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**ARDAN UCITS ICAV**

**(the "ICAV")**

**An Irish collective asset-management vehicle with variable capital established as an umbrella fund with segregated liability between sub-funds authorised pursuant to 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**

**PROSPECTUS**

**26 September, 2019**

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## **IMPORTANT INFORMATION**

### **Directors Responsibility**

The Directors of the ICAV, whose names appear on page (iii), 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.

### **Listing**

Neither the admission of the Shares to listing on the Official List and trading on the Main Securities Market of the Irish Stock Exchange nor the approval of this Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of the service providers to or any other party connected with the ICAV, the adequacy of information contained in this Prospectus or the suitability of the ICAV for investment purposes.

### **Central Bank Authorisation**

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 by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016. 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. The ICAV is an Irish collective-asset-management vehicle authorised by the Central Bank pursuant to the ICAV Act.

### **Investor Responsibility**

Investors should note that since transferable 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 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.

If investors are in any doubt regarding the action that should be taken, they should consult their stockbroker or other financial adviser.

### **Initial Sales Charge / CDSC**

Where an initial sale charge and / or a CDSC is payable in respect of a subscription or redemption for certain classes of Shares, the resulting difference at any one time between the Subscription Price and Redemption Price means that investment in such Shares should be viewed as medium to long term investment. Where an initial sales charge is charged, it will not exceed 5% of the Net Asset Value of the relevant Class.

Where a CDSC is charged, it will not exceed 3% of the Net Asset Value per Share. A Fund will not charge both an initial sales charge and a CDSC in respect of a Class. Details of the applicable initial sales charge / CDSC will be set out in the Supplement for the relevant Funds.

## **Redemption Charge**

Shareholders may be subject to a redemption charge calculated as a percentage of redemption monies as specified in the relevant Supplement subject to a maximum of 3%. In the event that a redemption fee is applicable, Shareholders should view their investment as medium to long term.

## **Investment Risks**

Investors' attention is drawn to the "General Risk Factors" set out on page 14. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective 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.

## **Charging fees and expense to Capital**

Shareholders should note that all or part of the management fee and expenses of a Fund may be charged to the capital of a Fund as set out in the applicable Supplement. This may have the effect of lowering the capital value of the Shareholder's investment. Thus on redemptions of holdings Shareholders may not receive back the full amount invested.

## **Key Investor Information Document**

Key Investor Information Documents are available for the Funds in addition to summarising some important information in this Prospectus; the Key investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained free of charge from the relevant Investment Manager.

## **Restrictions on Distribution and Sale of Shares**

### *General*

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 distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and in accordance with, the law of Ireland.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

This document may not be authorised or distributed in any jurisdiction unless it is accompanied by the ICAV's most recent annual or interim report (when available). Such reports and this document (and any Supplement attached hereto) together constitute the Prospectus for the issue of Shares in the ICAV.

Where any Funds are marketed in a jurisdiction on a restricted basis, the relevant disclaimer language will be set out in the relevant Supplement.

### *United Kingdom*

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

### *United States*

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person, except pursuant to registration or an applicable exemption. The ICAV has not, and will not be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the ICAV. The ICAV, however, reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the ICAV. Applicants for Shares will be required to certify whether they are a U.S. Person and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV incurring any liability to taxation or suffering any other pecuniary disadvantage which the ICAV might not otherwise have incurred or suffered. See the section "SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS: Compulsory Redemptions or Transfer".

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or enforced the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

### *Genuine Diversity of Ownership Condition*

Shares in each of the Funds shall be widely available. Shares in the Funds shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

## **DIRECTORY**

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### **Directors**

Michael McInerney (Chairman)  
Elizabeth Beazley  
Dennis Murray  
Sarah Murphy

### **Registered Office**

2nd Floor  
Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

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

Société Générale Securities Services,  
SGSS (Ireland) Limited  
3rd Floor  
IFSC House  
IFSC, Dublin 1  
Ireland

### **Manager**

Carne Global Fund Managers (Ireland)  
Limited 2nd Floor  
Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### **Legal Advisers in Ireland**

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

### **Depository**

Société Générale S.A., Dublin Branch  
3rd Floor  
IFSC House  
IFSC, Dublin 1  
Ireland

### **Listing Sponsor at the Irish Stock Exchange**

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

### **Auditors**

Deloitte  
Earlsfort Terrace  
Hatch Street & Hardwicke House  
Dublin 2  
Ireland

### **Company Secretary**

Carne Global Fund Managers (Ireland)  
Limited 2nd Floor  
Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

## DEFINITIONS

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The following definitions apply throughout this Prospectus unless the context requires otherwise:-

<b>"1933 Act"</b>	means the U.S. Securities Act of 1933 (as amended);
<b>"1940 Act"</b>	means the U.S. Investment Company Act of 1940 (as amended);
<b>"Accumulation Share Classes"</b>	means those share classes in respect of which it is not proposed to pay dividends and which are identifiable by the use of the word "Accumulation" in their title as set out in the applicable Supplement;
<b>"Administration Agreement"</b>	means the agreement dated 15 June 2018 entered into between the ICAV, the Manager and the Administrator;
<b>"Administrator"</b>	means Société Générale Securities Services, SGSS (Ireland) Limited or such other person or persons from time to time appointed by the Manager as the administrator of the ICAV in accordance with the requirements of the Central Bank;
<b>"AIF"</b>	means an alternative investment fund as defined in Regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No. 257 of 2013);
<b>"Anti-Dilution Levy"</b>	means an adjustment in a Fund's Net Asset Value to cover dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>"Business Day"</b>	means, unless otherwise determined by the Directors, a day excluding Saturday or Sunday on which banks are normally open for business in Dublin and/or London;
<b>"Cash Deposits"</b>	means deposits (i) that are repayable on demand; or have the right to be withdrawn; and (ii) which have a maturity date of no more than twelve months;
<b>"CDSC"</b>	means a contingent deferred sales charge, a fee which may be levied on the redemption of Shares in certain circumstances as disclosed in relation to any Class of Shares;
<b>"Central Bank"</b>	means the Central Bank of Ireland or any

	successor thereto;
<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 may be amended, supplemented or modified from time to time and any other regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations and the Delegated Regulation or either of them, as the case may be;
<b>"CHF"</b>	means Swiss franc, the lawful currency of Switzerland;
<b>"Class"</b>	means any class of Shares each representing interests in a Fund;
<b>"Clearstream, Luxembourg"</b>	means Clearstream Banking, société anonyme or its successor;
<b>"Closing Date"</b>	means the closing date of the Initial Offer in respect of a Fund as set out in the applicable Supplement;
<b>"Convertible Securities"</b>	means bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A Convertible Security entitled the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible Securities may also be synthetic, where two separate securities are purchased that, when combined, possess the economic characteristics similar to a convertible security, i.e. fixed-income securities ("fixed-income component," which may be a convertible or nonconvertible security) and the right to acquire equity securities ("convertible component"). Additionally, Convertible Securities also include convertible structured notes which are fixed-income debentures linked to equity;
<b>"Collective Investment Schemes"</b>	means any collective investment scheme which meets the requirements of the UCITS Regulations for investment by a UCITS, and for the avoidance of doubt, includes other Funds, regulated collective investment schemes and regulated AIFs domiciled in the EU, Guernsey, Jersey, the Isle of Man or, if relevant, the UK which comply in all material respects with the Central Bank's requirements for Retail Alternative

Investment Funds.

**"Data Protection Law"**

means the Data Protections Act 1988 to 2018, the General Data Protection Regulation (EU) 2016/679, as may be amended or supplemented and any guidance, directions, determinations, codes of practice, circulars, orders, notices or demands issued by the Irish Data Protection Commissioner 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;

**"Delegated Regulation"**

means the Commission Delegated Regulation supplementing Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014;

**"Depositary"**

means Société Générale S.A., Dublin Branch, or such other person or persons from time to time appointed by the ICAV as the Depositary of the ICAV with the prior approval of the Central Bank;

**"Depositary Agreement"**

means the agreement dated 15 June 2018 entered into between the ICAV, the Manager and the Depositary;

**"Directors"**

means the board of directors of the ICAV, whose names appear on page (iii);

**"Distribution Share Classes"**

means those share classes in respect of which it is proposed to pay dividends and which are identifiable by the use of the word "Distribution" in their title as set out in the applicable Supplement;

**"Duties and Charges"**

means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange and/or other dealing spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the ICAV or the creation, issue, sale, switch or redemption of Shares or the purchase or sale of investments or in respect of certificates or otherwise which may have become or may be payable in respect of (or prior to) or in connection with or arising out of or upon the occasion or in the event of the transaction or dealing in respect of which such duties and charges are, or may be, payable, which may include, when calculating Subscription Prices and Redemption Prices, any provision for spreads (to take into account the difference between the price at which assets may be valued for the purpose of calculating the Net Asset Value and the price at which such assets may be acquired or may be sold or realised), but



shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares;

