or transfer of Shares is agreed.

The subscription procedures for each Sub-Fund are set out in the applicable Supplement.

Before subscribing for Shares, an applicant who is not an Irish Resident or is an Exempt Irish Investor will be required to complete a declaration in a form prescribed by the Revenue Commissioners of Ireland. Such declaration will be included in the application form, which is available from the Administrator.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

It is the responsibility of each Shareholder to verify that it is permitted to own Shares and to ensure that the Shares held at no time be held by it for the account of benefit of any person prohibited from owning such Shares.

An initial application for Shares may only be made by completion and submission of an application form and required anti money laundering documentation and such additional documentation as may be requested by the Administrator. Application forms may be submitted to the Administrator by fax or a scanned copy sent by e-mail to the specific valid e-mail address or by any other electronic means, where agreed with the Administrator in advance.

The ICAV or the Administrator acting on behalf of the ICAV will only accept subscription applications that it considers clear and complete. Applications will be considered complete only if the ICAV or the Administrator acting on behalf of the ICAV has received all information and supporting documentation it deems necessary to process the application. Applications for shares will not be deemed to be complete until all anti-money laundering procedures have been completed.

Each Shareholder must complete an application form (available from the Administrator) and send it by post, electronic delivery, fax or such other electronic means as agreed with the Administrator to the Administrator by the relevant subscription dealing deadline set out in the applicable Supplement. No shares will be issued until all anti-money laundering verification documents have been received and are in compliance with the anti-money laundering procedures.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity, verification of address and source of funds to the Administrator.

The Administrator reserves the right to request such information as is necessary to verify the identity, address and source of funds of the applicant. This information may also include details as to the tax residency of an applicant together with relevant documentary evidence. Investors should refer to the anti-money laundering requirements within the application form. Depending on the circumstances of each application, a detailed verification of the source of funds might not be required where the



application is made through a recognised intermediary (and in such cases, a due diligence check and verification of funds will be carried out by the intermediary itself). These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering regulations or satisfies other applicable conditions. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Directors may refuse to accept the application and all subscription monies. The Administrator may also refuse to process redemption or pay out redemption proceeds if any requested information is not received.

The Administrator will notify applicants if additional proof of identity is required. By way of example, an individual will be required to produce a certified copy of a current passport or government issued identification card (which should show the signature and date of birth of the individual applicant) together with one piece of evidence of the applicant's address, such as an original or certified copy of a utility bill or bank statement (no more than six months old). In the case of corporate applicants, this may require production of certified copies of all documentation including the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and an authorised signatories list together with the names, occupations, residential and business addresses and dates of birth of all directors, beneficial owners and authorised signatories. Detailed verification of directors' and substantial beneficial owners' identity and address may also be required.

Notwithstanding the foregoing, the Administrator may, in its absolute discretion, process redemption requests on behalf of certain low risk investors (as determined by the Administrator) upon receipt of the application form and copies of AML documentation provided that the Administrator will not pay out redemption proceeds until any other documentation required by the Administrator, including all AML and tax documentation is received by the Administrator.

Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity, address, tax status and source of funds of the applicant. This may result in Shares being issued on a Subscription Date subsequent to the Subscription Date on which an applicant initially wished to have Shares issued to him/her. It is further acknowledged that the Administrator shall be held harmless by the applicant against any loss arising as a result of the failure to process the subscription or pay out redemption proceeds if such information as has been requested by the Administrator has not been provided by the applicant. In addition, the Directors or the Administrator will not pay out redemption proceeds until any other documentation required by the Administrator, including all AML documentation, is received by the Administrator.

Shares will be issued in registered form. A contract note, which will constitute a written confirmation of ownership of the Shares to which it relates, will normally be sent to each successful applicant within two Business Days of the determination of the Net Asset Value in respect of the relevant Subscription Date on which the application is being processed. The contract note will detail the number of Shares to which it relates, the series of Shares to which it relates, the Sub-Fund to which it relates and the price at which the Shares have been issued. Share certificates will not be issued. No Shares will be issued to investors if they subscribe for less than the Minimum Initial Subscription (or such other minimum amount as the Directors have in their absolute discretion determined). Investors must re-submit their application along with the Minimum Initial Subscription (or such other amount as the Directors have in their absolute discretion determined) in those circumstances.

Shares will be issued upon: (i) fulfilment of the conditions for acceptable subscriptions; (ii) the provision of all relevant money laundering documentation; and (iii) receipt of cleared funds by the ICAV and the Administrator in accordance with the terms and conditions of the Prospectus and Supplements in force at the time of the subscription. Failure by the ICAV to receive cleared funds within the relevant time limit as set out in the relevant Supplement will result in the cancellation of the subscription.

Investors will be required to agree to indemnify and hold harmless the ICAV, the Directors, the Manager, Carne IFS (UK), the Administrator and the Depositary for any losses, costs or expenses

incurred by them as a result of the failure or default of the investor to transmit subscription monies in immediately available funds to the account of the ICAV within the time specified in the applicable Supplement.

In addition, the Directors or the Administrator will delay processing a redemption request or paying out redemption proceeds until proper information has been provided including any relevant money laundering documentation and such delays could lead to redemption requests being held over to subsequent Redemption Dates. The Directors, the ICAV and the Administrator shall be held harmless by the applicant against any loss arising as a result of such delays.

The Directors or the Administrator may, in their absolute discretion, reject any application for Shares in full or in part. Amounts paid to the ICAV in respect of subscription applications which are rejected (or, in the case of applications which are not accepted in full, the balance of the amount paid) will be returned, where permitted by applicable law, to the applicant at his/her own risk and expense without interest.

By submitting an application form to the Administrator, an investor makes an offer to subscribe for Shares which, once it is accepted by the ICAV, has the effect of a binding contract. Upon the issue of Shares, a prospective investor will be entered on a register, become a Shareholder and will be bound by the terms of the Instrument of Incorporation pursuant to the ICAV Act. The Instrument of Incorporation is governed by, and construed in accordance with, the laws of Ireland and may only be amended by way of a special resolution in accordance with the ICAV Act. Pursuant to its terms, the application form is also governed by, and construed in accordance with, the laws of Ireland. The ICAV has separate legal personality and is a discrete legal entity which is the sole owner (whether directly or indirectly) of the investments in the ICAV's portfolio. Consequently, Shareholders have no direct legal or beneficial interest in those investments. A Shareholder's liability to the ICAV will generally be limited to the amount that they have paid for their Shares. A Shareholder's rights in respect of its investment in the ICAV are governed by the Instrument of Incorporation, the ICAV Act, the terms set out in this Prospectus, the relevant Supplement and the application form.

Statutory enforcement in Ireland of civil or commercial judgments obtained in a foreign jurisdiction is available, subject to satisfying certain conditions, in respect of such judgments originating in other European Union Member States (under Council Regulation (EU) No 1215/2012 of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and Council Decision 2006/325/EC of 27 April 2006 concerning the Agreement between the European Community and the Kingdom of Denmark on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters) and in respect of such judgments originating in Norway, Iceland or Switzerland (under the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters signed at Lugano on 30 October 2007 as applied in Ireland by Part IIIA of the Jurisdiction of Courts and Enforcement of Judgments Act 1998 as amended). Additionally, a final and unappealable judgment originating in any other foreign jurisdiction which imposes a liability to pay a liquidated sum will be recognised and enforced in the courts of Ireland at common law, without any re-examination of the merits of the underlying dispute, provided such judgment satisfies certain criteria.

### **In Specie Subscriptions**

The ICAV and the Manager may, in their absolute discretion and in consultation with the Administrator, accept payment for Shares by a transfer in specie of assets, the nature of which shall be within the investment objective, policy and restrictions of the Sub-Fund and the value of which (including the Net Asset Value per Share, thereof) shall be calculated by the Administrator, having consulted with the ICAV and the Manager, in accordance with the valuation principles governing the Sub-Fund and applicable law. The Directors and the Depositary will also ensure that the number of Shares issued in respect of any such in specie transfer will be the same amount which would have fallen to be allotted for settlement in cash. Any prospective investor wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with any administrative and other arrangements

(including any warranties to the Sub-Fund in relation to the title of such assets being passed to the Depositary, if applicable) for the transfer specified by the Depositary and the Administrator. The Directors and the Depositary must be satisfied that any such in specie transfer and the terms of the exchange will not be such as are likely to result in any material prejudice to existing Shareholders. No Shares shall be issued until the ownership of the securities or other assets shall have been transferred to the Sub-Fund and deposited with, and vested in, the Depositary or its agent to the Depositary's satisfaction.

### **Subscription Fees**

Details in respect of any subscription fee charged by a Sub-Fund shall be set out in the applicable Supplement.

### **Transfers**

A Shareholder may transfer all or any of his Shares by an instrument in writing provided to the Administrator or in any other form as the Directors may approve, in consultation with the Administrator, provided that any Shares may not be transferred to any person in violation of the restrictions set forth in section headed "Investor Restrictions" below.

The transferor shall be deemed to remain the beneficial holder of any Shares that it proposes to transfer until the name of the transferee is entered in the ICAV's register of members in respect of those Shares, at which point the transferee will become the beneficial holder of the Shares. In respect of the Shares, each transferee will be required to provide the same information, including anti-money laundering documentation, representations and warranties to the ICAV and the Administrator as are required from any applicant for Shares.

The Directors may decline to register any transfer of Shares. Permission to register transfers of Shares shall not be unreasonably withheld.

The ICAV will be required to account for tax on any gain on the Shares transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder transferring its Shares is not an Irish Resident or is an Exempt Irish Resident. The ICAV and the Administrator reserve the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The ICAV and the Administrator reserve the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's status and residency in the form prescribed by the Revenue Commissioners of Ireland.

Any transfer request provided by a Shareholder will be deemed irrevocable, however, the ICAV may, in its sole discretion, allow a transfer request to be revoked, provided that the ICAV's discretion is exercised in a reasonable manner.

### **Switching of Shares**

With the consent of the Directors, a Shareholder may switch Shares of one Sub-Fund or series into Shares of another Sub-Fund or series or Shares of one series within a Sub-Fund into Shares of another series within the same Sub-Fund.

The switching is effected by arranging for the redemption of Shares of one Sub-Fund or one series, switching the redemption proceeds into the currency of another Sub-Fund or series where required, and subscribing for the Shares of the other Sub-Fund or series with the redemption proceeds or the proceeds of the currency conversion. No switching fee will be levied. During the period between the determination of the Net Asset Value applicable to the Shares being redeemed and the subscription for Shares, the Shareholder will not be the owner of, or be eligible to receive dividends with respect to, either the Shares which have been redeemed or the Shares being acquired.

Switching will take place in accordance with the following formula:

$$\text{NSH} = \frac{\text{OSH} \times \text{RP}}{\text{SP}}$$

where:

NSH = the number of Shares which will be issued in the new Sub-Fund (or new series within the same Sub-Fund, as applicable);

OSH = the number of the Shares to be switched;

RP = the Net Asset Value of the Shares per Share to be switched after deducting the redemption fee, if any; and

SP = the issue price per Share in the new Sub-Fund (or new series within the same Sub-Fund, as applicable) on that Business Day after adding the subscription fee, if any.

If NSH is not a whole number of Shares, the Administrator reserves the right to issue fractional Shares in the new Sub-Fund or to return the surplus arising to the Shareholder seeking to switch the Shares.

A Shareholder is not required to submit a new application form for the purchase of Shares in connection with a switch.

### **Redemptions**

After the relevant Closing Date for each Sub-Fund, the ICAV may accept requests for redemptions on each Redemption Date at a price equal to the Net Asset Value per Share of the relevant Sub-Fund on such Redemption Date.

Redemption requests may be sent by post, delivery, fax or such other electronic means as agreed by the Administrator. No redemption payments will be made until the complete subscription documentation in form where required has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Redemption requests will only be processed on receipt of faxed instructions where payment is made to a bank account on record. Where payment is to be made to a bank account not on record, the redemption request will be accepted by the Administrator if the redemption request is signed by an authorised signatory of the Shareholder. However, the redemption proceeds will not be released to the Shareholder until the bank account on record has been formally amended. In addition, the Administrator or the Directors may refuse to process a redemption request unless proper information has been provided. The Administrator and the Directors shall be held harmless by the applicant against any loss arising as a result of such refusal. Any amendments to a Shareholder's registration details or payment instructions will only be effected upon receipt of the documentation by the Administrator.