<b>"ETF"</b>	means exchange traded fund;
<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>"Euroclear"</b>	means Euroclear Bank S.A./N.V. as operator of the Euroclear System or its successor;
<b>"FDI"</b>	means financial derivative instruments, contracts that derive their value from an underlying asset, reference rate or index;
<b>"FCA"</b>	means the Financial Conduct Authority of the UK or any successor thereto;
<b>"Funds"</b>	means any fund or funds to be established by the ICAV;
<b>"GDPR"</b>	means 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, and repealing Directive 95/46/EC (General Data Protection Regulation);
<b>"ICAV"</b>	means Ardan UCITS ICAV;
<b>"ICAV Act"</b>	means the Irish Collective Asset-management Vehicles Act 2015 and every statute or other provision of law modifying, extending or re-enacting it;
<b>"Initial Offer"</b>	means the initial offer of Shares in a Fund as set out in the applicable Supplement;
<b>"Initial Price"</b>	means the initial price payable for a Share as specified in the relevant Supplement for each Fund;
<b>"Instrument of Incorporation"</b>	means the instrument of incorporation of the ICAV;
<b>"Investment Advisor"</b>	means each such entity or entities appointed by the Manager and/or the Investment Manager to act as discretionary investment adviser(s) in relation to the assets of a Fund, as detailed in

	each relevant Supplement;
<b>"Investment Advisory Agreement"</b>	means one or more Investment Advisory Agreement(s) made between the Manager and/or the Investment Manager and one or more Investment Advisors as described in the relevant Supplement;
<b>"Investment Manager"</b>	means any person or company from time to time appointed by the ICAV and the Manager as investment manager of a Fund in accordance with the requirements of the Central Bank. The details relating to the investment manager shall be as set out in the relevant Supplement for each Fund;
<b>"Investment Management Agreement"</b>	means the investment management agreement entered into between the ICAV, the Manager and the relevant Investment Manager, details of which shall be set out in the relevant Supplement for each Fund;
<b>"Ireland"</b>	means the Republic of Ireland;
<b>"Irish Stock Exchange"</b>	means The Irish Stock Exchange Limited;
<b>"ISA"</b>	means an Individual Savings Account constituted pursuant to the regulations set out in Statutory instrument 1998/1870 of the UK, as amended;
<b>"Manager"</b>	means Carne Global Fund Managers (Ireland) Limited or such other person or persons from time to time appointed by the ICAV as the manager of the ICAV in accordance with the requirements of the Central Bank and which is the 'responsible person' for the purposes of the Central Bank UCITS Regulations;
<b>"Management Agreement"</b>	means the amended and restated management agreement between the Manager and the ICAV dated 13 July 2017, and as may be further amended, restated or supplemented from time to time;
<b>"MiFID II"</b>	means, collectively, the Markets in Financial Instrument Directive 2014/65/EU, Commission Delegated Directive (EU) 2017/593 and Regulation (EU) No. 600/2014;
<b>"Minimum Holding"</b>	means the minimum holding in respect of any Fund as set out in the applicable Supplement;
<b>"Minimum Redemption"</b>	means the minimum redemption in respect of any Fund as set out in the applicable Supplement;

<b>"Minimum Subscription"</b>	means the minimum subscription in respect of any Fund as set out in the applicable Supplement;
<b>"Money Market Instruments"</b>	means instruments normally dealt in on the money market which: <ul style="list-style-type: none"> <li>(i) are liquid, i.e. capable of being converted to cash within seven Business Days at a price closely approximating their current value; and</li> <li>(ii) have a value which can be accurately determined at any time;</li> </ul>
<b>"Net Asset Value"</b>	means the net asset value of the ICAV or of a Fund or of a class of Shares of a Fund as more fully described in the section headed "Valuation" on page 50;
<b>"Non-Voting Shares"</b>	means any Shares in the ICAV or a Fund, which carry no voting rights;
<b>"OECD"</b>	means the Organisation for Economic Co-operation and Development whose current members are the Member States of the European Union plus, Australia, Canada, South Korea, New Zealand, Switzerland, the US, Iceland, Japan, Mexico, Norway and Turkey;
<b>"Official List"</b>	means the official list of the Irish Stock Exchange;
<b>"Paying Agent"</b>	means any one or more companies or any successor company appointed as paying agent for the ICAV and its Funds;
<b>"Personal Data"</b>	has the meaning given in the GDPR;
<b>"predominantly"</b>	means, where a Fund's investment objective or investment policy states that investments will be made 'predominantly' in a particular type of security or securities, or in a particular country, region, sector or industry, it generally means at least two thirds of that Fund's net assets (excluding cash, cash equivalents and Money Market Instruments), shall be invested in such security(ies), country, region, sector or industry, unless expressly stated to the contrary in the Supplement in respect of a Fund;
<b>"Redemption Date"</b>	means the relevant Business Day on which the Shares in a Fund can be redeemed as set out in the applicable Supplement provided that there shall be always be one redemption date per fortnight or that there will always be two redemption dates per calendar month occurring at regular intervals) and such other redemption

	dates as the Directors and/or the Manager may determine, provide that relevant Shareholders will be notified in advance;
<b>"Redemption Price"</b>	means the price payable in respect of redeemed Shares as specified in the section "VALUATION: Calculation of Subscription Prices and Redemption Prices";
<b>"Recognised Market"</b>	means any regulated stock exchange or market which are set out in Appendix II to this Prospectus;
<b>"REITs"</b>	means real estate investment trusts, being pooled investment vehicles that invest in income producing real property or real property-related loans or interests listed, traded or dealt in on Regulated Markets. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest their assets directly in real property and derive income primarily from the collection of rents. Equity REITs may also realise capital gains by selling properties that have appreciated in value. Mortgage REITs invest their assets in real property mortgages and derive income from the collection of interest payments;
<b>"RPA"</b>	means a research payment account operated in accordance with the requirements of MiFID;
<b>"Rule 144A Securities"</b>	means securities that are not registered under the 1933 Act, but that can be sold to certain institutional buyers in accordance with Rule 144A under the 1933 Act and are securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) are not illiquid, meaning that they may be realized by the Fund within 7 days at the price, or approximately at the price, at which they are valued by the Manager on behalf of the Fund provided that the limits on investment in Rule 144A Securities set out in the Prospectus shall not apply to Rule 144A Securities which are admitted to listing or traded on a Recognised Stock Exchange outside the U.S.;
<b>"Securities Financing Transactions" or "SFTs"</b>	means repurchase agreements, reverse repurchase agreements, stock lending agreements, total return swaps and any other transactions within the scope of the Securities Financing Transactions Regulations that a Fund is permitted to engage in;
<b>"Securities Financing Transaction Regulations" or "SFTRs"</b>	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No

648/2012;

<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>"Sterling" or "£"</b>	means pounds sterling, the currency of the United Kingdom;
<b>"Subscriber Share"</b>	means a subscriber share of STG£1.00 each in the capital of the ICAV;
<b>"Sub-Investment Manager"</b>	means any one or more entities or individuals which may be selected and appointed by the Investment Manager to manage the portfolio of assets or a portion thereof of a Fund subject to the particular terms of the Sub-Investment Management Agreement, as detailed in the relevant Supplement;
<b>"Sub-Investment Manager"</b>	means any one or more entities or individuals which may be selected and appointed by the Investment Manager to manage the portfolio of assets or a portion thereof of a Fund subject to the particular terms of the Sub-Investment Management Agreement, as detailed in the relevant Supplement;
<b>"Subscription Date"</b>	means the relevant Business Day on which Shares in a Fund can be purchased as set out in the applicable Supplement provided that there shall always be one subscription date per fortnight or that there will always be two subscription dates per calendar month occurring at regular intervals and such other subscription dates as the Directors and/or the Manager may determine, provide that relevant Shareholders will be notified in advance;
<b>"Subscription Price"</b>	means the subscription price in respect of Shares of any Class on any Subscription Date as specified in the section "VALUATION: Calculation of Subscription Prices and Redemption Prices";
<b>"Supplement"</b>	means a supplement to this Prospectus containing information relating to a particular Fund;
<b>"TCA"</b>	means the Taxes Consolidation Act 1997 (as amended) of Ireland;
<b>"Total Return Swap"</b>	means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another

	counterparty;
<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;
<b>"UCITS"</b>	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 2009/65/EC of 13 July 2009 as amended, consolidated or substituted from time to time;
<b>"UCITS Directive"</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directives 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions and as may be further amended from time to time;
<b>"UCITS Regulations"</b>	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 and as supplemented, consolidated or re-enacted from time to time;
<b>"United Kingdom" or "UK"</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" or "US"</b>	means the United States of America, as defined in Regulation S under the 1933 Act;
<b>"US Dollars" or "US\$"</b>	means US dollars, the lawful currency of the United States;
<b>"US Person"</b>	means a "US Person" as defined in Appendix IV herein;
<b>"US Reportable Account"</b>	means a Financial Account held by a US Reportable Person;

<b>"US Taxpayer"</b>	means a "US Taxpayer" as defined in Appendix IV herein;
<b>"Valuation Date"</b>	means the relevant Business Day on which the Net Asset Value of a Fund 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; and
<b>"Valuation Point"</b>	means the relevant time in respect of each Valuation Date at which the Net Asset Value of a Fund is calculated as set out in the applicable Supplement or, if the relevant dealing deadline for any Subscription Date or Redemption Date is brought forward, such other point in time as the Directors or the Manager, shall determine provided that the Valuation Point is after the relevant dealing deadline or as otherwise set out in the relevant Supplement.

In this Prospectus any reference to any statute, statutory provisions or to any order or regulation shall be construed as a reference to: (a) that statute, provision, order or regulation as extended, amended, replaced or re-enacted from time to time; (b) all statutory instruments made under it or deriving validity from it; (c) any statutory instruments made under any enactment to be read and/or construed with any such statute, statutory provisions, order or regulation; and (d) any rules made by competent authorities under or pursuant to a statutory instrument.

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## **THE ICAV**

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### **Introduction**

The ICAV is an Irish collective asset-management vehicle with variable capital established as an umbrella fund with segregated liability between sub-funds and is authorised by the Central Bank pursuant to the ICAV Act and the UCITS Regulations. The ICAV was registered on 18 June 2018 under registration number C39761. The liability of the members in the ICAV is limited.

The Instrument of Incorporation provides that the ICAV may offer separate classes of Shares each representing interests in a Fund. Each Fund will have a distinct portfolio of investments, and more than one class of Shares may be issued in respect of any Fund with the prior approval of the Central Bank. The ICAV may from time to time create additional classes of Shares within a Fund in accordance with the requirements of the Central Bank. Separate books and records will be maintained for each Fund.

The Instrument authorises the Directors to create Non-Voting Shares. Where the Directors have exercised this authority with respect to a class or classes of Shares in any Fund, this will be indicated in the Supplement for such Fund. Accordingly the Classes of Shares so designated shall be comprised of Non-Voting Shares which have no voting rights in respect of any resolution submitted to the Shareholders of the ICAV, the relevant Fund or in respect of those Classes. Holders of Non-Voting Shares shall be provided with at least two (2) Dealing Days' prior notice of any changes requiring a shareholder vote. During any such prior notice period and prior to the date of the resolution becoming effective, the relevant holders of Non-Voting Shares shall be provided with an opportunity to (i) request their Non-Voting Shares repurchased, if they so wish; or (ii) elect to convert those Non-Voting Shares, free of charge, into Shares with voting rights, if they so wish. Any decision to subscribe for Non-Voting Shares is made by a prospective Shareholder and not by the ICAV. Details of whether a particular Class within a particular Fund is comprised of Non-Voting Shares will be set out in a table appended to the Supplement for the relevant Fund.

The Directors may, in their absolute discretion, differentiate between the rights attaching to the different classes of Shares within a particular Fund including, without limitation, the dividend policy, the level of management fees, the subscription charge and/or the redemption charge payable in respect of each class.

The ICAV may from time to time create such additional Funds as the Directors may deem appropriate and with the prior approval of the Central Bank. Details of any Fund or 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.

The ICAV is denominated in Euro. The base currency of each Fund shall be specified in the relevant Supplement.

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

The ICAV intends to provide investors with a choice of Funds offering an array of investment objectives. Each Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities, liquid financial assets or Collective Investment Schemes or other permitted investments in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which a Fund may invest generally must be listed and/or traded on a Recognised Market except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. The Recognised Markets in which a Fund's investments will be traded are set out in Appendix II.

The assets of each Fund will be invested in accordance with the investment objectives and policies of that Fund as set out in the applicable Supplement. The ICAV and its Directors, in consultation with the Manager and the relevant Investment Manager, are responsible for the formulation of the investment policy of each Fund and any subsequent change to that policy. Each Fund is subject to the investment and borrowing restrictions contained in the UCITS Regulations and Central Bank UCITS Regulations as set out in Appendix I. Additional restrictions (if any) relevant to each Fund will be as set out in the applicable Supplement.

Unless otherwise set out in the relevant Supplement, each Fund may invest up to 10% of its Net Asset Value in Collective Investment Schemes (which include open-ended EFTs), subject to the requirements of the Central Bank and the UCITS Regulations. However, a Fund may not invest in other Funds / Collective Investment Schemes where such other Fund / Collective Investment Scheme invests more than 10% of their Net Asset Value in other Funds and / or Collective Investment Schemes. As an investor in such other Collect Investment Schemes, a Fund will bear, along with other investors in the underlying schemes, its portion of the expenses of the underlying scheme, including management, investment management, and administration and other expenses. Such investment in Collective Investment Schemes includes investing in other Funds. However, a Fund may not invest in another Fund, which itself holds Shares in other Funds. Where a Fund invests in another fund, the investing Fun may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. If a Fund invests in the units or shares of Collective Investment Schemes managed by the Manager or by an associated or related company of the Manager, the Manager or the associated or related company must waive the entry charge, exit charge or conversion charge payable, if any. The Manager will not receive any commission when a Fund invests in such a scheme. However, if any commissions are received by the Manager, the commission must be paid into a property of the Fund.

Each Fund that is permitted to invest globally and/or in emerging markets, unless otherwise stated in the relevant Supplement may invest in:

- Chinese securities traded on a Regulated Market outside of mainland China or, directly through the Shanghai- Hong Kong Stock connect or the Shenzhen-Hong Kong Stock Connect; and
- Russian securities traded on the Moscow Exchange.

Each Fund seeks to remain fully invested in accordance with its investment objective. However, in an attempt to respond to adverse market, economic, political or other conditions, a Fund may take a temporary defensive investment strategy and move all or a substantial portion of the portfolio to cash or high quality short-term Money Market Instruments. Taking a temporary defensive position could prevent the Fund from achieving its investment objective. A Fund also may hold these types of investments while looking for suitable investment opportunities or to maintain liquidity. Taking a temporary defensive position could prevent a Fund from achieving its investment objective.

A Fund may sell a security if it no longer meets the Fund's investment criteria or for a variety of other reasons, such as to secure gains, limit losses, maintain its duration, redeploy assets into opportunities believed to be more promising, or satisfy redemption requests, among others. A Fund will not be required to sell a security that has been downgraded after purchase; however, in these cases, the relevant Fund will monitor the situation to determine whether it is advisable for the relevant Fund to continue to hold the security. In considering whether to sell a security, a Fund may evaluate factors including, but not limited to, the condition of the economy, changes in the issuer's competitive position or financial condition, changes in the outlook for the issuer's industry, the Fund's valuation target for the security, and the impact of the security's duration on the Fund's overall duration.

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark. In this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The ICAV may

at any time change that reference index or benchmark where, for reasons outside its control, that index or benchmark has been replaced, or another index or benchmark may reasonably be considered by the ICAV to have become a more appropriate standard for the relevant exposure. Such a change would represent a change in investment policy of the relevant Fund and Shareholders will be advised of any change in a reference index or benchmark if (i) made by the Directors, in advance of such a change and (ii) made by the index or benchmark concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

The ICAV is authorised in Ireland by the Central Bank as a UCITS. Pursuant to the UCITS Regulations, a UCITS is permitted to invest in Transferable Securities, Collective Investment Schemes, Cash Deposits, Money Market Instruments and exchange traded and/or OTC FDI. UCITS may also be established as index tracking funds in the case of funds wishing to replicate an index. Details of the types of investments in respect of each Fund will be set out in the applicable Supplement. Where a Fund tracks an index, any material change to the methodology of the particular index that could result in a material variation in terms of eligibility of index constituents or diversification levels, will require the prior approval of Shareholders in the manner outlined below.

Any changes in the investment objective or any material changes in the investment policies of a Fund will be subject to prior approval of the majority of the Shareholders of the Fund. Any non-material changes to investment policy of a Fund will be made by the Directors if deemed to be in the best interests of the relevant Fund to do so.

Furthermore, any change in the investment objective or material change to the investment policy of a Fund will only be effected following the written approval of all Shareholders or a resolution of a majority of the voting Shareholders of that Fund at a general meeting.

Shareholders will be given a reasonable notification period to enable them to redeem their Shares prior to the implementation of any such change as outlined above. Holders of Non-Voting Shares shall be given at least two (2) Dealing Days' advance notice of any change in the investment objective and/or material change to the investment policy of a Fund to enable them to redeem their Shares prior to implementation of such change.

## **Use of FDIs**

### *General*

Only where and to the extent specified in the relevant Supplement, the ICAV may, on behalf of each Fund, enter into a variety of FDI instruments and/or utilise techniques and instruments for hedging and/or investment purposes and/or efficient portfolio management and/or to alter currency exposure(s), subject to the conditions and within the limits laid down by the Central Bank. A list of of FDIs that may be used (if any) by a Fund will be set out in the relevant Supplement and a description of the FDIs that may be used is set out below.

The Manager will employ a risk management process which will enable each Investment Manager to monitor and measure the risks attached to financial derivative instruments, and details of this process have been provided to the Central Bank. The relevant Investment Manager 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.

Each Investment Manager will manage exposure to risk using either the commitment approach or an absolute Value at Risk ("VaR") methodology in accordance with the Central Bank's requirements.

Where a Fund is a non-sophisticated user of derivative instruments (e.g., where it uses simple FDI for non-complex hedging and/or investment strategies), it may utilise the commitment approach. The commitment approach is a mathematical measure used to calculate the global

exposure of the relevant Fund in respect of derivative use at a given time which, for Funds utilising the commitment approach, may not exceed the Net Asset Value of that Fund.

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

#### *Efficient Portfolio Management ("EPM")*

Where set out in the relevant Fund Supplement, the Manager may, on behalf of a Fund, engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. EPM transactions relating to the assets of the Fund may be entered into by the Manager aiming to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and currency exchange rate risk.

Efficient portfolio management for these purposes set out above, means an investment decision involving transactions that are entered into for one or more of the following specific reasons:

- a reduction of risk;
- a reduction of cost; or
- the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Fund and subject to the conditions and limits as set out in the Central Bank UCITS Regulations and within any further limits laid down by the Central Bank from time to time.

The ICAV will ensure that every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral. For collateral management, cash as collateral is favoured by each Fund. Where non-cash collateral is used, a Fund will only accept government securities of varying maturities as non-cash collateral that 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.

#### *Repurchase/Reverse Repurchase Agreements and Securities Lending*

The Funds may use SFTs, including repurchase/reverse repurchase agreements and securities lending arrangements, in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank. A Fund's use of SFTs shall be consistent with the Fund's investment objective and policies, and accordingly SFTs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Fund. The maximum proportion of assets under management that may be subject to SFTs or total return swaps for the purposes of SFTR and the expected proportion of assets under management of a Fund (if any) will be set out in the relevant Supplement.

The counterparties to such SFTs will be corporate entities (which may or may not be related to the ICAV, Depositary or their delegates) typically located in OECD jurisdictions. Accordingly, the Manager 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 with respect to each counterparty to ensure that each counterparty has a minimum credit rating of above investment grade. All of the revenues generated by SFTs are returned to the relevant Fund, net of direct and indirect operational costs SFTs shall be held either in the physical custody of the Depositary, or for the account of the Depositary by an agent or sub-custodian of the Depositary, or a central bank, depository or clearing corporation acting as a depository.

The risks associated with SFTs are more fully described in the section below entitled “General Risk Factors” – “Risks Associated with Securities Financing Transactions”.