Any redemption request provided by a Shareholder will be deemed irrevocable; provided, that the ICAV may, in its sole discretion, elect to waive a redemption request or allow a redemption request to be revoked.

The ICAV and the Administrator will be required to withhold tax on any gain on redemption at the applicable rate unless it has received from the Shareholder a declaration as to status and residency in the form prescribed by the Revenue Commissioners of Ireland confirming that the Shareholder is either (i) not an Irish Resident, or (ii) an Exempt Irish Investor, in each case in respect of whom it is not necessary to deduct tax. The ICAV and the Administrator reserve the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The ICAV and the

Administrators reserve the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's status and residency in the form prescribed by the Revenue Commissioners of Ireland.

The Directors may reduce the redemption proceeds in respect of any Shareholder to the extent the ICAV is required by US law or by agreement with the US Treasury Department or similar government division or department or by the IGA or implementing legislation to withhold in respect of a payment of redemption proceeds to such Shareholder or otherwise withhold any amount in respect of such Shareholder.

Further information in relation to the procedure for redeeming Shares will be set out in the applicable Supplement.

### **Redemption Fees**

Details in respect of any redemption fee charged by a Sub-Fund shall be set out in the applicable Supplement.

### **Deferral of Redemptions**

The ICAV or the Manager may, in their absolute discretion and in consultation with the Administrator, limit the number of Shares that can be redeemed on any one Redemption Date to such amount as may be set out in the applicable Supplement. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have their Shares redeemed on that Redemption Date redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next Redemption Date and all following Redemption Dates (in relation to which the ICAV will carry out the same procedure as described herein) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected. Where part of a redemption request is carried forward to subsequent Redemption Dates, it will be treated as if it was received on each subsequent Redemption Date, without priority over new redemption requests received on the same Redemption Date.

Further detail in relation to the process for the deferral of redemptions in respect of each Sub-Fund shall be set out in the applicable Supplement.

### **In specie Redemptions**

The ICAV or the Manager may, in their absolute discretion and in consultation with the Administrator, determine that the payment of redemption proceeds shall be satisfied in whole or in part by the in specie transfer of assets of the relevant Sub-Fund having a value equal to the Net Asset Value of the Shares to be redeemed. Such in specie transfers may only be made with the consent of the redeeming Shareholder, unless the redemption request represents 5% or more of the Net Asset Value of the Sub-Fund, in which case the consent of the redeeming Shareholder is not required but the Manager will use its reasonable efforts to, if requested by such Shareholder, sell the assets which have been allocated to satisfy the redemption request, with the costs of the sale of the assets being deducted from the redemption proceeds which are to be remitted to such Shareholder. The Directors and the Depositary must be satisfied that any such in specie redemption and the terms of the exchange will not be such as are likely to result in any material prejudice to existing Shareholders. The allocation of the assets of the Sub-Fund used to satisfy all in specie redemption requests are subject to the approval of the Depositary.

### **Anti-dilution Levy**

A Sub-Fund may suffer a reduction in value as a result of the costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments. This is known as "dilution". To prevent this and to protect the interests of all Shareholders including potential

Shareholders an anti-dilution levy may be charged, which will be for the benefit of the relevant Sub-Fund. Details of any such anti-dilution levy will be set out in the applicable Supplement.

### **Compulsory Redemptions**

The Directors may compulsorily redeem or transfer any holding of Shares if it comes to their attention that those Shares are being held directly or beneficially by any person who is not entitled to apply for Shares as described more fully in the section headed “Investor Restrictions” below. The Directors also reserve the right to the compulsory redemption of all Shares held by a Shareholder if the aggregate Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding specified in the applicable Supplement. Prior to any compulsory redemption of Shares, the Directors will notify the Shareholder in writing and allow such Shareholder fifteen days, or such other period of time as set out in the applicable Supplement, to purchase additional Shares to meet this minimum holding requirement.

Where the Directors have determined that a Sub-Fund must reach a minimum viable size within a certain period of time (with such minimum viable size and the corresponding period of time being set out in the Supplement for the relevant Sub-Fund), the Manager on behalf of the relevant Sub-Fund will return any subscriptions to the Shareholders where the minimum viable size is not reached within the relevant period, and the relevant Sub-Fund will be terminated in accordance with the procedure set out in the Instrument of Incorporation. Unless otherwise stated in the application Supplement, it is anticipated that the minimum viable size of each Sub-Fund will be \$100 million or such other lower amount as may be determined by the Directors in their absolute discretion.

The Directors also have the power to compulsorily redeem Shares in certain other circumstances, as may be provided for within the Supplement for the relevant Sub-Fund.

### **Suspension of Valuations and Subscriptions, Conversions and Redemptions**

Subscriptions, transfers, switches and redemptions for any Sub-Fund will be suspended for as long as the calculation of the Net Asset Value of that Sub-Fund is suspended as more fully described in the section headed “Valuation – Suspension of Valuation”. In the case of suspension of dealings in Shares, any subscription requests or redemption requests will be dealt with on the next Dealing Day following the end of such suspension period at the Net Asset Value per Share, unless such a request has been withdrawn in the interim by the relevant Shareholder.

The Directors may alternatively declare a temporary suspension of subscriptions and redemptions from a Sub-Fund during any of the circumstances listed in the section headed “Valuation – Suspension of Valuation”, but permit the determination of the Net Asset Value of the relevant Sub-Fund and the Net Asset Value per Share of any series to continue, provided that such Net Asset Value figures shall not be used as the basis for dealing in Shares of that Sub-Fund.

### **Investor Restrictions**

Potential investors should note that restrictions apply regarding the types of persons who may invest in the ICAV. These restrictions apply in order to comply with the laws and regulations of certain jurisdictions, including Ireland and the United Kingdom.

Investment in the ICAV will be limited to those investors who, in the opinion of the Directors, are not Restricted Persons. A “Restricted Person” is a person in respect of whom the Directors have imposed restrictions for the purpose of ensuring that no investment in the ICAV is made by any person or persons:

- (i) whose investment in the ICAV may result in a breach of any law or requirement of any country or governmental authority or may result in the ICAV or any Sub-Fund incurring a tax liability or suffering a pecuniary disadvantage which the ICAV or the relevant Sub-Fund might not otherwise have incurred or suffered;
- (ii) whose holding of Shares in a particular series is not permitted by the Supplement in respect of the Sub-Fund;
- (iii) who appears to have breached or falsified representations on subscription documents or if the holding of the Shares by such Shareholder is unlawful;
- (iv) who does not supply the information, documentation or declarations required (which may include tax documentation or supporting documentation for money laundering prevention) following a request to supply such information, documentation or declarations by the Manager or the Administrator or who lets such information, documentation or declarations lapse and fails to provide the Manager or the Administrator with up-to-date information, documentation or declarations that may be required by the Manager or the Administrator;
- (v) such that the status, standing or tax residence of the ICAV is or may be prejudiced or the ICAV (and/or its Shareholders as a whole) may suffer any taxation, legal, pecuniary, fiscal or regulatory disadvantage which it would not otherwise have suffered;
- (vi) any person who holds less than the Minimum Holding;
- (vii) who may cause the assets of a Sub-Fund to be deemed to constitute “plan assets” (as such term is defined under Section 3(42) of ERISA; or
- (viii) who is a United States Person.

For the avoidance of doubt, the ICAV is currently not offering shares to United States Persons, but may, in consultation with the Administrator, do so in the future.

### **Abusive Trading Practices**

Excessive, short-term (or market timing) or other abusive trading practices may disrupt portfolio management strategies and harm performance of a Sub-Fund. To minimise harm to a Sub-Fund and its Shareholders, the Directors, in consultation with the designated money laundering reporting officer, reserve the right to reject any subscription (including any transfer) from any investor whom they believe has a history of abusive trading or whose trading, in their judgement, has been or may be disruptive to a Sub-Fund. In making this judgement, the Directors may consider trading done in multiple accounts under common ownership or control.

### **Umbrella Fund Cash Accounts**

In connection with the processing of subscriptions, redemptions, distributions or other relevant payments to or from investors or Shareholders, the ICAV may establish or operate an umbrella fund cash account in accordance with the requirements of the Central Bank. Any balances on such accounts shall belong to the ICAV or the relevant Sub-Fund and are not held on trust on behalf of any investors or Shareholders or any other persons.

Where cash subscriptions are received in advance of the relevant Dealing Day will be held as an asset of the relevant Sub-Fund in cash in an umbrella fund cash account until the relevant Dealing Day, at which time the Shares will be issued and the investor will become a Shareholder in the relevant Sub-Fund. In respect of such subscription proceeds received in advance of the relevant Dealing Day and until such time as the Shares have been issued to the investor, in the event of the ICAV or the relevant Sub-Fund becoming insolvent, the investor will rank as a general unsecured creditor of the ICAV or

relevant Sub-Fund in respect of such subscription proceeds. Upon the issuance of Shares in the relevant Sub-Fund, such subscription proceeds received in advance of the relevant Dealing Day shall transfer from the umbrella fund cash account to the account of the relevant Sub-Fund whereupon they will be held as an asset of that Sub-Fund and, as a matter of Irish law, will not be available to satisfy the liabilities of another Sub-Fund.

Should the ICAV be unable to issue Shares to an investor who has paid the requisite subscription amount to the ICAV but has yet to provide the ICAV or the Administrator with all requisite information or documentation in order to verify the investor's identity, the Depositary shall ensure that in the event that such subscription proceeds cannot be applied, it will return such subscription proceeds without interest to the relevant investor normally within five working days.

The ICAV may temporarily borrow an amount equal to a subscription amount, subject to a Sub-Fund's borrowing limits as set out in the applicable Supplement, and invest the amount borrowed in accordance with the investment objective and policies of the Sub-Fund. Once the required subscription monies have been received, the ICAV will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the ICAV reserves the right to charge that Shareholder for any interest or other costs incurred by the ICAV as a result of this borrowing. If the Shareholder fails to reimburse the ICAV for those charges, the ICAV will have the right to sell all or part of the investor's holdings of Shares in the Sub-Fund in order to meet those charges and/or to pursue that Shareholder for such charges.

In respect of a dividend payment declared and owing to a Shareholder that is unable to be paid for any reason whatsoever, such as, for example, if the relevant Shareholder has not provided the requisite information or documentation to the ICAV or the Administrator, such distribution amount will be automatically re-invested in further Shares of the relevant Share series.

In respect of a redemption request, the ICAV or the Administrator may refuse to remit the redemption proceeds until such time as the Shareholder has provided the requisite information or documentation to the ICAV or the Administrator, as requested by the ICAV or the Administrator from time to time. In such circumstances, the Administrator will process the redemption request received by the Shareholder, at which point in time the Shareholder will no longer be considered a Shareholder of the relevant Sub-Fund and the proceeds of that redemption shall be held as an asset of the relevant Sub-Fund in cash in an umbrella fund cash account until such time as the ICAV or the Administrator has received all requisite information or documentation and has verified the Shareholder's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant Shareholder should seek to promptly address the reason for the ICAV or the Administrator being unable to pay the redemption proceeds to the relevant Shareholder. In respect of such redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the ICAV or the relevant Sub-Fund becoming insolvent, the investor will rank as a general unsecured creditor of the ICAV or relevant Sub-Fund in respect of such redemption proceeds.

For information on the risks associated with umbrella fund cash accounts, see "*Risks Associated with Umbrella Fund Cash Accounts*" in the section entitled "*Risk Factors*" in this Prospectus.



## VALUATION

---

The Net Asset Value of the ICAV and of each Sub-Fund or of each series of Shares, as the case may be, will be calculated by the Administrator at the relevant Valuation Point for each Valuation Date in accordance with the principles more fully described in the section headed "Valuation Principles" below.