#### *Collateral Policy*

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

For collateral management, cash as collateral is favoured by each Fund. Where non-cash collateral is used, a Fund will only accept government securities of varying maturities as non-cash collateral that 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.

Each Fund will accept collateral as per ESMA 2012-832 requirements, namely:

- *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.
- *Issuer credit quality* – collateral received should be of high quality. The 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 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 Manager without delay.
- *Correlation* – collateral received should be issued by an entity that is independent from the counterparty. There are reasonable grounds for the 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 a 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 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. A Fund may receive securities from at least 6 different issues, but securities from any single issue will not account for more than 30% of a Fund's Net Asset Value and a Fund can accept more than 20% of its Net Asset Value as collateral from those entities listed at part 2 of Appendix I of the 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 a Fund at any time without reference to or approval from the counterparty.

- Collateral received on a title transfer basis will be held by the Depositary (or sub-custodian thereof). Where a Fund receives collateral on any basis other than a title transfer basis, the collateral can be held by a third party depositary which is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
- *Risks linked to the management of collateral* – in the event that collateral is received by a 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 a Fund's service providers. Cyber-attacks, disruptions, or failures that affect a Fund's service providers or counterparties may adversely affect a Fund, including by causing losses for a Fund or impairing a Fund's operations.
- Legal and regulatory changes could adversely affect a Fund in its management of collateral. The effect of any future legal or regulatory change on a Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.
- Where a Fund receives collateral on any basis other than a 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 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-custodian, retroactive application of legislation and fraud.
- Liquidity risk can exist when certain non-cash collateral instruments are difficult to purchase or sell. A Fund's investments in non-cash collateral instruments may reduce the returns of a Fund because it may be unable to sell the non-cash collateral instruments at an advantageous time or price.
- Non-cash collateral cannot be sold, pledged or re-invested.
- A Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts exceeds the value of the amount exposed to risk at any given time.
- Any reinvestment of cash collateral by the Manager may not be invested other than in the following:
  - deposits with relevant institutions;
  - high-quality government bonds;
  - reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and a Fund is able to recall at any time the full amount of cash on an accrued basis; and
  - short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

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

## *Description of FDIs*

The types of derivative instruments that a Fund may use consist principally of are as follows:

- **Futures Contracts and Options on Futures**

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

- **Warrants and Rights**

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions. Warrants are typically longer-dated options and are generally traded over-the-counter. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

- **Convertible Securities**

Convertible bonds are bonds that provide the holder of the bond with the option to exchange the bond for a specific number of shares of a company's stock. This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the underlying stock is performing poorly the convertible and continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money. A Fund may invest in convertible bonds for the purpose of taking exposure to companies and issuers that are consistent with the investment policy of the relevant Fund.

Convertible preferred securities are securities that provide the holder of preference shares with the option

to exchange the preference shares for a specific number of shares of a company's ordinary shares. This embedded option allows the relevant Fund to maintain its equity investment strategy whilst providing certain elements of fixed income instruments as preference shares often have fixed dividends which are required to be paid before any dividends are paid to the holders of ordinary shares. As such, the relevant Fund can utilise the preferred element of the security where an underlying company's performance is poorer and convert into a company's ordinary shares when the value of same increases appropriately. In addition, the preferred element of the security assists in providing income to the relevant Fund and the pricing structure might also provide value for the portfolio.

A "synthetic" convertible instrument combines separate securities that possess the economic characteristics similar to a convertible security, i.e., fixed-income securities ("fixed-income



component,” which may be a convertible or non-convertible security) and the right to acquire equity securities (“convertible component”). The fixed-income component is achieved by investing in fixed-income securities, including bonds, preferred stocks and Money Market Instruments. The convertible component is achieved by investing in warrants or options to buy common stock at a certain price, or options on a stock index. In establishing a synthetic convertible instrument, a Fund may also pool a basket of fixed-income securities and a basket of warrants or options that produce the economic characteristics similar to a convertible security. Within each basket of a fixed-income securities and warrants or options, different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

Fund may also purchase synthetic convertible instruments created by other parties, typically investment banks, including convertible structured notes. Convertible structured notes are fixed-income debentures linked to equity. Convertible structured notes have the attributes of a convertible security; however, the investment bank that issued the convertible note assumes the credit risk associated with the investment, rather than the issuer of the underlying common stock into which the note is convertible. Purchasing synthetic convertible instruments may offer more flexibility than purchasing a convertible security. Different companies may issue the fixed-income and convertible components, which may be purchased separately and at different times.

The Convertible Securities in which a Fund may invest may embed an option.

- **Repurchase/Reverse Repurchase Agreements**

A Fund may enter into repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the UCITS Rules.

A repurchase agreement, or sale-and-repurchase agreement, also known as a repo, is the sale of securities together with an agreement for the seller to buy back the securities at a later date. Under a repurchase agreement, a Fund sells securities to a counterparty with an agreement by the relevant Fund to repurchase the securities at the same price, plus interest, at a specified rate.

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

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

- **Currency Forward Contracts**

A Fund may use non-deliverable currency forward contracts to hedge the risk to the portfolio to exchange price movements. Under some circumstances, a Fund may commit a substantial portion or the entire value of its portfolio to the completion of forward contracts. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time. Currency forward contracts also may be used to increase a Fund’s exposure to currencies that the Investment Manager believes may rise in value relative to the Base Currency of the relevant Fund or to shift a Fund’s exposure to currency fluctuations from one country to another.

- **Options**

A Fund may purchase call and put options and write (i.e., sell) covered call and put option contracts in accordance with its investment objective and policies. A “call option” is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A “covered call option” is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A “put option” gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may

purchase and sell call and put options in respect of specific securities (or groups or “baskets” of specific securities) or securities indices, currencies or futures. A Fund also may enter into OTC options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Investment Manager’s ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, currency exchange rates or interest rates.

- **Swap Agreements**

A Fund may enter into interest rate (including basis), equity index, credit default, currency, inflation and total return swap agreements, and swaptions (options on swaps). A Fund may enter into these swap transactions for hedging purposes or in an attempt to obtain a particular return when it is considered desirable to do so. A swap transaction involves an agreement between two parties to exchange different cash flows based on a specified or “notional” amount. The cash flows exchanged in a specific transaction may be, among other things, payments that are the equivalent of interest on a principal amount, payments that would compensate the purchaser for losses on a defaulted security or basket of securities, or payments reflecting the performance of one or more specified currencies, securities or indices.

A basis swap is a type of swap where there is an exchange of floating rate payments in the same or different currencies. The floating rates are calculated over different bases; for example, the LIBOR or U.S. Treasury Bill rate. A basis swap is used to help a Fund hedge against its basis risk and for exchanging liquidity.

An inflation swap operates in a similar manner to an interest rate swap except that an inflation swap is an agreement negotiated between two parties to exchange payments at a fixed or floating rate in return for payments based on realised inflation over the relevant period. Inflation swaps can allow the inflation sensitivity profile of the Fund to be changed more efficiently than through the use of physical cash markets. They may also be used to express views on the future level of inflation.

A credit default swap (“CDS”) is a swap used to transfer risk of default on an underlying fixed income security from the holder of the fixed income security to the seller of the swap. If a Fund buys a CDS it will be entitled to receive the value of the fixed income security from the seller of the CDS should the fixed income security’s issuer default on its payment obligations under the fixed income security. Where a Fund sells a CDS it will receive a payment (premium) from the purchaser of the CDS in exchange for the transfer of risk.

A swaption is an option contract which grants the buyer, who pays a fee or premium, the right but not the obligation to enter into a swap agreement (e.g. an interest rate swap) with the issuer on a specified future date. Swaptions may vary as to the underlying swap and may vary as to whether the purchaser of the swaption becomes the payer of the fixed cash flows and receiver of the variable cash flow (payer swaption) or becomes the payer of the variable cash flow and the receiver of the fixed cash flow (receiver swaption).

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, Money Market Instruments or other eligible investments which are consistent with the investment objective and policies of a Fund as set out in the "Investment Policies" section of the Supplement for the relevant Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. Please also refer to the section of the Prospectus entitled "Risk Factors", sub-paragraphs "FDI Risk" and "Counterparty and Broker Credit Risk".

In addition, there may be potential conflicts of interests where the Investment Manager enters into securities lending arrangements that may incur a higher arranging fee which may not be in the best interests of the relevant Fund and its Shareholders or where the Investment Manager contracts with connected parties. Details of the ICAV's conflicts of interest policy is set out in the section entitled "Conflicts of Interest".

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

- **Forward Contracts**

A forward contract involves obligations of one party to purchase, and another party to sell, a specific amount of a currency (or a security or other financial instrument) at a future date, at a price established in the contract.

Forward contracts may be structured for cash settlement, rather than physical delivery. A Fund may enter into non-deliverable currency forward contracts ("NDFs), which are a particular type of cash-settled forward contract that may be used to gain exposure to a non-convertible or relatively thinly traded non-U.S. currency.

With respect to futures contracts or forward contracts that are contractually required to cash settle, a Fund will be permitted to set aside liquid assets in an amount equal to the relevant Fund's daily marked-to-market net obligation (i.e., the relevant Fund's daily net liability) under the contracts, if any, rather than such contracts' full notional value. In the case of futures contracts or forward contracts that are not contractually required to cash settle, a Fund will be obligated to set aside liquid assets equal to such contracts' full notional value (generally, the total numerical value of the asset underlying a future or forward contract at the time of valuation) during the period of time while the contract positions are open.

- **Structured Notes**

A Fund may also invest in structured notes (which may embed an option). Structured notes may be used to achieve exposure to markets or securities in which the relevant Fund might otherwise invest and represent derived investment positions whose value at maturity or interest rate is linked to currencies, interest rates, equity securities, indices (including debt or equity indices) or other financial indicators (such as gross domestic product rates or local consumer price index). Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. A Fund bears the market risk of an investment in the underlying investment as well as the credit risk of the issuer.