The Net Asset Value of each Sub-Fund is, as at any Valuation Point, the aggregate value of the assets attributable to each Sub-Fund (including, without limitation, any unamortised expenses) less the aggregate liabilities attributable to each Sub-Fund (including, without limitation, its accrued expenses and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable). The Net Asset Value per Share in each Sub-Fund will be calculated by dividing the Net Asset Value of such Sub-Fund by the number of Shares in issue in respect of that Sub-Fund.

Where a Sub-Fund is made up of more than one series of Shares, the Net Asset Value of each series of Shares will be calculated by determining that part of the Net Asset Value of each Sub-Fund attributable to each such series of Shares and dividing this value by the number of Shares of that series in issue to the nearest four decimal places to give the Net Asset Value per Share. Any increase or decrease in the Net Asset Value of each Sub-Fund will be allocated between the Share series based on their *pro rata* Net Asset Values. The Net Asset Value of Share series denominated in currencies other than the base currency of a Sub-Fund will be calculated using the relevant exchange rate prevailing at the relevant Valuation Point. The Base Currency of each Sub-Fund will be as set out in the applicable Supplement.

Where series of Shares denominated in different currencies are created within a Sub-Fund and currency hedging transactions are entered into in order to hedge any relevant currency exposure, such transactions will be clearly attributable to a specific Share series. Save as provided for below in circumstances whereby the Directors refuse, in their absolute discretion, to issue Shares to an incoming investor (or if the incoming investor is not issued Shares for any other reason) after receipt by the Administrator and/or the ICAV of an investor's instruction of investment, the costs and gains/losses of the hedging transactions will accrue solely to the relevant series of Shares. This strategy may substantially limit Shareholders of the series of Shares from benefiting if the series currency falls against the Base Currency and/or the currency in which the assets of a Sub-Fund are denominated.

In an effort to achieve appropriate currency hedging provisions for incoming investors, currency hedging will be executed upon an investor's instruction of investment, as dictated by the relevant dealing deadlines set out in the applicable Supplement. Although these currency hedging transactions may be executed prior to the Valuation Point, they will not be included in the Net Asset Value calculation in respect of the relevant Dealing Day. Any gains or losses associated with these transactions will be shared by all Shareholders in the relevant Share series when such gains or losses are accounted for in the following Net Asset Value calculation in the relevant Sub-Fund.

The Net Asset Value per Share will increase or decrease in accordance with profits earned or losses incurred by the ICAV.

In the event the ICAV is required by US law or by agreement with the US Treasury Department or similar government division or department or by the IGA or implementing legislation to withhold amounts in respect of any Shareholder, the ICAV will charge such Shareholder(s) Shares for such withholding, redeem all or a portion of such Shareholder's Shares or switch such Shareholder's Shares to a different series or series with a reduced Net Asset Value so as to ensure that no other Shareholder in the ICAV will suffer any reduction in the value of their Shares as a consequence of such withholding.

### **Allocation of Assets and Liabilities**

The Instrument of Incorporation requires the Directors to establish separate Sub-Funds in the following manner:

- (a) the proceeds from the issue of each Share shall be applied in the books and records of the Sub-Fund established for that Share, and the assets less the liabilities plus income less expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Instrument of Incorporation;
- (b) where any asset is derived from another asset (whether cash or otherwise), the derived asset shall be applied to the same Sub-Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Sub-Fund;
- (c) in the case of any asset which the Directors do not consider as attributable to a particular Sub-Fund, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any such asset shall be allocated between Sub-Funds and the Directors shall have the power at any time, subject to the approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any such case where the asset is allocated between all Sub Funds *pro rata* to their Net Asset Values at the time when the allocation is made; and
- (d) the Directors shall have the discretion, subject to the approval of the Depositary, to determine the basis upon which any liability (which, without limitation, may include all operating expenses of the ICAV such as stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors and legal advisers, the costs of printing and distributing reports, accounts and any prospectus, publishing prices and any relevant registration fees etc.) shall be allocated between the Sub-Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time and from time to time to vary such basis, provided that the approval of the Depositary shall not be required in any such case where a liability is allocated between the Sub-Funds *pro rata* to their Net Asset Values.

### **Valuation Principles**

The Net Asset Value for each series of Shares shall be determined separately by reference to the Sub-Fund appertaining to that series of Shares and to each such determination the following provisions shall apply:

- (1) The Net Asset Value of each Sub-Fund shall be determined and shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of that Sub-Fund.
- (2) The assets of the Sub-Fund shall be deemed to include:
  - (e) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
  - (f) all bills, demand notes, promissory notes and accounts receivable;
  - (g) all bonds, certificates of deposit, shares, equity securities, units in collective investment schemes debentures, debentures stock, subscription rights, warrants, options, forwards, swaps, other derivatives, and other investments and securities owned and contracted for, (other than rights and securities issued by it);
  - (h) all stock and cash dividends and cash distributions which the Directors consider will be received by the ICAV in respect of a Sub-Fund but which have not yet been received by it but have been declared payable to stockholders of record on a date before the day as of which the assets are being valued;
  - (i) all interest accrued on any interest-bearing securities forming part of a Sub-Fund;

- (j) mark-to-market profits on derivatives;
  - (k) all prepaid expenses including dividends receivable by the ICAV relating to that Sub-Fund and a proportion of any prepaid expenses relating to the ICAV generally, such prepaid expenses to be valued and defined from time to time by the Directors; and
  - (l) all other assets of the Sub-Fund of whatsoever kind and nature.
- (3) The liabilities of a Sub-Fund shall be deemed to include:
- (m) all bills, notes and accounts payable;
  - (n) all expenses payable and/or accrued (the latter on a day to day basis) including but not limited to the fees and expenses incurred by the Depositary, the Administrator and the Manager in the performance of their obligations hereunder;
  - (o) all known liabilities including the amount (if any) of any unpaid distribution declared upon the Shares in the Sub-Fund, contractual obligations for the acquisition of investments or other property or for the payment of money and outstanding payments on any Shares previously redeemed;
  - (p) an appropriate provision for taxes (other than taxes taken into account as duties and charges) and contingent liabilities as determined from time to time by the Administrator;
  - (q) mark-to market losses on derivatives; and
  - (r) all other liabilities of the Sub-Fund of whatsoever kind and nature except liabilities represented by Shares in the Sub-Fund.

In determining the amount of such liabilities the Administrator may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

- (4) Any expense or liability of the ICAV may be amortised over such period as the Directors (with the approval of the auditors) may determine (and the Directors may at any time and from time to time determine with the approval of the auditors to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the ICAV.
- (5) Assets shall be valued as follows:
- (a) deposits shall be valued at their nominal amount plus accrued interest from the date on which the same was acquired or made;
  - (b) save as otherwise herein provided, listed securities quoted or dealt in on a Recognised Market shall be valued at the Valuation Point in each case being one of the closing bid, the last bid, the last traded price, the closing mid-market price, the latest mid-market price or the official closing price published by an exchange as may be deemed appropriate by the Manager (or Portfolio Manager) and set out in the applicable Supplement for each Sub-Fund, on the Recognised Market on which these securities are traded or admitted for trading. If such securities are dealt in on more than one Recognised Market, the relevant Recognised Market will be, in the sole opinion of the Manager, the relevant market which the Manager determines provides the fairest criteria in a value of the relevant security. If, in the sole opinion of the Manager, the dealing price (which will be one of the closing bid, the last bid, the last traded price,

the closing mid-market price, the latest mid-market price or the official closing price published by an exchange as may be deemed appropriate by the Manager (or Portfolio Manager) and set out in the applicable Supplement for each Sub-Fund) for the securities, calculated as at the Valuation Point is unavailable or not representative of the value of the securities, or in the context of unlisted securities or securities that are not quoted or dealt in on a Recognised Market, the value will be (i) the probable realisation value, estimated with care and in good faith by the Manager or such competent person(s) as may be appointed by the Manager and approved for the purpose by the Depositary; or (ii) calculated by any other means provided that the method of valuation is approved by the Depositary. Securities listed or traded on a Recognised Market but acquired at a premium or at a discount outside or off the Recognised Market may be valued taking into account the level of premium or discount at the relevant valuation;

- (c) exchange-traded derivative instruments shall be valued at the settlement price as determined by the market where the exchange-traded derivative is traded. If such settlement price is not available, the value will be (i) the probable realisation value, estimated with care and in good faith by the Manager or such competent person(s) as may be appointed by the Manager and approved for the purpose by the Depositary; or (ii) calculated, by the Manager or such competent person(s) as may be appointed by the Manager and approved for the purpose by the Depositary; or (iii) calculated by any other means provided that the method of valuation is approved by the Depositary;
- (d) off-exchange derivative contracts shall be valued by the counterparty on a daily basis. The valuation must be approved or verified weekly by a third party who is independent of the counterparty and who is approved for the purpose by the Depositary. An alternative valuation may also be used. Where an alternative valuation is used, the following conditions will be satisfied:
- the Manager will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as the International Organization of Securities Commissions (“IOSCO”) and AIMA;
  - the alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Depositary or a valuation by any other means provided that the method of valuation is approved by the Depositary;
  - the alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained; and
  - as foreign exchange hedging may be used for the benefit of a particular Share series within a Sub-Fund, its costs and related liabilities and/or benefits shall be for the account of that Share series only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for Shares of any such Share series;
- (e) cash shall be valued at face value (together with accrued interest to the relevant Valuation Date);
- (f) the value of units, shares or other similar participation in any collective investment scheme shall be (i) if listed, quoted or traded on a Recognised Market valued in accordance with paragraph (b) above; or (ii) valued at the latest available net asset

value or bid price of the collective investment scheme, as published by the collective investment scheme;

- (g) where it is not the intention or objective of the Manager to apply amortised cost valuation to the portfolio of a Sub-Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk. In this regard, where utilised, a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank;
  - (h) forward foreign exchange contracts or foreign exchange swaps will be valued in accordance with paragraph (d) above or, alternatively by reference to freely available market quotations. If such freely available market quotations are used, there is no requirement to have such prices independently verified or reconciled on a weekly basis;
  - (i) notwithstanding the foregoing, where at the time of any valuation any asset of the ICAV has been realised, or is contracted to be realised (the "**Realised Asset**"), there shall be included in the assets of the ICAV in place of such Realised Asset the net amount receivable by the ICAV in respect of the Realised Asset. If the amount receivable by the ICAV in respect of the Realised Asset is not known exactly then its value shall be the net amount estimated by the Manager or such competent person(s) as may be appointed by the Manager and approved for the purpose by the Depositary;
  - (j) notwithstanding the foregoing, the Manager may, if it deems it necessary, with the approval of the Depositary, permit some other method of valuation to be used for any particular asset if the Manager considers that the alternative method of valuation better reflects the fair value of that asset and the Manager shall clearly document the rationale and methodology of the alternative method of valuation; and
  - (k) the value of an asset may be adjusted by the Manager with the approval of the Depositary where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant.
- (6) Pricing services, whether automated or not, of one or more third parties may be engaged to ascertain the value of any investment (in accordance with the valuation provisions set out herein). Pricing services will be selected by the Manager or a delegate of the Manager.
- (7) Currencies or values in currencies other than in the currency of designation of a particular Sub-Fund shall unless the Directors determine otherwise be converted or translated at the rate which the Manager may consider appropriate having regard (inter alia) to any premium or discount which may be relevant and to costs of exchange into the currency of designation of that Sub-Fund.
- (8) In calculating the Net Asset Value, the Administrator shall (subject to the general liability standard provided for in the Administration Agreement) not be liable for any loss suffered by the ICAV by reason of any error resulting from any inaccuracy in the information provided by any third party pricing service that the Administrator is directed to use by the ICAV.
- (9) In the event that there is an error in the calculation of the Net Asset Value of any Sub-Fund or series of Shares which results in a Shareholder receiving proceeds from the Manager, the Manager reserves the right to seek to recover from such Shareholder any excess amount

recovered by them or to re-issue a contract note with the correct Net Asset Value of the relevant Sub-Fund or series of Shares.

For the avoidance of doubt, the Manager acknowledges that the Administrator has not been retained to act as its external valuer or independent valuation agent.

### **Suspension of Valuation**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of the ICAV or any Sub-Fund during:

- (a) any period during which one or more of a Sub-Fund's investments has suspended the determination of its or their net asset value(s) and/or has suspended redemptions or withdrawals.
- (b) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Sub-Fund are quoted is closed, otherwise than for ordinary holidays, or during periods in which dealings thereon are restricted or suspended;
- (c) the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposal or valuation of a substantial part of the investments of the relevant Sub-Fund is not reasonably practicable or would be seriously detrimental to the interests of the Shareholders in the relevant Sub-Fund (or any series thereof);
- (d) any breakdown in the means of communication normally employed in determining the value of any portion of the investments of the relevant Sub-Fund or when for any reason the current prices on any market of a substantial part of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained;
- (e) any period when the transfer of funds involved in the realisation or acquisition of any investments cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (f) any period when, in the opinion of the Directors, the effect of redemptions, including redemptions for which redemption requests have been received, would materially impair a Sub-Fund's ability to operate in pursuit of its objectives, or any of the remaining investors in that Sub-Fund (or any series thereof) would be unfairly and materially disadvantaged or the effect of redemptions would otherwise jeopardise the tax status of that Sub-Fund (or any series thereof);
- (g) subject to the approval of the Directors, during any other such period when, in the opinion of the Manager, disposal of all or part of a Sub-Fund's assets, or determination of the Net Asset Value of the relevant Sub-Fund (or one or more series thereof) would not be reasonable or practicable or would be prejudicial to the investors in that Sub-Fund (or any series thereof) or
- (h) any period when a resolution calling for the termination of the relevant Sub-Fund or the winding up of the ICAV has been proposed or the Sub-Fund is otherwise winding down its business.

Any such suspension will be notified to the Central Bank immediately (and in any event within the working day on which such suspension took effect) and shall be notified to the relevant Shareholders and applicants for Shares in such manner as the Directors may deem appropriate if, in the opinion of the Directors, it is likely to exceed fourteen (14) days and will be notified to applicants for Shares or Shareholders requesting issue or redemption of Shares of the relevant Sub-Fund by the Directors promptly following receipt of an application for such issue or filing of the written request for

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

**Publication of the Net Asset Value**

The latest Net Asset Value per Share of each Sub-Fund is calculated for each Valuation Point and will be available from the Administrator upon request and will be published on <https://theamx.com/> on each Dealing Day as soon as reasonably practicable. The historical performance of each Sub-Fund will be available from the Administrator upon request. The subscription and redemption prices will be made available promptly to Shareholders on request.

## **FEES AND EXPENSES**

---

### **Management Fee**

Under the provisions of the Management Agreement, each Sub-Fund or series of Shares will pay the Manager a fee in respect of its duties as manager of that Sub-Fund or series of Shares. Details of such fees will be as set out in the applicable Supplement. The Manager shall also be entitled to be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of its duties.

### **Portfolio Management Fee**

Under the provisions of the relevant portfolio management agreement, a Portfolio Manager will be entitled to a portfolio management fee in respect of acting as the portfolio manager to the relevant Sub-Fund. Details of such fees will be as set out in the applicable Supplement. The Portfolio Manager shall also be entitled to be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of its duties.

### **Administration Fee**

Under the provisions of the Administration Agreement, each Sub-Fund or series of Shares will pay the Administrator a fee in respect of its duties as Administrator of that Sub-Fund or series of Shares. Details of such fees will be as set out in the applicable Supplement. The Administrator shall also be entitled to be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of its duties.

### **Depositary Fee**

Under the provisions of the Depositary Agreement, each Sub-Fund or series of Shares will pay the Depositary a fee in respect of its duties as Depositary of that Sub-Fund or series of Shares. Details of such fees will be as set out in the applicable Supplement. The Depositary shall also be entitled to be repaid out of the assets of each Sub-Fund any transaction charges and sub-custodians' fees, which will be charged at normal commercial rates. The Depositary shall also be entitled to be reimbursed all reasonable out-of-pocket expenses incurred by it in the performance of its duties.

### **Distribution Fee**

The ICAV, for and on behalf of the relevant Sub-Fund, may pay a Distributor (such as Carne IFS (UK)) a fee in respect of the services provided by the relevant Distributor under their respective distribution agreement. Such fees and all reasonable out-of-pocket expenses incurred by the Distributor in the performance of its duties will be charged at normal commercial rates.

### **Directors' Remuneration**

All Directors (with the exception of Yvonne Connolly and Elizabeth Beazley who are not entitled to receive an annual fee for their services in acting as directors of the ICAV) shall be entitled to an annual fee of €5,000 per Sub-Fund in remuneration for their services in acting as directors of the ICAV. The Directors may also be paid travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the ICAV or in connection with the business of the ICAV.

### **Establishment Expenses**

The fees and expenses incurred in connection with the establishment of the ICAV, the Initial Sub-Funds, the preparation and publication of this Prospectus and all legal costs and out-of-pocket expenses are not expected to exceed €150,000. Such fees and expenses shall be allocated as between (a) the ICAV and relevant Sub-Fund, and/or (b) the Manager in such manner as may be determined by the ICAV and the Manager and will be amortised on a straight-line basis over the first 60 months of the ICAV's operations



or such shorter period as the Directors and the Manager may determine. The Directors may if required determine to accelerate such amortisation. While this is not in accordance with applicable accounting standards generally accepted in Ireland and the UK and may result in the audit opinion on the annual report being qualified in this regard, the Directors believe that such amortisation is fair and equitable to investors. All of the establishment expenses may initially be borne by the Initial Sub-Funds. Any Sub-Funds of the ICAV which may be established in the future, with the exception of the Initial Sub-Funds, will be allocated such portion of the establishment expenses as the Directors and the Manager consider fair in the circumstances. Details of the establishment expenses relating to Sub-Funds created in the future, if any, will be set out in the applicable Supplement.

### **Other Expenses**

The ICAV will pay the following costs and expenses:

- (i) all fees and out-of-pocket expenses of any other service provider (other than those specifically listed above or in the applicable Supplement) in respect of the ICAV, including, but not limited to, any entity that provides money laundering reporting officer services, administration services in respect of the Central Bank's Online Reporting (ONR) System, VAT services, payroll services, FATCA and/or CRS compliance services, regulatory reporting services, country-specific registration or tax reporting services or GDPR compliance services to the ICAV and/or any Sub-Fund (including VAT thereon). Such expenses may include, but are not limited to, transaction charges and all such fees and expenses shall be charged at normal commercial rates;
- (ii) all stamp duty (other than any payable by an applicant for Shares or by a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the ICAV or on creation or issue of Shares or arising in any other circumstance;
- (iii) all fiscal and purchase or fiscal and sale charges arising on any acquisition or disposal of investments;
- (iv) all taxes and corporate fees payable by the ICAV in Ireland or elsewhere and to municipal, or other governmental agencies in Ireland, or elsewhere;
- (v) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of the ICAV or its nominees or the holding of any investment or the custody of investments and/or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise);
- (vi) all expenses incurred in the collection of income of the ICAV;
- (vii) all expenses of Shareholders' and Directors' meetings and all expenses of and incidental to producing, printing and posting or otherwise dispatching the annual accounts of the ICAV and/or each Sub-Fund and any report of the Directors, the Manager and/or Auditors therewith and notices to Shareholders;
- (viii) all costs and expenses of and incidental to preparing resolutions of Shareholders for the purpose of securing that the ICAV conforms to legislation coming into force after the date of the incorporation of the ICAV (including costs and expenses incurred in the holding of a meeting of Shareholders, where necessary);
- (ix) all charges and expenses incurred before and after registration of the ICAV in connection with the registration, operation, authorisation, existence and organisation of the ICAV (except any placing commission) and the listing at any time of its series of Shares on a stock exchange;
- (x) all broker's commissions and transfer taxes and other expenses chargeable to the ICAV in connection with securities transactions to which the ICAV is a party;

- (xi) all fees and expenses involved in registering the ICAV with governmental agencies or any stock exchange to permit or facilitate the sale of any of its Shares in particular jurisdictions including the preparation, printing and filing of prospectuses or similar material for use in such jurisdiction and also the fees and expenses of maintaining all such registrations;
- (xii) all taxation payable in respect of the holding of or dealings with or income from the ICAV relating to the ICAV's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (xiii) all commissions, stamp duty, value added tax and other costs and expenses of or incidental to any acquisition, holding, settlement, realisation or other dealing in investments, foreign exchange options, financial futures, contracts for differences or any other derivative instruments or the provision of cover or margin therefor or in respect thereof or in connection therewith (including data and systems used for collateral and counterparty management and oversight);
- (xiv) all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates, statements, accounts and reports made, issued or despatched pursuant to the Instrument of Incorporation;
- (xv) the fees and expenses of the auditors (including all professional and accounting fees relating to the ascertainment, payment and claims of tax charges or relief on behalf of the ICAV), tax and legal advisers (in connection with the ICAV's corporate existence, authorisation, regulation, status, registration in any jurisdiction in which the Shares are marketed or otherwise sold, financial structure, relations with its Shareholders and other matters), translators and other professional advisers in respect of the Manager or the ICAV (including the costs of fee/cost accrual management systems);
- (xvi) all fees and expenses incurred by the ICAV, the Manager and/or its affiliates in connection with the management, marketing and advertising of the ICAV, the costs associated with obtaining marketing passports and/or marketing licences, the costs (including any licence fees) associated with the use of benchmarks and indices for performance comparison and other purposes, the costs associated with the investment, risk and liquidity management and regulatory compliance oversight functions in respect of the ICAV (including the costs associated with the use of data and analytical systems and tools), the costs associated with investor reporting such as the costs relating to publishing details and prices of the Shares and other performance and portfolio information of the ICAV in newspapers and other hard copy and electronic publications and formats;
- (xvii) any fees payable by the ICAV to any regulatory authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority (including preparation and updating of supplements (including annexes thereto) and ongoing periodic disclosures to be provided in the financial statements), and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (xviii) 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) under which the ICAV acquires investments;
- (xix) fees in respect of company secretarial services;

- (xx) all charges or expenses payable by the Manager and any other supplier of services to the Manager or to the ICAV (including VAT thereon) as agreed between the Manager and the relevant supplier of services. Such expenses may include, but are not limited to, the fees payable to the Directors (and any associated costs, such as director and officer insurance), the fees and out-of-pocket expenses of the Manager's MLRO and company secretary, the cost of the Manager's professional indemnity insurance or the cost of an ERISA fidelity bond in the context of the Manager acting as the manager to the ICAV;
- (xxi) any regulatory fees;
- (xxii) the costs of termination/liquidation of any Sub-Fund and the ICAV;
- (xxiii) all regulatory costs and expenses incurred by the ICAV or the Manager, including those incurred in preparing applicable regulatory filings; and
- (xxiv) all fees incurred in respect of the preparation of key investor information documents.

The foregoing expenses will be properly vouched for or, if not vouched for, shall be charged to the ICAV at normal commercial rates.

Any expenses incurred in relation to a particular Sub-Fund will be applied to that Sub-Fund. Expenses incurred in relation to more than one Sub-Fund will be applied across the relevant Sub-Funds in a fair and equitable manner as determined by the Directors in their absolute discretion.

## TAXATION

---

The taxation of income and capital gains of the ICAV and of the Shareholders is subject to the fiscal laws and practices of Ireland, of the countries in which the ICAV invests and of the jurisdictions in which Shareholders are resident or otherwise subject to tax.

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, switching or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

Potential investors and Shareholders should note that the statements on taxation which are set out below are based on advice which has been received by the Manager regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely.

EACH POTENTIAL INVESTOR SHOULD CONSULT WITH AND MUST RELY UPON HIS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF INVESTING IN THE ICAV. THIS DISCUSSION IS PROVIDED ONLY TO ASSIST THE POTENTIAL INVESTOR IN EVALUATING THE EXPECTED TAX CONSEQUENCES AND LIABILITIES RELATED TO AN INVESTMENT IN THE ICAV. A COMPLETE DISCUSSION OF ALL TAX ASPECTS OF AN INVESTMENT IN THE ICAV IS BEYOND THE SCOPE OF THIS PROSPECTUS. NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OR LIABILITIES RELATED TO AN INVESTMENT IN THE ICAV BY ANY PROSPECTIVE INVESTOR. MOREOVER, THIS DISCUSSION IS NOT INTENDED TO PROVIDE TAX OR OTHER LEGAL ADVICE TO ANY POTENTIAL INVESTOR.