- **Participatory Notes**

Participatory notes are financial instruments which may be used by a Fund to gain indirect exposure to various equity markets. Purchasing participatory notes from brokerage firms or banks will give a Fund indirect access to equity securities. This allows a Fund to gain exposure to equities in markets which may not be accessed directly without potentially triggering registration requirements. While participatory notes are often listed on an exchange, they are

usually traded on an OTC basis with the issuing broker or bank. Participatory notes on equities usually provide exposure to the underlying equity on a 1:1 basis (i.e., delta 1), they are not bought on margin and they do not embed any derivative elements. Such participatory notes may meet the criteria for transferable securities under UCITS regulations and will then be treated as such and will not be subject to the rules for FDI.

- **To Be Announced (TBA) Securities**

To be announced (TBA) securities are non-cleared, forward-settling government agency (Freddie Mac, Fannie Mae and Ginnie Mae) mortgage-backed securities. The actual mortgage-backed security that will be delivered to fulfill a TBA trade is not designated at the time the trade is made; they are "to be announced" on the Notification Date, 48 hours prior to the established trade settlement date. TBAs are essentially 'placeholders' for the purchase or sale of mortgage pools. TBA trades generally trade three months forward. In a TBA transaction, a seller agrees the issuer, interest rate and terms of the underlying mortgages but to deliver a security at a future date, but does not specify the particular security to be delivered. Instead, the seller agrees to accept any security that meets specified terms. TBA transactions involve the risk that market interest rates will fluctuate from the agreed interest rate for the TBA and the risk that the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss.

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

Each Fund may purchase securities on a when-issued basis or purchase securities on a forward commitment (sometimes called delayed delivery) basis. These transactions are a commitment by the relevant Fund to purchase securities at a future date with the price of the underlying securities and the date when the securities will be delivered and paid for (the settlement date) fixed at the time the transaction is negotiated.

When-issued purchases and forward commitment transactions are normally negotiated directly with the other party. When issued and delayed delivery securities and forward commitments involve the risk that the security the relevant Fund buys will lose value prior to its delivery, the security will not be issued or the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss.

## **Hedging Arrangements**

### *Class Currency Hedging*

The ICAV shall also enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a hedged Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the ICAV. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month.

Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with the Central Bank's UCITS Regulations. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging. Under-hedged positions must not fall short of 95% of the portion of net asset value of the Share Class which is to be hedged and under-hedged positions will be kept under review to ensure it is not carried forward from month to month.

While the ICAV may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the

Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated. The Funds may implement currency hedging strategies by using spot and non-deliverable forward non-U.S. exchange contracts and currency futures, options and swap contracts. In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

#### *Fund/Portfolio Currency Hedging*

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

#### **Dividend Policy**

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

The Directors have the ability to operate an income equalisation account in respect of any Fund having a distribution policy and will notify Shareholders in that Fund if it decides to do so. Where the ICAV does operate an income equalisation account in respect of a Fund, a Shareholder's first "distribution" will generally be made up of income of the appropriate Fund since the date of subscription, together with a part return of capital representing the amount of accumulated income of the relevant Fund before the date of subscription. These amounts will be shown separately on the distribution voucher.

The Directors may elect to charge management fees and expenses out of the capital of a Fund as set out in the applicable Supplement, should they wish to generate distributable profits. Investors should note that by charging management fees and expenses of a Fund to capital, the effect of this is that capital may be eroded and income will be achieved by foregoing the potential for future capital growth.

#### **Remuneration Policy of the Manager**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Funds. The Manager's remuneration policy is consistent with the Funds' business strategies, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager has policies in place in respect of the remuneration of senior members of staff, staff whose activities will impact risk, staff who are involved in any control functions, staff who receive remuneration equivalent to senior management.

In line with the provisions of Directive 2014/91/EU, the guidelines issued by ESMA, each of which may be amended from time to time, the Manager applies its remuneration policy and practices in a manner which is proportionate to its size and that of the Funds, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of the Funds, which it does to the relevant Investment Manager, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and accordingly the individual delegates may be afforded differing levels of responsibilities and remuneration. The Manager will use best efforts to ensure that:

- a. the entities to which portfolio or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the relevant guidelines issued by ESMA; or
- b. appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the relevant ESMA guidelines.

Further details with regard to the remuneration policy are available at the following website <http://www.carnegroup.com/policies-and-procedures/>.

The remuneration policy may be obtained free of charge on request from the Manager.

### **General Risk Factors**

Investors' attention is drawn to the following general risk factors which may relate to an investment in any Fund. In addition to the risks set out below, any risks specific to a particular Fund will be as set out in the applicable Supplement.

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

#### *Market fluctuations*

Potential investors should note that the investments of each 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 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 Fund's assets may, unless otherwise noted, be invested in securities denominated in currencies other than the relevant currency of such Fund and any income received by such Fund from its investments will be received in the currencies of such investments, some of which may fall in value against the relevant currency of such Fund. Each Fund will compute its Net Asset Value and make any distributions in the denomination of the Shares while each 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 Fund makes investments in currencies other than the relevant currency of the Fund.

### *FDI Risk*

A Fund may employ various investment techniques, including, but not limited to, warrants, convertible bonds, forward foreign exchange contracts, currency futures, swaps, options and swaptions thereon, put and call options on securities, indices, stock index and interest rate futures and options thereon, securities lending, repurchase, reverse repurchase, warrants and contracts-for-difference in order to afford the protection of capital or the enhancement of investment returns. These derivative positions may be executed either on-exchange or over-the-counter. The primary risks associated with the use of such FDIs 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 Fund's FDI. These techniques may not always be possible or effective in enhancing returns or mitigating risk.

The use of cross-currency hedging in order to hedge foreign currency exposure of the underlying assets of a Fund on behalf of a Share class into the base currency of that Fund or into a currency institutionally linked to the base currency may adversely affect the Net Asset Value of Share classes in the respective Fund.

A Fund's investments in over-the-counter derivative are subject to the risk of counterparty default or settlement default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate. In addition, legal risk, meaning risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly, can arise in the context of financial derivative instrument transactions. Legal risk is a description of the potential for loss arising from the uncertainty of legal proceedings, such as bankruptcy, and potential legal proceedings. The cause of most FDI litigation arises from disagreements over the terms of contracts, especially OTC contracts. Therefore market standards will be used wherever possible (such as ISDA). For all non-standard contracts, legal opinions should be sought.

Price movements of forward contracts, futures contracts, options, contracts for difference and other derivative contracts in which a Fund's assets may be invested are influenced by among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. 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 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.

### *Leverage Risk*

A Fund's possible use of borrowing, leverage or derivative instruments may result in certain additional risks. Leveraged investments, by their nature, increase the potential loss to investors resulting from any depreciation in the value of such investments. Consequently, a relatively small price movement in the security underlying a leveraged instrument may result in a substantial loss to the Fund.

### *Counterparty and Broker Credit Risk*

The Fund will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions. The Fund may be subject to risk of loss of its assets held by a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker

executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house.

#### *Substantial repurchases*

Substantial repurchases by Shareholders may necessitate liquidation of investments. It is possible that losses may be incurred due to such liquidations that might otherwise not have arisen.

#### *Expenses Charged to Capital*

Shareholders should note that all or part of the management fees and expense of a Fund may be charged to the capital of a Fund as set out in the applicable Supplement. This will have the effect of lowering the capital value of the Shareholder's investment.

#### *Securities Lending Risk*

As with any extensions of credit, a Fund will be subject to credit risk in respect of its counterparty. Securities lending involves the risk that the borrower may fail to return the securities in a timely manner or at all. Should the borrower of securities default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as the Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, any Fund investing collateral will be exposed to the risk associated with such investments, such as the failure or default of the issuer of the relevant security.

#### *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 which has been received by the Directors 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" starting on page 16.

#### *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" on page 54.

#### *Political and /or regulatory risks*

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions in foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made.

#### *Controlling Shareholder*

There is no restriction on the percentage of the ICAV's Shares that may be owned by one person or a number of connected persons. It is possible, therefore, that one person, including a person or entity related to the Investment Managers, or, a collective investment scheme managed by the Investment Managers, may obtain control of the ICAV or of a Fund.



### *Past Performance*

The ICAV has a limited operating history upon which investors may base an evaluation of the likely performance of the ICAV.

### *Economic and Political Risks*

The economies of individual emerging market countries may differ favourably or unfavourably from the economy in industrialised countries in such respects as growth of gross domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency, accounting standards and balance of payments position. Further, the economies of emerging market countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. With respect to any emerging market country, there is the possibility of nationalisation, expropriation or confiscatory taxation, political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the economies of such countries or the value of the Fund's investments in those countries. In addition, it may be difficult to obtain and enforce a judgment in a court in those countries.

### *Eurozone Risk*

Some of the Funds may invest in countries within the Eurozone. Certain countries within the Eurozone have received very substantial financial assistance from other EU Member States in recent years, and the question of whether additional funding will be made available is unclear. Investor confidence in other EU Member States, as well as European banks exposed to sovereign debt of Eurozone countries experiencing financial turmoil, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, there can be no assurance that the level of funds being committed to such facilities will be sufficient to resolve the crisis going forward. It is also unclear whether ultimately a political consensus will emerge in the Eurozone concerning whether and how to restructure sovereign debt. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the withdrawal of one or more EU Member States from the Eurozone, or even the abolition of the Euro. The withdrawal of one or more EU Member States from the Eurozone or the abolition of the Euro could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally. The performance and value of the Funds may potentially be adversely affected by any or all of the above factors, or there may be unintended consequences in addition to the above arising from the potential European crisis that may adversely affect the performance and value of the Funds. It is also possible that a large number of investors could decide to redeem their investments in a Fund at the same time.