### **Ireland**

#### *Taxation Outside of Ireland*

Dividends and interest and capital gains on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The ICAV may not benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreements in operation between Ireland and other countries. Consequently, the ICAV may not be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

#### *Taxation in Ireland*

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

The ICAV will be regarded as Resident in Ireland if its central and effective management and control is exercised in Ireland. The Directors of the ICAV will make every effort to ensure that the business of the ICAV will be conducted in such a manner as to ensure that it is Resident in Ireland.

As an Investment Undertaking, the ICAV is exempt from Irish tax on its income and gains. However, tax can arise on the happening of a chargeable event.

A chargeable event includes any distribution payments to a Shareholder or any encashment, repurchase, redemption, cancellation or transfer of Shares (including the appropriation or cancellation

of Shares of a Shareholder by the ICAV for the purpose of discharging the tax arising on certain chargeable events that do not involve the making of a payment to a Shareholder) and the ending of a Relevant Period. However, a chargeable event does not include:

- (i) any transaction in relation to Shares held in a Recognised Clearing System; or
- (j) a transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions; the transferee spouse or civil partner is treated as having acquired the Shares at their original cost to the transferring spouse or civil partner; or
- (k) an exchange, effected by way of an arm's length bargain, of Shares for Shares in another sub-fund of the ICAV; or
- (l) the cancellation of Shares arising on a "scheme of reconstruction or amalgamation" (within the meaning of section 739H(1) of the Taxes Act) or a "scheme of amalgamation" (within the meaning of section 739HA(1) of the Taxes Act) subject to certain conditions being fulfilled.

*Exemption from Irish tax arising on chargeable events*

The ICAV will be exempt from the obligation to account for tax on chargeable events in certain circumstances. These circumstances include:

1. a chargeable event in respect of a Shareholder who is:
  - (a) an Exempt Non-Resident Investor at the time of the chargeable event; or
  - (b) an Exempt Irish Investor at the time of the chargeable event; or
2. the ending of a Relevant Period if:
  - (a) immediately before the ending of the Relevant Period, Shareholders who are described at 1(a) and 1(b) above, beneficially own Shares that represent more than 90% of the Net Asset Value of the ICAV; and
  - (b) the ICAV has made an election to the Revenue Commissioners, that it will make, within the specified time limit, in respect of each year of assessment, a statement in the prescribed format which specifies in respect of each Shareholder:
    - (i) the name and address of the Shareholder;
    - (ii) the value, at the end of the year of assessment, of the Shares to which the Shareholder is beneficially entitled at that time; and
    - (iii) such other information as the Revenue Commissioners may require.

Where such an election is made, the ICAV is obliged to notify Shareholders who are not Shareholders described at 1(a) and 1(b) above, that it is not obliged to account for tax on the ending of a Relevant Period in accordance with the provisions outlined above at 2 above and accordingly those Shareholders are obliged to include details of gains arising, if any, in their tax return for the relevant year of assessment.
3. a chargeable event where the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of amalgamation within the meaning of section 739D (8C) of the Taxes Act, subject to certain conditions being fulfilled;

4. a chargeable event where the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of migration and amalgamation within the meaning of section 739D (8D) of the Taxes Act, subject to certain conditions being fulfilled; or
5. a chargeable event where the chargeable event occurs solely on account of a scheme of migration within the meaning of section 739D (8E) of the Taxes Act, subject to certain conditions being fulfilled.

#### *Tax Payable*

Where none of the relieving provisions outlined above have application, the ICAV is liable to account for Irish tax on chargeable events as follows:

- (a) where the chargeable event relates to a Taxable Corporate Shareholder and that company has made a declaration to the ICAV that it is a company and that declaration contain the Irish corporation tax reference number with respect to the company, Irish tax is payable at a rate of 25%;
- (b) where (a) above does not apply, Irish tax is payable at the rate of 41%.

In the case of chargeable events other than a chargeable event arising on a transfer of Shares or the ending of a Relevant Period, any tax arising is deducted from the relevant payments (distribution/repurchase payments/ cancellation/ redemption payments) to the Shareholders.

In the case of a chargeable event arising as a result of a transfer of Shares or the ending of a Relevant Period or any other chargeable event arising that does not give rise to a payment to be made by the ICAV to a Shareholder, the ICAV is entitled to cancel or appropriate sufficient Shares of the Shareholder to meet the tax liability of that Shareholder.

To the extent that any tax is paid on a chargeable event that occurs solely as a consequence of the ending of a Relevant Period such tax will be allowed as a credit or paid by the ICAV to the Shareholder on the happening of a subsequent chargeable event in accordance with the provisions of section 739E of the Taxes Act.

The relevant Shareholder shall indemnify the ICAV against any 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 appropriation, cancellation or deduction is made.

#### *Taxation of Shareholders*

For the purpose of determining the Irish tax liability of any Shareholder, payments made by the ICAV to a Shareholder who holds Shares which are held in a Recognised Clearing System will be deemed to be payments from which tax has not been deducted.

#### *Shareholders who are Irish Residents and not Exempt Irish Investors*

Taxable Corporate Shareholders who receive payments 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 rate of 25% has been deducted.

A Taxable Corporate Shareholder whose Shares are held in connection with a trade or who is a Qualifying Company will be taxable on any income or gains arising in connection with the Shares as profits of that trade (currently at a rate of 12.5%) or as profits of its business as a Qualifying Company, as the case may be (currently at a rate of 25%), with a set-off against corporation tax payable for any tax deducted by the ICAV.

In general, non-corporate Shareholders who are Irish Residents will not be subject to further Irish tax on income from the Shares or gains made on disposal of the Shares where tax has been deducted by the ICAV on payments made to them. The ICAV will be obliged to deduct tax at the rate of 41% from the income or gain.

However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such taxable income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder for the acquisition of the Shares.

Where a currency gain is made by a Shareholder on a disposal of Shares, such Shareholders may be liable to capital gains tax in the years of assessment in which the Shares are disposed.

#### *Shareholders who are Exempt Irish Investors*

The ICAV will not be obliged to deduct tax on the occasion of a chargeable event if a Shareholder is an Exempt Irish Investor (provided that the ICAV is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is no longer materially correct). In the absence of a Relevant Declaration the ICAV will be obliged to deduct income tax at the rate of 41% on the happening of a chargeable event notwithstanding that a Shareholder might otherwise be an Exempt Irish Investor.

#### *Shareholders who are not Irish Residents*

Shareholders who are Exempt Non-Resident Investors will not be subject to Irish tax in respect of income from their Shares or gains made on the disposal of their Shares.

#### *Refunds of Tax Withheld*

Where tax is withheld by the ICAV on the basis that a Relevant Declaration has not been filed with the ICAV by the Shareholder, Irish legislation does not provide for a refund of tax to a Shareholder who is not Irish Resident and who is not within the charge to Irish corporation tax other than in the following circumstances:

- (a) the appropriate tax has been correctly returned by the ICAV and within one year of the making of the return the ICAV can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the ICAV; or
- (b) the Shareholder is entitled to claim exemption from income tax pursuant to section 189, 189A or 192 of the Taxes Act (relieving provisions relating to incapacitated persons, companies in relation thereto and persons incapacitated as a result of drugs containing thalidomide). In such circumstances, the Shareholder is treated as having received a net amount of income from the gross amount of which tax has been deducted, and that gross amount is treated as an amount of income chargeable to tax under Case III of Schedule D.

#### *Dividend withholding tax*

Payments of distributions by the ICAV are not subject to dividend withholding tax provided that the ICAV continues to be a collective investment undertaking as defined in section 172A(1) of the Taxes Act (which definition includes an investment undertaking within the meaning of section 739B of the Taxes Act).

Dividends received by the ICAV from companies that are Resident in Ireland may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, where the ICAV makes an appropriate declaration pursuant to paragraph 6, Schedule 2A of the Taxes Act, it will be entitled to receive such dividends without deduction of tax.

### *Stamp Duty*

As an Investment Undertaking, no liability in respect of Irish stamp duty will arise in respect of the issue, subscription, holding, switching, redemption, cancellation, sale, or transfer of Shares. 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.

Generally, no Irish stamp duty will be payable by the ICAV on the purchase of stocks or marketable securities provided that the stocks or marketable securities in question have not been issued by a company that is incorporated in Ireland and provided that the purchase does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an Investment Undertaking) which is incorporated in Ireland.

### *Capital Acquisitions Tax*

A disposition of Shares by a Shareholder does not give rise to a liability for capital acquisitions tax provided that (i) at the date of the gift or inheritance, the donee or successor is neither domiciled in Ireland nor an Irish Resident and (ii) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled in Ireland nor an Irish Resident or the proper law of the disposition is not Irish law; and (iii) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the date of valuation.

For the purpose of Irish tax residency for capital acquisitions tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be treated as resident or ordinarily resident in Ireland at the relevant date except where that person has been Resident in Ireland for 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls and that person is either Resident or Ordinarily Resident in Ireland on that date.

### *Shareholder Reporting*

Pursuant to the provisions of section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013 the ICAV is required to provide certain information to the Revenue in relation to Shareholders other than "excepted shareholders" within the meaning of the relevant Regulations ("**Excepted Shareholders**").

The information to be provided to the Revenue Commissioners is in relation only to Shareholders other than Excepted Shareholders and includes:

- (a) the name, registered address, contact details and tax reference number of the ICAV;
- (b) the name, address, tax reference number and date of birth (if applicable) of Shareholders other than Excepted Shareholders;
- (c) a tax reference number for all Shareholders other than Excepted Shareholders; and
- (d) the investment number and the value of the investment held by Shareholders other than Excepted Shareholders.

Exempt Irish Investors and Exempt Non-Resident Investors would be Excepted Shareholders.



### *FATCA Implementation in Ireland*

The FATCA provisions of the US Hiring Incentives to Restore Employment Act of 2010 were enacted to identify US persons either directly investing outside the US or indirectly earning income inside or outside the US by using foreign entities.

The obligations of Irish financial institutions under FATCA are covered by the provisions of the IGA, the Financial Accounts Reporting (United States of America) Regulations 2014 (the “**Regulations**”) Under the IGA and the Regulations, any Irish financial institutions as defined therein are required to report annually to the Revenue Commissioners details on its US account holders including the name, address and taxpayer identification number (“TIN”) and certain other details. The ICAV, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any obligations imposed on it under the IGA.

The ICAV's ability to satisfy its obligations under the IGA will depend on each Shareholder in the ICAV, providing the ICAV with any information, including information concerning the direct or indirect owners of such Shareholders, that the ICAV determines is necessary to satisfy such obligations. Each Shareholder will agree in its application form to provide such information upon request from the ICAV. If the ICAV fails to satisfy its obligations under the IGA, it may, in certain circumstances, be treated as a Non-participating Financial Institution by the IRS and therefore subject to a 30% withholding on certain payments of its US source income and certain payments of proceeds from the sale of property that could give rise to US source interest or dividends. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their interest in the ICAV.

### *Automatic Exchange of Information for Tax Purposes*

Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) (“**DAC2**”) provides for the implementation among Member States (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard (“**CRS**”) proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions have committed to collect detailed information to be shared with other jurisdictions annually.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the Taxes Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the Taxes Act.

Pursuant to these Regulations, the ICAV will be required to obtain and report to the Revenue Commissioners annually certain financial account and other information for non-Irish and non-US accountholders in respect of their Shares. The returns must be submitted by 30 June annually. The information will include amongst other things, details of the name, address, taxpayer identification number (“TIN”), place of residence and, in the case of accountholders who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. All Shareholders will be required to provide this information and documentation, if applicable, to the ICAV and each Shareholder will agree or will be deemed to agree by its subscription for Shares or, by its holding of Shares, to provide the requisite information and documentation, if applicable, to the ICAV, upon request by it or its service providers so that the ICAV can comply with its obligations under CRS.

## **United Kingdom**

### *The ICAV*

The Directors intend to conduct the affairs of the ICAV so that it does not become resident in the United Kingdom for taxation purposes. In any event under section 363A of the Taxation (International and Other Provisions) Act 2010 (“**TIOPA**”), even if in the absence of this provision the ICAV were considered to be resident in the United Kingdom for taxation purposes due to its central management and control being located in the United Kingdom, the ICAV will be treated as if it were not so resident. Accordingly, and provided that the ICAV does not carry on a trade in the United Kingdom through a permanent establishment situated there, the ICAV will not be subject to United Kingdom corporation tax on its income or chargeable gains.

It is unlikely that the activities of the ICAV will be regarded as trading activities for the purposes of United Kingdom taxation. In the event that the ICAV were considered to be carrying on trading activities in the United Kingdom through the agency of Carne IFS (UK) the profits from these activities would be subject to United Kingdom corporation tax. It is not currently contemplated that Carne IFS (UK) would carry out any discretionary management activities on behalf of the ICAV in the UK. However, should the position change in this respect then under sections 1146 to 1150 of the Corporation Tax Act 2010, the ICAV should not be liable for United Kingdom taxation in respect of such trading profits provided that certain conditions are met. As far as possible, the Manager, the ICAV and the Directors of Carne IFS (UK) intend to conduct the affairs of each of these entities so that these conditions are satisfied, although this cannot be guaranteed.

### *Distributions*

Subject to their own circumstances, Shareholders resident in the United Kingdom for taxation purposes may be liable to United Kingdom income tax or corporation tax in respect of any dividends or other income distributions of the ICAV. There is no withholding by the ICAV for Irish tax on dividends payable to United Kingdom investors, subject to the foregoing information relating to Irish tax.

### *Disposal of Shares*

Section 355 of TIOPA provides that if an investor resident in the United Kingdom for taxation purposes holds an “interest” in an offshore fund, and the fund does not apply for “reporting fund” status for each accounting period of the fund in which the investor holds that interest, any gain accruing to that investor upon the sale, redemption or other disposal of the interest will be charged to tax as an “offshore income gain” and not as a capital gain. Shares in each Sub-Fund in the ICAV are likely to constitute interests in an offshore fund for these purposes, with each Sub-Fund treated as a separate “offshore fund”.

The Directors do not intend to seek recognition of any Sub-Fund of the ICAV as a reporting fund for United Kingdom taxation purposes. Accordingly, any gain realised by United Kingdom resident Shareholders on a sale, redemption or other disposal of their Shares (including a deemed disposal on death) will be taxed as an income gain and not as a capital gain. The precise consequences of such treatment will depend upon the particular tax position of each Shareholder, but United Kingdom resident individual Shareholders should be aware that, in particular, they will be subject to tax on any such gain at the United Kingdom income tax rates and not the (generally lower) rates of United Kingdom capital gains tax. They will also not be able to utilise the capital gains tax annual exemption to reduce their liability to United Kingdom tax on any such gain. Such Shareholders who are not domiciled in the United Kingdom and who, where relevant, elect for the remittance basis of taxation for the tax year in which such gain is realised will, however, only be subject to United Kingdom tax on any such gain on the remittance basis.

United Kingdom corporate Shareholders should note that as a result of such treatment, they will not be able to benefit from indexation allowance when calculating their income gains.

United Kingdom pension funds should be unaffected by these rules, since their exemption from United Kingdom tax on investment income and capital gains should extend to gains treated as income under these provisions. United Kingdom charities should also be unaffected by these rules, provided their investment is applicable and (together with any proceeds) applied for charitable purposes. It should be noted that a “disposal” for United Kingdom taxation purposes includes a switching between Funds and may also include a switching between Sub-Funds.

#### *Inheritance Tax*

An individual Shareholder domiciled or deemed for United Kingdom tax purposes domiciled in the United Kingdom may be liable to United Kingdom inheritance tax in respect of their Shares in the event of death or on making certain categories of lifetime transfers.

#### *Transfer of Assets Abroad*

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

#### *Controlled Foreign Companies*

The attention of corporate investors is drawn to the provisions of Part 9A of TIOPA, which subjects certain United Kingdom resident companies to United Kingdom tax on profits of companies not so resident in which they have an interest. The provisions affect United Kingdom resident companies which are deemed to have an interest of at least 25% in the profits of a non-resident company, which *inter alia*, is controlled by residents of the United Kingdom and is also resident in a low tax jurisdiction. The legislation is not directed towards the taxation of capital gains.

#### *Chargeable Gains – Anti-Avoidance*

The attention of persons resident in the United Kingdom for taxation purposes is drawn to section 13 of the Taxation of Chargeable Gains Act 1992, the effect of which would be (if the ICAV met the conditions of a “close” company but for not being resident in the UK) to treat capital gains of the ICAV as being those of any Shareholder whose proportionate interest in the ICAV, when aggregated with that of persons connected with that person, exceeds 25% (such deemed gain being *pro rata* to the Shareholder’s interest in the ICAV).

#### *“Bond Fund” Treatment*

Under the loan relationships rules in the United Kingdom any corporate Shareholder which is within the charge to United Kingdom corporation tax will be taxed on the increase in value of its holding on a “fair value” basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the investments held by the Sub-Fund of the ICAV within which the Shareholder invests, consist of more than 60% (by value) of “qualifying investments”. Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest. There is a current HMRC consultation into this area of tax treatment which may result in a change to the tax treatment in the future.

#### *Stamp Duty*

Transfer taxes may be payable by the ICAV in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in dematerialised form, stamp duty at an equivalent rate) will be payable by the ICAV in the United Kingdom on the acquisition of shares in companies incorporated in

the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of the ICAV's normal investment activity and on the acquisition of investments from subscribers on subscription for Shares.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Shareholders on the acquisition of shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for Shares, and may arise on the transfer of investments to Shareholders on redemption.

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

THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS SHOULD CONSULT LEGAL AND TAX ADVISORS IN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE AND DOMICILE TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING, HOLDING AND REDEEMING SHARES UNDER THE LAWS OF THEIR RESPECTIVE JURISDICTIONS.

## MATERIAL CONTRACTS

---

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into since the incorporation of the ICAV and are, or may be, material.

### The Management Agreement

The ICAV has appointed the Manager under the terms of the Management Agreement. The Manager has agreed to provide management services to act as the UCITS management company of the ICAV; and to provide or procure the provision of investment management services, marketing and administrative services (to the extent necessary) to the ICAV.

The Management Agreement provides, *inter alia*, that:

- i. The ICAV will pay to the Manager a management fee as set out in the Sub-Fund Supplement. The Manager shall also be entitled to be reimbursed out of the assets of the ICAV all reasonable and properly vouched expenses incurred by it in the performance of its duties under the Management Agreement.
- ii. The ICAV shall, out of the assets of the relevant Sub-Fund, hold harmless and indemnify the Manager, its directors, staff, officers, employees, agents and delegates (“**Indemnified Parties**”) from and against all actions, proceedings, claims, damages, losses, costs, demands and expenses including, without limitation, reasonable legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by the Indemnified Parties in the performance of their duties under the Management Agreement other than due to the negligence, fraud, wilful default or bad faith on the part of the Manager in the performance of its obligations under the Management Agreement.
- iii. The Management Agreement shall continue unless and until terminated by either party giving to the other not less than 60 calendar days’ written notice.
- iv. The Management Agreement is subject to the laws of Ireland and the ICAV and the Manager submit to the non-exclusive jurisdiction of the Courts of Ireland.

### The Administration Agreement

The Administrator has been appointed under the terms of the Administration Agreement to carry on the general administration and accounting of the ICAV, to act as register and transfer agent of the ICAV and to provide such administration services as set out in the Administration Agreement.

The Administration Agreement provides, *inter alia*, that:

- i. The ICAV shall pay the Administrator, in respect of the administration services provided to each Sub-Fund, such fees and expenses out of the assets of that Sub-Fund as may be agreed between the parties from time to time and as more particularly set out in certain schedules to the Administration Agreement, details of which are set out in the relevant Supplement.
- ii. The ICAV shall indemnify, out of the assets of the relevant Sub-Fund, the Administrator, its officers, employees, agents, sub-contractors and representatives (the “**Indemnitees**”) against, and hold them harmless from, any liabilities, tax, interest, losses, claims, costs, damages, penalties, fines, obligations or expenses of any kind whatsoever (including reasonable fees and legal expenses) (“**Liabilities**”) that may be imposed on, incurred by or asserted against any of the Indemnitees in connection with or arising out of: (a) the Administrator’s proper performance of the services under and in accordance with the terms of the Administration Agreement, provided that the Indemnitees have not acted with negligence or engaged in fraud,

wilful misconduct, wilful default or material breach in connection with the Liabilities in question; and (b) certain other circumstances as outlined in the Administration Agreement.

- iii. The parties may terminate the Administration Agreement by 180 days' written notice (subject to the Manager having the right to extend such notice by an additional 90 days in order to conclude an orderly transition to a replacement administrator).
- v. The Administration Agreement is subject to the laws of Ireland and the ICAV, the Manager and the Administrator submit to the exclusive jurisdiction of the Courts of Ireland.

### **The Depositary Agreement**

The ICAV has appointed the Depositary under the terms of the Depositary Agreement to provide in accordance with UCITS Directive the depositary services comprising asset verification services, cash-flow monitoring services, custody services and oversight services and such other duties as are imposed on the Depositary pursuant to the Depositary Agreement.

The Depositary Agreement provides, inter alia, that:

- i. The Depositary shall be entitled to receive such fees from the ICAV as may be agreed between the Depositary and the ICAV from time to time and set forth in certain schedules to the Depositary Agreement, subject to any applicable limits as may be disclosed in this Prospectus, and with details of fees payable to the Depositary being set out in the relevant Supplement.
- ii. The ICAV shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the relevant Sub-Fund from and against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against suffered or incurred by the Depositary other than in circumstances where the Depositary is liable for (i) the loss of financial instruments held in custody by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with Regulation 34(4)(a) of the UCITS Regulations has been delegated or (ii) losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.
- iii. The Depositary Agreement shall continue unless and until terminated by either party giving to the other not less than 180 days' written notice (subject to the ICAV having the right to extend such notice by an additional 90 days in order to conclude an orderly transition to a replacement depositary). Upon the insolvency of either party or the occurrence of certain other events, the Depositary Agreement may be terminated by either party with immediate effect. The Manager may terminate the Depositary Agreement at any time with immediate effect in the event that Northern Trust Corporation's long-term credit rating according to Moody's falls below Baa2 or if it considers this to be in the best interest of the Shareholders to do so, or if it is required to do so by the Central Bank. In order to ensure the protection of Shareholders, the termination of the Depositary Agreement by any party pursuant to the foregoing shall not take effect unless and until a successor depositary approved for such purpose by the Central Bank has been appointed by the ICAV or the authorisation of the ICAV by the Central Bank has been revoked.
- iv. The Depositary Agreement is subject to the laws of Ireland and the ICAV, the Manager and the Depositary submit to the exclusive jurisdiction of the Courts of Ireland.

## GENERAL INFORMATION

---

### Share Capital

The ICAV was established in Ireland as a collective asset-management vehicle on 25 November 2022 with registered number C504030 under the ICAV Act. The minimum issued share capital of the ICAV shall be not less than the currency equivalent of €2.00 represented by two Subscriber Shares of no par value and 500 billion Participating Shares of no par value. As only Participating Shares can represent an interest in a Sub-Fund, the Subscriber Shares have no entitlement or interest in such a Sub-Fund.

### Instrument of Incorporation

Clause 4 of Part A of the Instrument of Incorporation provides that the sole object of the ICAV is the collective investment of its Sub-Funds in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations, of capital raised from the public and operating on the principle of risk-spreading.