### *Securities Markets of Emerging Markets Countries*

Trading volume in the securities markets of emerging markets countries is substantially less than that in industrialised countries. Further, securities of some companies in emerging markets are less liquid and more volatile than securities of comparable companies in industrialised countries. As a result, obtaining prices or portfolio securities from independent sources may be more difficult. In addition, brokerage expenses and other transaction costs generally are higher in emerging market countries than in industrialised countries. Securities markets, broker-dealers, and issuers in emerging markets generally are subject to less government supervision and regulation than in industrialised countries. Further, disclosure and reporting requirements are minimal and anti-fraud and insider trading legislation is generally rudimentary.

### *Settlement Mechanisms/Custodial Risk*

The stock markets in emerging markets generally have settlement mechanisms that are less developed and reliable than those in more developed countries. In certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Fund are uninvested and no return is earned thereon. The inability of the Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of securities due to settlement problems could result either in losses to the Fund due to subsequent declines in value of the security or, if it has entered into a contract to sell the security it could result in a possible liability of it to the purchaser. While the Fund will endeavour to ensure that it will not invest in a market, fund, or sub-fund unless adequate custodial arrangements are available, there is no assurance that settlement delays or difficulties will not occur. Delays in settlement may affect the ability of the Fund to invest its assets or to liquidate positions in a timely manner. Lack of adequate custodial systems in some emerging market countries may prevent investment in a given country or may require the Fund to accept greater custodial risks than in developed countries in order to invest in such countries. In addition, the legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which the Fund may invest may not provide the same degree of information to investors as would generally apply in more developed markets. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from accounting standards in more developed markets.

### *Investment and Repatriation Restrictions; Exchange Controls*

Some emerging market countries impose substantial restrictions on investments in their financial markets, especially equity markets, by foreign investors. These restrictions may include a requirement of governmental approval, a limitation on the amount of investment in a company or in a market as a whole, or a prohibition on foreigners owning particular securities. Countries also may prohibit foreign investment in particular sectors, such as the media, telecommunications or financial sectors. Some emerging markets now or in the future may impose limitations on the ability of foreign investors to repatriate investment income or the proceeds from the sale of securities. These countries also may limit the Fund's ability to exchange income or proceeds into U.S. Dollars or other freely convertible currencies.

### *Foreign Taxation*

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, limitations on the removal of cash or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries.

### *Emerging Markets Risk*

The Fund, through its equity investments in the Asia Pacific (ex-Japan) region may have exposure to certain emerging markets. As a result, the Fund is subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. Dollar and the various foreign currencies in which the Fund's investments will be denominated, and costs associated with conversion of investment principal and income from one currency into another and (ii) the possible imposition of withholding taxes on income received from or gains with respect to such securities. In addition, certain of these capital markets involve certain factors not typically associated with investing in established securities markets, including risks relating to (i) differences between markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on foreign investment and repatriation of capital.

### *Russian Investments Risk*

Certain markets in central and eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries (such as Russia); as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "**Commission**") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established.

When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity securities that are listed or traded on level 1 or level 2 of the Russian Trading Systems Stock Exchange ("**RTS**") or Moscow Stock Exchange ("**MICEX**"). The Depositary's liability extends to its unjustifiable failure to perform its obligations or its improper performance of them and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the relevant Fund will have to pursue its rights directly against the issuer and/or its appointed registrar. The aforesaid risks in relation to safekeeping of securities in Russia may exist, in a similar manner, in other central and eastern European countries in which a Fund may invest.

### *Asian Country Investment Risks*

#### 1. China

The Chinese government exercises significant control over China's economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the Chinese government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries could disrupt economic development. China's long-running conflict over Taiwan remains unresolved, while territorial border disputes persist with several neighbouring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the Chinese economy is also vulnerable to developments on the Korean peninsula. Should political tension increase or military actions be precipitated, it could adversely affect the economy and destabilise the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The Chinese government also sometimes takes actions intended to increase or decrease the values of Chinese stocks. The emergence of a domestic consumer class is still at an early stage, making China's economic health largely dependent on exports. China's growing trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China's management of its currency, as well as on some export-dependent sectors. Social cohesion in China is being tested by growing income

inequality and larger scale environmental degradation. Social instability could threaten China's political system and economic growth, which could decrease the value of a Fund's investments.

(a) China Political and Economic Risk

China has implemented a series of economic reform programs emphasising the utilisation of market forces in the development of the Chinese economy and a high level of management autonomy since 1978. Although China's economy has experienced significant growth in the past 20 years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the Chinese government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The Chinese government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of a Fund. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the relevant Fund may invest.

(b) China Accounting and Reporting Risks

Chinese companies are required to follow Chinese accounting standards and practices, which only follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to Chinese companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with Chinese accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in China on which the Investment Manager can base investment decisions.

(c) China Legal and Regulatory System Risks

The Chinese legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

(d) Nationalisation and Expropriation Risks

The Chinese government renounced various debt obligations and nationalised private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The Chinese government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the Chinese government will not take similar actions in the future.

## 2. Hong Kong

Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution." The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defence and foreign affairs are the responsibility of the central government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on a Fund's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is "pegged" to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what affect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

### *Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the "Stock Connect")*

In addition to the country specific risks relating to China above, and other risks applicable to investments by the Funds using Stock Connect apply:

- (a) **General** The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Funds. The program requires use of new information technology systems which may be subject to operational risk due to its crossborder nature. If the relevant systems fail to function properly, trading in both Hong Kong, and Shanghai and/or Shenzhen markets through the program could be disrupted.
- (b) **Quota Limitations**

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.
- (c) **Taxation Risk**

The Chinese tax authorities announced on 14 November 2014 that gains derived by foreign investors from China A Shares traded through the Stock Connect would be temporarily exempted from Chinese taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in Chinese 'landrich' companies; however, the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the Chinese tax authorities with or without notice and, in a worst case scenario, retrospectively. In addition the Chinese tax authorities may implement other tax rules with retrospective effect which may adversely affect the Funds. If the temporary exemption is withdrawn a foreign investor would be subject to Chinese taxation in respect of gains on China A Shares and the resultant tax liability would be payable by relevant Fund, and thus borne by its investors. However, this liability may be

mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

(d) Legal / Beneficial Ownership

Shares traded on the Shanghai Stock Exchange (“SSE Shares”) or on the Shenzhen Stock Exchange (“SZSE Shares”) held in respect of the Funds will be held by the Trustee/subcustodian in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”) maintained by the Hong Kong Securities Clearing Company Limited (“HKSCC”) as central securities depository in Hong Kong. HKSCC in turn holds the SSE Shares or SZSE Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the Funds as the beneficial owners of the SSE Shares or SZSE Shares through HKSCC as nominee is not well defined under Chinese law. There is lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership” under Chinese law and there have been few cases involving a nominee account structure in the Chinese courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Funds under Chinese laws are uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE Shares or SZSE Shares will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

(e) Clearing and Settlement Risk

HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the Chinese securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities regulatory Commission. In the event of a ChinaClear default, HKSCC’s liabilities in SSE Shares and SZSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

(f) Suspension Risk

It is contemplated that the Stock Exchange of Hong Kong (“SEHK”), Shanghai Stock Exchange (“SSE”) and Shenzhen Stock Exchange (“SZSE”) would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Fund’s ability to access the Chinese market will be adversely affected.

(g) Differences in Trading Day

The Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Chinese market but the Funds cannot carry out any China A Shares trading via the Stock Connect. The Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

(h) Restrictions on Selling Imposed by Front-End Monitoring

Chinese regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement.

(i) Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SSE, SZSE or SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

(j) Regulatory Risk

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Funds may be adversely affected as a result of such changes.

(k) Recalling of Eligible Stocks

When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Investment Adviser wishes to purchase a stock which is recalled from the scope of eligible stocks.

(l) No Protection by Investor Compensation Fund

Investment in SSE or SZSE shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchangetraded products in Hong Kong. Since default matters in respect of SSE Shares or SZSE Shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A Shares through the Stock Connect.

3. Taiwan

The political reunification of China and Taiwan, over which China continues to claim sovereignty, is a highly complex issue and is unlikely to be settled in the near future. The continuing hostility between China and Taiwan may have an adverse impact on the values of investments in both China and Taiwan, or make investments in China and Taiwan impractical or impossible. Any escalation of hostility between China and Taiwan would likely distort Taiwan's capital accounts, as well as have a significant adverse impact on the value of investments in both countries and the region.

Taiwan's growth has to a significant degree been export-driven. While the percentage of Taiwan's exports purchased by the United States has been declining recently, the United States has remained a key export market. Accordingly, Taiwan is affected by changes in the economies of the United States and other main trading partners, by protectionist impulses in those countries and by the development of export sectors in lower-wage economies. In the event that growth in the export sector declines in the future, the burden of future growth will increasingly be placed on domestic demand.

Taiwan has limited natural resources, resulting in dependence on foreign sources for certain raw materials and vulnerability to global fluctuations of price and supply. This dependence is especially pronounced in the energy sector. In recent years, over half of Taiwan's crude oil has been supplied by Kuwait and Saudi Arabia. A significant increase in energy prices could have an adverse impact on Taiwan's economy.

*Cross Liability between Funds*

The ICAV is established as an umbrella vehicle with segregated liability between Funds. As a matter of Irish law, the assets of each Fund shall belong exclusively to such Fund and shall not be used to discharge directly or indirectly liabilities or claims against any other Fund and shall not be available for such purpose. 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 limit on liability associated with having segregated liability between Funds nor is there any guarantee that the creditors of one Fund will not seek to enforce such Fund's obligations against another Fund.

*Breaches in Information Technology Security*

The Manager, Investment Managers, Administrator and Depositary (and their respective groups) each maintain information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption to the Manager's, Investment Managers', Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive



and confidential information. Such security breaches may potentially also result in loss of assets and could create significant financial and/ or legal exposure for the ICAV.