The Instrument of Incorporation contains provisions to the following effect:

(a) *Issue of Shares*

The ICAV may issue such shares in such series from time to time created by the ICAV at the relevant Initial Offer Price or at the Net Asset Value of the relevant Sub-Fund calculated as at the relevant Valuation Point.

With the approval of the Central Bank, the Directors from time to time may establish additional Sub-Funds by the issue of one or more separate series of shares on such terms as the Directors may resolve.

(b) *Rights of Subscriber Shares*

The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of the Sub-Funds.

Each of the Shares entitles the holder to attend and vote at any general meeting provided that the holder of a Subscriber Share shall not be entitled to exercise any voting rights in respect of any Subscriber Share at any time that Participating Shares are held by more than one Shareholder. In the event of a winding-up or dissolution of the ICAV, the Subscriber Shares have the entitlements referred to under "Winding Up" below.

(c) *Variation of Rights*

If at any time the share capital is divided into different series of shares, the rights attached to any series (unless otherwise provided by the terms of issue of the shares of that series or unless otherwise provided in the Instrument of Incorporation) may, whether or not the ICAV is being wound up, be varied at the absolute discretion of the Directors with the consent in writing of all of the holders of shares in that series or the approval of three-fourths of the holders of shares in that series, by value, represented or present and voting at a separate general meeting of the holders of the shares of that series, to which the provisions of the Instrument of Incorporation relating to general meetings shall *mutatis mutandis* apply.

(d) *Voting Rights of Shares*

On a show of hands every Shareholder who is present in person or by proxy shall have one vote.

On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each share held by him.

(e) *Change in Share Capital*

The ICAV may from time to time by Ordinary Resolution increase its capital by such number of shares as the resolution shall prescribe.

The ICAV may by Ordinary Resolution from time to time alter (without reducing it) its share capital by consolidating and dividing all or any of its share capital into a smaller number of shares than its existing shares, sub-dividing its shares, or any of them, into a larger number of shares, or cancelling any Shares not taken or agreed to be taken by any person

The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law.

(f) *Directors' Interests*

A Director may hold any other office or place of profit under the ICAV (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the ICAV, on such terms as to remuneration and otherwise as the Directors may arrange.

No Director or intending Director shall be disqualified by his office from contracting with the ICAV either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the other ICAV in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested. a general notice given to the Directors by a Director to the effect that he is a member of a specified Irish collective asset management vehicle or a specified company or firm and is to be regarded as interested in any contract which may, after the date of the notice, be made with that Irish collective asset management vehicle, company or firm, or he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him within the meaning of Section 77 of the ICAV Act shall be deemed to be a sufficient declaration of interest in relation to any such contract provided however that no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

Save as otherwise provided by the Instrument of Incorporation, a Director shall not 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. Unless otherwise resolved by the Directors, 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 may hold any other office or place of profit under the ICAV (except that of Auditor) in conjunction with his office of Director, and may act in a professional capacity to the ICAV, on such terms as to remuneration and otherwise as the Directors may arrange.



Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the ICAV or in which the ICAV may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the ICAV or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to directors, managing directors, managers or other officers of such company).

(g) *Borrowing Powers*

Subject to the limits and conditions set forth in the ICAV Act and in this Prospectus or otherwise laid down by the Central Bank and subject to the provisions of the Instrument of Incorporation, the Directors may exercise all the powers of the ICAV to make and dispose of investments, borrow money, (including the power to borrow for the purpose of repurchasing shares) and hypothecate, mortgage, charge or pledge its undertaking, property, and assets or any part thereof, whether outright or as collateral security for any debt liability or obligation of the ICAV.

(h) *Retirement of Directors*

The Directors shall not be required to retire by rotation.

(i) *Transfer of Shares*

All transfers of shares shall be effected by a transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and transferee.

The Directors may decline to register any transfer of shares at their absolute discretion and as more particularly set out in the section entitled "Transactions". Without limitation the Directors may decline to register any transfer of shares unless the instrument of transfer relates only to one series of shares and is deposited at the registered office of the ICAV or at such other place as the Directors may reasonably require, with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

(j) *Dividends*

The Directors may from time to time as they think fit pay such dividends on shares of the ICAV as appear to the Directors to be justified, subject to any policy statement and procedures in relation to dividends for the relevant Sub-Fund set forth herein.

Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the ICAV.

(k) *Redemption of Shares*

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such shares, any person or persons in circumstances which, (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Directors to be relevant) in the opinion of the Directors, might result in the ICAV, a Sub-Fund or the Shareholders as a whole incurring any liability to taxation or suffering regulatory, legal,

pecuniary, tax or material administrative disadvantage which the ICAV, the Sub-Fund or the Shareholders as a whole might not otherwise have suffered or incurred, any person who does not supply any of the information or declarations required hereunder within seven (7) days of a request to do so being sent by the Directors, as applicable, the Directors shall be entitled to give notice (in such form as the Directors deem appropriate) to such person or persons requiring him or them to transfer such shares to a person who is qualified or entitled to own the same or to request in writing the redemption of such shares

If any person upon whom such a notice is served as aforesaid does not within 30 days of the date of such notice transfer such shares or request in writing the ICAV to redeem the shares he shall be deemed forthwith upon the expiration of 30 days to have so requested the redemption of all of his shares which are the subject of such notice whereupon he shall be bound to deliver the confirmation of ownership in respect of the shares to the ICAV forthwith and the Directors shall be entitled to appoint any person to execute such documents as may be required for the purposes of the redemption

#### *Compulsory Redemption*

The Directors shall have the power to terminate any particular Sub-Fund on any Dealing Day falling 6 months after the first issue of shares in that Sub-Fund if the value of the net assets of that Sub-Fund amounts at such date below a level that, in the absolute discretion of the Directors, makes the Sub-Fund cease to be economically viable. The Directors are also entitled to terminate any Sub-Fund with the sanction of a special resolution of the holders of the Shares relating to that Sub-Fund.

#### (l) *Winding Up*

If the ICAV shall be wound up or dissolved the liquidator shall apply the assets of the ICAV in satisfaction of creditors' claims in such manner and order as he thinks fit provided always that in doing so, the liquidator shall comply with, and be bound by, the segregated liability provision contained in the ICAV Act and Clause 5 of the Instrument of Incorporation.

- (a) The assets available for distribution among the Shareholders shall then be applied in the following priority:-

first, in the payment to the Shareholders of each Sub-Fund of a sum in the relevant series Currency or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the shares of such series held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant Sub-Fund to enable such payment to be made. In the event that, as regards any series of shares, there are insufficient assets available in the relevant Sub-Fund to enable such payment to be made recourse shall be had to the assets of the ICAV not comprised within any of the Sub-Funds;

second, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of the ICAV not comprised within any Sub-Funds remaining after any recourse thereto under paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds;

third, in the payment to the Shareholders of any balance then remaining in the relevant Sub-Fund, such payment being made in proportion to the number of shares held; and

fourth, in the payment to the Shareholders of any balance then remaining and not comprised within any of the Sub-Funds, such payment being made in proportion to the value of each Sub-Fund and within each Sub-Fund to the value of each series and in proportion to the Net Asset Value per share.

- (b) If the ICAV shall be wound up or dissolved (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an Ordinary Resolution of the ICAV or with the consent of any Shareholder, divide among the Shareholders *pro rata* to the value of their shareholdings in the ICAV (as determined in accordance with Clause 17 of the Instrument of Incorporation) *in specie* the whole or any part of the assets of the ICAV or may make distributions *in specie* to any individual Shareholder who so consents whether or not the assets shall consist of property of a single kind and may for such purposes value any class or classes of property in accordance with the valuation provisions in Clause 18 of the Instrument of Incorporation. If a Shareholder so requests, the ICAV shall arrange to dispose of the Investments on behalf of the Shareholder at the expense of such Shareholder. The price obtained by the ICAV may be different from the price at which the investments were valued when determining the Net Asset Value and none of the ICAV, the Administrator, the Manager, the external valuer shall be liable for any difference arising. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but not so that any Shareholder shall be compelled to accept any asset in respect of which there is a liability. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

## Reports

The financial year-end of each Sub-Fund is as set out in each applicable Supplement.

The annual and interim financial reports will be made available to all Shareholders and sent to the Central Bank within four months and two months respectively at the end of the period to which they relate.

## Documents Available

Copies of the following documents are available free of charge at the registered office of the Manager and will be sent to Shareholders and prospective investors, free of charge, upon request:

- (a) the Instrument of Incorporation, Prospectus and any Supplement in respect of any Sub-Fund;
- (b) the most recently published annual or interim reports in respect of a Sub-Fund; and
- (c) a list of the Sub-Funds that are currently in existence.

In respect of each Sub-Fund, the Manager will also periodically disclose to Shareholders the risk profile of that Sub-Fund(s), along with the risk management system employed by the Manager to manage those risks.

## SCHEDULE 1

### INVESTMENT AND BORROWING RESTRICTIONS

Each Sub-Fund of the ICAV will be subject to the investment and borrowing restrictions that are set out in the UCITS Regulations and the Central Bank UCITS Regulations. Additional restrictions (if any) relevant to a Sub-Fund will be set out in the applicable Supplement.

#### 1. Investments of the ICAV are confined to:-

- I. Transferable Securities and Money Market Instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;
- II. recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- III. Money Market Instruments, other than those dealt on a regulated market;
- IV. units of UCITS;
- V. units of alternative investment funds;
- VI. deposits with credit institutions; and
- VII. FDIs.

#### 2. Investment Restrictions

- (a) A Sub-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.
- (b) Recently Issued Transferable Securities
  - (1) Subject to paragraph (2) a Sub-Fund shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulation 2011 apply.
  - (2) Paragraph (1) does not apply to an investment by a Sub-Fund in US Securities known as "Rule 144 A securities" provided that:
    - i. the relevant securities have been issued with an undertaking to register the securities with the US Securities and Exchanges Commission within one year of issue;
    - ii. the securities are not illiquid securities i.e. they may be realised by a Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by such Sub-Fund.
- (c) A Sub-Fund may invest no more than 10% of its Net Asset Value in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of

Transferable Securities or Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

- (d) The limit of 10% (in (c)) 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 Sub-Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Sub-Fund. Such an investment will require the prior approval of the Central Bank.
- (e) The limit of 10% (in (c)) 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.
- (f) The Transferable Securities and Money Market Instruments referred to in (d) and (e) shall not be taken into account for the purpose of applying the limit of 40% referred to in (c).
- (g) Cash booked in accounts and held as ancillary liquidity shall not exceed:
  - (i) 10% of the Net Asset Value of the Sub-Fund; or
  - (ii) where the cash is booked in an account with the Depositary, 20% of the Net Asset Value of the Sub-Fund.
- (h) The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of the Net Asset Value of the Sub-Fund.

This limit is raised to 10% in the case of credit institutions authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basel Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- (i) Notwithstanding paragraphs (c), (g) and (h) above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:-
  - (i) investments in Transferable Securities or Money Market Instruments;
  - (ii) deposits; and/or
  - (iii) counterparty risk exposures arising from OTC derivatives transactions.
- (j) The limits referred to in (c), (d), (e), (g), (h) and (i) above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Sub-Fund.
- (k) Group companies are regarded as a single issuer for the purposes of (c), (d), (e), (g), (h) and (i). However, a limit of 20% of the Net Asset Value of a Sub-Fund may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- (l) A Sub-Fund may invest up to 100% of its Net Asset Value 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 will 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.

A Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of the Sub-Fund.

### **3. Investment in Collective Investment Schemes (“CIS”)**

- (a) A Sub-Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- (b) Investment in alternative investment funds may not, in aggregate, exceed 30% of the Net Asset Value of a Sub-Fund.
- (c) The CIS in which a Sub-Fund invests is prohibited from investing more than 10% of its net assets in other open-ended CIS.
- (d) When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager 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 Sub-Fund’s investment in the shares of such other CIS.
- (e) Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the Sub-Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the Sub-Fund.

### **4. Index Tracking Funds**

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

### **5. General Provisions**

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

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

- (c) Paragraphs 5(a) and 5(b) above shall not be applicable to:-
  - (i) Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non-Member State;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
  - (iv) shares held by a Sub-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 Sub-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(c) to 2(k), 3(a), 3(b), 5(a), 5(b), 5(d), 5(e) and 5(f), and provided that where these limits are exceeded, paragraphs 5(e) and 5(f) below are observed; or
  - (v) shares held by a Sub-Fund or Sub-Funds in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at the unit-holders' request exclusively on their behalf.
- (d) Sub-Funds 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.
- (e) The Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of 2(c) to 2(l), 3(a), 3(b) 4(a) and 4(b) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- (f) If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- (g) The ICAV may not carry out uncovered sales of:-
  - (i) Transferable Securities;
  - (ii) Money Market Instruments;
  - (iii) units of investment funds; or
  - (iv) FDIs.
- (h) A Sub-Fund may hold ancillary liquid assets.

## **6. Financial Derivative Instruments**

- (a) The Sub-Fund's global exposure relating to FDIs must not exceed its total Net Asset Value;



- (b) Position exposure to the underlying assets of the FDIs, including embedded FDIs in Transferable Securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/ Guidance. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations);
- (c) The Sub-Fund 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;
- (d) Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

## SCHEDULE 2

### LIST OF RECOGNISED MARKETS

It is the ICAV's intention to seek exposure to countries or regions through investment in companies or instruments that are listed or traded on a stock exchange or market that is located in a jurisdiction other than Ireland. With the exception of permitted investments in unlisted securities, the ICAV's investments will be restricted to securities listed or traded on exchanges and markets listed below:-

1. All stock exchanges:-

- In a Member State of the European Union.
- In a Member State of the European Economic Area (EEA) (excluding Liechtenstein)

Iceland

Norway

- In any of the following countries:-

US

Australia

Canada

New Zealand

Japan

Hong Kong

Switzerland

United Kingdom

Any stock exchange included on the following list:

Argentina	the stocks exchanges in Buenos Aires, Cordoba, Mendoza, Rosario and La Plata
Bahrain	the stock exchange in Manama
Bangladesh	the Dhaka Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	the stock exchange in Serowe
Bosnia and Herzegovina	Sarajevo Stock Exchange
Brazil	the stock exchanges in Sao Paulo, Brasilia, Bahia-Sergipe-Alagoas, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortaleza, Santos, Pernambuco e Bahia Recife and Rio de Janeiro
Chile	the stock exchange in Santiago
China	the stock exchanges in Shanghai and Shenzhen

Columbia	the stock exchange in Bogota
Croatia	the Zagreb Stock Exchange
Eswatini	Swaziland Stock Exchange
Egypt	the stock exchanges in Cairo and Alexandria
Ghana	the stock exchange in Accra
Hong Kong	the stock exchange in Hong Kong
India	the stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta
Indonesia	the stock exchanges in Jakarta and Surabaya
Israel	the stock exchange in Tel Aviv
Jordan	the stock exchange in Amman
Kazakhstan	Central Asian Stock Exchange and Kazakhstan Stock Exchange
Kenya	the stock exchange in Nairobi
Korea	the stock exchange in Seoul
Kuwait	the stock exchange in Kuwait
Mauritius	the stock exchange in Mauritius
Malaysia	the stock exchange in Kuala Lumpur
Mexico	the stock exchange in Mexico City
Morocco	the stock exchange in Casablanca
Namibia	Namibian Stock Exchange
Nigeria	the stock exchanges in Lagos, Kaduna and Port Harcourt
Oman	Muscat Stock Exchange
Pakistan	Pakistan Stock Exchange Limited
Peru	the stock exchange in Lima
Philippines	the Philippine Stock Exchange
Qatar	the Doha Exchange
Saudi Arabia	the stock exchange in Riyadh
Serbia	the Serbian stock exchange
Singapore	the stock exchange in Singapore

South Africa	the stock exchange in Johannesburg
South Korea	Korea Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	the stock exchange in Taipei
Thailand	the stock exchange in Bangkok
Tunisia	the stock exchange in Tunis
Turkey	the stock exchange in Istanbul
Uganda	Uganda Securities Exchange
Ukraine	Ukrainian Stock Exchange
United Arab Emirates	the Abu Dhabi Exchange
Uruguay	Bolsa de Valores de Montevideo
Venezuela	Caracus Stock Exchange, Maracaibo Stock Exchange
Vietnam	the Stock Trading Center of Viet Nam in Ho Chi Minh City
Zambia	Lusaka Stock Exchange

2. Any market on the following list:

- the market organised by the members of the International Capital Market Association
- NASDAQ
- the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by FINRA and by banking institutions regulated by the U.S. Comptroller of the Currency
- the Federal Reserve System or Federal Deposit Insurance Corporation
- the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time)
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan
- AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange
- the French Market for Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments)
- the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada
- all futures and options exchanges in a member state of the European Union or a Member State of the European Economic Area (EEA) (excluding Liechtenstein)

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

## SCHEDULE 3

### COLLATERAL POLICY

In the context of EPM techniques and/or the use of FDIs for hedging or investment purposes, collateral may be received from a counterparty for the benefit of the relevant Sub-Fund or posted to a counterparty by or on behalf of the relevant Sub-Fund. Any receipt or posting of collateral by the Sub-Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the ICAV's collateral policy outlined below.

A counterparty will provide collateral to a Sub-Fund, where required, so that the Sub-Fund's risk exposure to the counterparty is reduced to the extent required by the Central Bank. The Sub-Fund's net exposure to the counterparty will not exceed 10% of the Net Asset Value of the Sub-Fund (in accordance with regulation 70(1)(c)(i) of the UCITS Regulations). The Sub-Fund may also be required under the terms of the relevant agreement to provide collateral to the counterparty in circumstances when the counterparty has a counterparty credit exposure to the Sub-Fund (e.g. when the value of the relevant contract result in a payable by the Sub-Fund to the counterparty). Collateral movements between a Sub-Fund and the counterparty will be in accordance with the requirements of Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**") and related rules. Collateral means assets delivered pursuant to the relevant arrangements under the relevant contracts and, in respect of collateral received by a Sub-Fund from the counterparty, which constitute acceptable collateral in accordance with the requirements of the Central Bank.

The types of collateral acceptable for a Sub-Fund shall include: (i) cash; (ii) government or other public securities; (iii) certificates of deposit issued by relevant institutions; (iv) bonds/commercial paper issued by relevant institutions or by non-bank issuers; and (v) equity securities traded on certain stock exchanges.

#### *Collateral – Received by the Sub-Fund*

Collateral posted by a counterparty for the benefit of a Sub-Fund may be taken into account as reducing the exposure to such counterparty. The Sub-Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the UCITS Regulations are not breached. Counterparty risk may be reduced by an amount equivalent to the value of the collateral received after taking into account appropriate discounts.

The Manager or its delegate will liaise with the Depositary (and/or any other collateral management service provider as may be appointed from time to time) in order to manage all aspects of the counterparty collateral process. Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the ICAV's risk management process.

If the relevant Sub-Fund receives collateral for at least 30% of its Net Asset Value it will put in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the relevant Sub-Fund to assess the liquidity risk attached to the non-cash collateral. The liquidity stress testing policy with respect to non-cash collateral will at least prescribe the following:

- (c) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (d) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (e) Reporting frequency and limit/loss tolerance thresholds; and

- (f) Mitigation actions to reduce loss including haircut policy and gap risk protection.

All assets received by the relevant Sub-Fund in the context of stocklending/repurchase transactions shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

*Non-Cash Collateral*

Cash is acceptable as a form of collateral by the Sub-Fund, as is non-cash collateral, provided the non-cash collateral meets the criteria set out below. Additionally, in the event that non-cash collateral consists of government securities of varying maturities, the Sub-Fund will only accept such securities if they do not exhibit high price volatility. Any non-cash collateral will be marked-to-market on a daily basis and subject to daily variation margin movements.

*Liquidity* - collateral received, other than cash, should 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 UCITS Regulations.

*Valuation* - collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Any non-cash collateral will be marked-to-market on a daily basis and subject to daily variation margin movements.

*Issuer Credit Quality* - collateral received should be of high quality. The Portfolio 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 Portfolio 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 (i) this shall result in a new credit assessment being conducted of the issuer by the Portfolio Manager without delay. Rating services are not regarded as an unimpeachable source for assessing credit quality any more than a broker's recommendation on a stock is necessarily correct.

*Correlation* - collateral received should be issued by an entity that is independent from the counterparty. There are reasonable grounds for the Portfolio Manager to expect that it would not display a high correlation with the performance of the counterparty.

*Diversification (asset concentration)* - collateral should be sufficiently diversified in terms of country, markets and issuers in accordance with Schedule 3 of the Central Bank UCITS Regulations. When the Sub-Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the relevant exposure limit to a single issuer. A Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, local authority, third country or public international body drawn from the list of issuers. The Fund will receive securities from at least 6 different issues, but securities from any single issue will not account for more than 30% of the Sub-Fund's Net Asset Value and the Sub-Fund can accept more than 20% of its Net Asset Value as collateral from those entities listed at Part 2(l) of Schedule 1 of this Prospectus. In accordance with the Central Bank UCITS Regulations, 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.

*Immediately Available* - collateral received should be capable of being fully enforced by the Sub-Fund at any time without reference to or approval from the counterparty.

*Safekeeping* - collateral received on a legal title transfer basis, in the form of a financial instrument that fulfils the criteria of Article 12 of Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC (as amended), will be held by the Depositary (or sub-custodian thereof). However, where the Sub-Fund receives collateral on any basis other than under a legal title transfer, even where the collateral is in the form of financial instruments, the Manager shall

ensure that such collateral is held by a third party depository (i.e. an entity outside the remit of the Depository) which is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral

*Haircuts* - The Manager (or its delegate), on behalf of the Sub-Fund, shall apply suitably conservative haircuts or discounts to the market value of assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Manager has determined that generally if issuer or issue credit quality of the collateral is not of a very high quality or the collateral carries a significant level of price volatility, a conservative haircut must be applied in accordance with the ICAV's haircut policy. However, the application of such a haircut will be determined on a case by case basis. The Manager, on behalf of the ICAV, in its discretion, may accept certain collateral with more conservative, less conservative or no haircuts applied in accordance with its haircut policy.

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

#### *Cash Collateral*

Cash collateral received by a Sub-Fund may not be invested other than in the following:

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

Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank. Re-invested cash collateral exposes the Sub-Funds to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Investors should consult the "Risk Factors" of the Prospectus for information on counterparty risk and broker credit risk in this regard.

#### *Collateral – Posted by the Sub-Fund*

Collateral posted to a counterparty by or on behalf of the Sub-Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Sub-Fund is able to legally enforce netting arrangements with the counterparty.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Sub-Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Sub-Fund in accordance with normal market practice and the requirements of the Central Bank.



## SCHEDULE 4

### LIST OF SUB-CUSTODIANS

The Depositary's global sub-custodian 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 on request in writing from the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the Manager of any such conflict should it so arise.

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Subcustodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>CD's - USD</b>	Deutsche Bank AG, London Branch	
<b>CD's - USD</b>	The Northern Trust Company, Canada	
<b>Canada</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China A Share</b>	Bank of Communications Co., Ltd	

<b>China A Share</b>	China Construction Bank Corporation	
<b>China A Share</b>	Deutsche Bank (China) Co., Ltd., Shanghai Branch	
<b>China A Share</b>	Industrial and Commercial Bank of China Limited	
<b>China A Share</b>	Standard Chartered Bank (China) Limited	
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	Citibank N.A., Hong Kong Branch	
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Egypt</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Egypt SAE
<b>Estonia</b>	Swedbank AS	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	

<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf.	
<b>India</b>	Citibank N.A.	
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	

<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Saudi Arabia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	

<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Taiwan</b>	Citibank Taiwan Limited	
<b>Taiwan</b>	JPMorgan Chase Bank N.A.	
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates</b>	First Abu Dhabi Bank PJSC	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market suspended)</b>	JSC "Citibank"	

<b>United Kingdom</b> <b>(Northern Trust self-custody)</b>	Euroclear UK & International Limited	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Vietnam</b>	Citibank N.A., - Hanoi Branch	
<b>West Africa (UEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Zimbabwe Limited