#### *Common Reporting Standard Risks*

The requirements of the Common Reporting Standard ("CRS") as implemented in Ireland may impose additional due diligence procedures, systems and/or administrative burdens and costs on the ICAV and/ or its Shareholders. Investors are reminded that their personal and account information may need to be reported to the relevant tax authorities. Where investors provide inaccurate or incomplete information, the Funds could become liable to withholding taxes and other penalties for non-compliance. The ICAV has the ability to compulsorily redeem recalcitrant investors and make withholdings from distributions/redemption proceeds to pass on any CRS related financial penalties and costs suffered by a Fund solely to any recalcitrant investors that have caused the liabilities rather than allowing such liabilities to be borne by the investors as a whole.

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

Pursuant to FATCA, the ICAV (or each Fund) is required to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the ICAV (or each Fund) to U.S. withholding taxes on certain U.S.-sourced income and gains. Pursuant to an intergovernmental agreement between the United States and Ireland, the ICAV (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. taxpayer information directly to the government of Ireland. Investors may be requested to provide additional information to the ICAV to enable the ICAV (or each Fund) to satisfy these obligations. Failure to provide requested information may subject an investor to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the investor's interest in its Shares.

Prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the ICAV.

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

The UK held a referendum on 23 June 2016 at which the electorate voted to leave the EU. The Prime Minister of the UK will need to enter into negotiations with the EU Council and has invoked article 50 of the Treaty of Lisbon on 29 March 2017. The Treaty of Lisbon provides for a period of up to two years for negotiation of withdrawal arrangements, at the end of which (whether or not agreement has been reached) the treaties cease to apply to the withdrawing EU Member State unless the European Council, in agreement with the EU Member State concerned, unanimously decides to extend this period. During, and possibly after, this period there is likely to be considerable uncertainty as to the position of the UK and the arrangements which will apply to its relationships with the EU and other countries following its withdrawal. This uncertainty may affect other countries in the EU, or elsewhere, if they are considered to be impacted by these events.

The impact of such events on the ICAV is difficult to predict but they may adversely affect the return on each of the Funds and their respective investments. There may be detrimental implications for the value of certain of the relevant Funds' investments, their ability to enter into transactions or to value or realise such investments or otherwise to implement each of their investment programmes. This may be due to, among other things:

- increased uncertainty and volatility in UK, EU and other financial markets;
- fluctuations in asset values;

- fluctuations in exchange rates between sterling, the Euro, the US Dollar and other currencies;
- increased illiquidity of investments located, listed or traded within the UK, the EU or elsewhere;
- changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- changes in legal and regulatory regimes to which the ICAV, the Investment Manager and/or certain of the relevant Funds' assets are or become subject.

Once the position of the UK and the arrangements which will apply to its relationships with the EU and other countries have been established, or if the UK ceases to be a member of the EU without having agreed on such arrangements or before such arrangements become effective, the ICAV's distribution arrangements may need to be altered, either to enable the ICAV's objectives fully to be pursued or to enable the Distributor (or any delegate thereof) to most effectively market or promote the ICAV in any jurisdiction. That may also result in existing investors in that or any other jurisdiction seeking to redeem their interests in a Fund earlier than they might otherwise do so, which may disadvantage those investors or other investors in the relevant Fund.

#### **Risks Associated with Securities Financing Transactions**

Entering into total return swaps, repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the ICAV and its investors. The relevant Fund is exposed to the risk that a counterparty to a securities financing transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect securities financing transactions may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may also involve operational risks in that the use of securities financing transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

#### *Securities Lending*

Where disclosed in the relevant Supplement, a Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, a Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

#### *Repurchase Agreements*

Repurchase agreements will generally be entered into pursuant to industry standard master agreements such as the ISLA commissioned Global Master Securities Lending Agreement or the SIFMA/ICMA commissioned Global Master Repurchase Agreement. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The

value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. As with any extensions of credit, there are risks of delay and recovery.

#### *Reverse Repurchase Agreements*

Where disclosed in the relevant Supplement, a Fund may enter into reverse repurchase agreement. If the seller of securities to the Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

#### *Risks Associated with Total Return Swaps*

Where specified in the relevant Supplement, a Fund may enter into total return swap agreements i.e. a derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty. If there is a default by the counterparty to a swap contract, a Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the ICAV on behalf of the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Furthermore, in addition to being subject to the credit risk of the counterparty to the total return swap, the Fund is also subject to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a total return swap, differences in currency values and costs associated with hedged/unhedged share classes may result in the value of the index/reference value of the underlying of the total return swap differing from the Net Asset Value per Share of the relevant Fund.

#### *Risks Associated with Collateral Management*

Where a Fund enters into an OTC derivative contract or a securities financing transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or a broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, the Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the ICAV on behalf of a Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the ICAV on behalf of a Fund will only have an

unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the ICAV or its delegates will not have any visibility or control. Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

### **EU Data Protection Legislation**

The GDPR has increased the territorial scope of the existing EU data protection framework and imposed stronger sanctions on those who breach it, amongst other things. It also changed the ways in which personal data is collected and used, requiring data subjects to give unambiguous or explicit consent in some cases and introduce increased enforcement powers, empowering national data protection authorities to impose fines of up to 4% of annual turnover, or 20 million euros, whichever is greater.

The ICAV will continue to review and develop existing processes to ensure that customer personal data is processed, by it or its delegates, in compliance with the GDPR's requirements, to the extent that they are applicable. Some or all of the delegates of the ICAV may be required to expend significant capital or other resources and/or modify their respective operations to meet such requirements, any or a combination of which could have a material adverse effect on that delegate's business, financial condition and financial results.

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## SHARE CLASSES

A detailed description of the Classes of Shares offered for each Fund is included in the relevant Fund Supplement.

Shares can be either described as Distributing or Accumulating Shares. The Board of Directors intends to distribute all of the distributable income attributable to Distributing Shares. No distribution of dividends shall be made for Accumulating Shares, and the income attributable to those Shares will be reflected in the increased value of the Shares. Details of whether Classes of Shares are Distributing or Accumulating Shares is set out in the Supplement for the relevant Fund.

The purchase proceeds of the various Share Classes of a Fund are invested in one common underlying pool of investments but the Net Asset Value of each Share Class will be different as a result of the differences in the issue price, fee structure and dividend policy. In relation to Classes with a Class Currency other than the Base Currency, the Net Asset Value of the Class concerned will be calculated and published in the Class Currency and subscription proceeds for such Classes are to be paid by Shareholders (and redemption proceeds are paid to redeeming Shareholders) in such Class Currency.

For Classes which have reporting fund status for UK tax purposes, the ICAV will maintain an equalisation account with a view to ensuring that the level of dividends payable on Shares is not affected by the issue and redemption of such Shares during an Accounting Period. The Subscription Price of such Shares will therefore include an equalisation payment calculated by reference to the accrued income of the Fund and distributions in respect of any Shares will include a payment of capital usually equal to the amount of such equalisation payment. The Redemption Price of each Share will also include an equalisation payment in respect of the accrued income of the ICAV up to the date of redemption.

Class Currencies will either be designated as hedged Classes or will be unhedged and details of the treatment of both hedged Classes and unhedged Classes are set out in the section entitled "Hedging Arrangements".

### *Initial Sales Charge / Redemption Charge*

Where an initial sales charge and/or a redemption charge is payable in respect of a subscription or redemption for certain Classes of Shares, the resulting difference at any one time between the Subscription Price and Redemption Price means that investment in such Shares should be viewed as medium to long term investment. Where an initial sales charge is charged, it will not exceed 5% of the Net Asset Value per Share. Where a redemption charge is charged, it will not exceed 3% of the Net Asset Value per Share. A Fund will not charge both an initial sales charge and a redemption charge in respect of a Class. Details of the applicable initial sales charge/redemption charge will be set out in the Supplement for the relevant Fund.

### *Calculation of CDSC*

The calculation of CDSC for Shares is based on the lesser of the Net Asset Value of the Shares being sold or the Net Asset Value of those Shares when purchased. The calculation is made in the relevant Class Currency. To keep the CDSC as low as possible, each time an instruction to sell Shares is placed, any Shares in the investor's holding not subject to a CDSC will be sold first. If there are not enough of these to meet the request, additional Shares will be sold in the order in which they were purchased. The amount of the CDSC is calculated by multiplying the Net Asset Value of the Shares being sold or the Net Asset Value when purchased (whichever is applicable) by the CDSC charge for the relevant Class of Shares (i.e., 3%).

The holding period for the purposes of applying a CDSC on Shares of a particular Fund acquired through the conversion of Shares in another Fund will be measured by the date that such Shares were originally acquired in the other Fund. Amounts accessed as a CDSC are paid to the Distributor. The CDSC may be waived in whole or in part by the Distributor in its sole

discretion either for individual investors or for particular groups of investors. The ICAV has committed to pay the CDSC to the Distributor at the rates set forth in this Prospectus net of any taxes. In case any taxes will be payable on set amounts, the amount of CDSC will be increased so as in the manner to ensure that the agreed amounts will be paid net to the Distributor. The Board of Directors has no reason to believe that any taxes are due or levied on the CDSC.

## **MANAGEMENT AND ADMINISTRATION**

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### **The Directors of the ICAV**

The Directors of the ICAV are responsible, inter alia, for establishing the investment objectives and policies of the ICAV and each Fund, for monitoring the ICAV's performance and for the overall management and control of the ICAV.

The following are the Directors of the ICAV:-

#### **Michael McInerney (Irish) (Chairman)**

Michael McInerney is engaged principally as a non-executive director and hold directorships in Irish MiFiD, Insurance and Funds regulated entities. In 2015 he retired as CEO and executive director of Santander Financial Products plc, a MiFID authorised structured derivatives business, which he joined at its launch in 1994. During that period he also served as non-executive director of various Santander boards in Ireland, including insurance entities and funds. Prior to 1994 he worked principally as taxation adviser with Arthur Andersen Dublin and KMG Dublin. He is a Fellow of the Institute of Chartered Accountants in Ireland and a graduate of University College Galway.

#### **Dennis Murray (Irish)**

Dennis Murray is a Director, Risk Management at Carne Group Ireland and has over 23 years of professional experience in the International Financial Services sector in Senior Risk & Investment Management functions. Dennis has gained extensive experience in both the US and Ireland as a Senior Risk Manager with the Charles Schwab Corporation and the Dexia Group, respectively. He then spent over ten years with Dexia Investments Ireland as a Senior Credit Portfolio Manager before becoming Director, Investments for Belfius Investments Ireland, a former entity of the Dexia Group. Dennis holds a MA in Economics from University College Dublin (UCD). and has been a Certified Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since 2000. He also recently attained a dual-award of a Professional Certificate in Investment Fund Services Risk Management from the Institute of Banking and an Operational Risk Manager Certificate from the Professional Risk Managers' International Association (PRMIA)

#### **Elizabeth Beazley (Irish)**

Elizabeth is an Irish fund director specialising in corporate governance, product development, financial reporting, and fund oversight for both traditional and hedge funds. She has an 18 year track record in financial services. Elizabeth has in-depth expertise in the oversight requirements for UCITS-compliant funds and acts as a conducting officer for a number of Irish fund companies. Elizabeth's expertise extends to project management, where she oversees conversions of AIFs to UCITS, dedicated UCITS launches, and efficient global financial reporting/oversight for major asset management firms. Prior to joining Carne, Elizabeth spent four years with AIB/BNY Fund Management in Ireland. Before that she worked for HSBC. She holds a Bachelor of Commerce degree from University College Cork and a Masters degree in Business Studies from the Smurfit Graduate School of Business. Elizabeth is also a member of the Association of Chartered Certified Accountants.

#### **Sarah Murphy (Irish)**

Sarah Murphy is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director on Carne's AIF management company in addition to serving on the boards of Carne's UCITS and QIAIF platforms. As Chief Operations Officer of Carne's Management Companies, Sarah is primarily responsible for leading the execution of the firm's management company operations, which collectively oversee more than \$10bn in assets. She began her career at Carne as a

business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses. Prior to joining Carne, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations. Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

All of the Directors are non-executive directors and their address, for the purpose of the ICAV, is the registered office of the ICAV.

The ICAV secretary of the ICAV is Carne Global Financial Services Limited.

### **Investment Managers**

A description of the Investment Manager for each Fund will be included in the relevant Supplement.

### **The Manager**

The Manager is responsible for the investment policy, objectives and management of the ICAV and its Funds. The Manager was incorporated as a limited liability company in Ireland on 10 November 2003. The Manager's parent entity is Carne Global Financial Services Limited. The Manager's principal business is the provision of fund management services to collective investment schemes. The Manager is approved as a management company regulated by the Central Bank.

The Manager has delegated the performance of its discretionary investment management and distribution functions in respect of the ICAV and its Funds to the Investment Managers and administrative functions to the Administrator.

As of the date of the Prospectus, the Manager has also been appointed to act as management company for other regulated investment funds the list of which is available, upon request, at the registered office of the ICAV.

The Manager will receive periodic reports from the Investment Managers detailing the Funds' performance and analysing their investment. The Manager will receive similar reports from the other services providers in relation to the services which they provide.

Details of each of the Directors of the Manager are set out below:

### **Dennis Murray (nationality: Irish – Irish resident)**

Dennis Murray is Head of Risk for Carne Group, Ireland and Designated Director of Risk Management for the Manager. With over 24 years of working in the International Financial Services sector in Senior Risk & Investment Management functions, Dennis has gained extensive professional experience in both the US and Ireland as a Senior Risk Manager with the Charles Schwab Corporation and Dexia Group, respectively.

Dennis then spent over ten years with Dexia Group in Ireland as a Senior Credit Portfolio Manager before becoming a Director, Investments for Belfius Investments Ireland, a former entity of Dexia Group. Dennis holds a M.A. in Economics from U.C.D., has been a Certified Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since 2000 and recently attained a dual-award of a Professional Certificate in Investment Fund Services Risk Management (Operational Risk, Conduct Risk and Risk Culture) and an Operational Risk Manager Certificate from PRMIA (the Professional Risk Managers' International Association).



Dennis is authorised by the Central Bank as a Non-Exec Director (PCF-2) and a Designated Person (PCF-39) and is an active member of the Certified Investment Fund Director Institute, the Institute of Directors in Ireland and the Institute of Banking. Dennis was awarded the professional designation of Certified Investment Fund Director (CIFD) by the Certified Investment Fund Director Institute (a specialist body of the Institute of Banking) in 2017 and completed a Diploma in Company Direction through the Institute of Directors in Ireland (IoD) in 2016.

### **Teddy Otto**

Mr Otto is a principal with Carne Dublin, a leading business advisor to global asset managers. He specialises mainly in product development, fund establishment and risk. Before joining Carne, 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 Deutsche Bank 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.

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

Ms. Beazley is a Director with Carne Ireland specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. As Head of Onboarding for Carne Elizabeth has project managed the establishment of several third party management companies covering service provider selection, governance documentation drafting and operational set-up. She has also undertaken projects to develop efficient global financial reporting/oversight for major asset management firms. Elizabeth acts as a designated person and compliance officer for several UCITS companies and acts as Director on Carne's QIAIF and UCITS platforms. Prior to joining Carne Ms. Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Elizabeth has been a member of various industry working groups including the Technical committee and the ETF committee. She graduated with a Bachelor of Commerce from University College Cork, and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

### **Michael Bishop**

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

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

Neil is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund

manager and is a qualified risk management professional. Neil joined Carne in October 2014 from Irish Life Investment Managers (April 2006 – September 2014), where he was Head of Alternative Investments, overseeing an external hedge fund manager portfolio. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investee companies. He began his career with Irish Life as a sector-focused fund manager overseeing part of a

€4 billion portfolio. Prior to this, Neil was a Senior Equity Analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a Bachelor of Electrical Engineering from University College Cork and a Master of Business Administration from the Smurfit School of Business, University College, Dublin. He is a Chartered Alternative Investment Analyst (CAIA) and a Financial Risk Manager (FRM – Global Association of Risk Professionals).

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

Sarah is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Sarah is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$48bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

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

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

### **The Administrator**

The ICAV and the Manager have appointed Société Générale Securities Services, SGSS (Ireland) Limited as administrator, registrar and transfer agent pursuant to the Administration Agreement. The Administrator will have responsibility for the administration of the ICAV's affairs including the calculation of the Net Asset Value and preparation of the accounts of the ICAV, subject to the overall supervision of the Directors.

The Administrator is a private company incorporated with limited liability in Ireland on 9 January 2003. It is ultimately a wholly-owned subsidiary of Société Générale S.A., and is principally engaged in the business of, inter alia, providing fund administration, transfer agency and registrar services in respect of Collective Investment Schemes.

### **The Depositary**

The ICAV has appointed Société Générale S.A., Dublin Branch to act as depositary in respect of the ICAV and each of its Funds pursuant to the terms of the Depositary Agreement. The Depositary is a branch of Société Générale S.A., a French public limited company founded in 1864 and which is one of France's leading commercial and investment banking institutions with operations throughout the world and with its head office at 29, boulevard Haussmann, 75009 Paris, France. The Depositary is registered with the Paris Trade and Companies Register under number 552 120 222, is an establishment approved by the French Prudential Control and Resolution Authority (ACPR) and supervised by the French Financial Markets Authority (AMF). Société Générale S.A. is actively engaged in asset management, private banking and corporate and investment financial services throughout the world. Société Générale provides global

custody services to retail, institutional, industrial and corporate clients. As of the end of December 2015 it had approximately EUR 3,984 billion in assets under custody.

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

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

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

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

Pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV and to the Shareholders for the loss by the Depositary or a duly appointed third party of any assets that are financial instruments required to be held in custody in accordance with paragraph 4(a) of Regulation 34 of the Regulations (the "Custody Assets") unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and in the absence of proof of the loss being caused by such an external event), the Depositary is required to return Custody Assets of an identical type to those lost or the corresponding amount to the ICAV without undue delay. The Depositary Agreement provides that the Depositary will be liable to the ICAV and to the Shareholders in respect of all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the Regulations. In the event of a loss by the Depositary of assets which are not Custody Assets, the Depositary will only be liable to the extent the loss has occurred due to the negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the Regulations. The ICAV, out of the assets of the relevant Fund, shall indemnify and hold harmless the Depositary and each of its directors, officers, servants, employees and agents against all actions, proceedings, claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the ICAV), demands, losses, damages, costs and expenses (including legal and professional fees and expenses) which may be brought against, suffered or incurred by the Depositary other than as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and Regulations.

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

wind up the ICAV or convene in an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV.

### **Depositary Conflicts of Interest Management**

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

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

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

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

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

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

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

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

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping duties in

respect of financial instruments in custody in countries where it does not have local representation to the third parties listed on the website disclosed at Schedule 4 an up-to-date list of which will be made available to Shareholders upon request and/or at the following website:

<http://www.securities-services.societegenerale.com/en/who-are/key-figures/financial-reports/>

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

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

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

### **Paying Agent**

Local laws/regulations in member states of the European Economic Area may require the appointment of Paying Agents and maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediate entity (e.g. a sub-distributor or agent in the local jurisdiction) rather than directly to the Depositary of the ICAV bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor.

Fees and expenses of Paying Agents, which will be at normal commercial rates, will be borne by the relevant Fund. Fees payable to the Paying Agents which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Fund attributable to the class(es) of Shares, all Shareholders of which are entitled to avail of the services of the agents.

Paying Agents may be appointed in one or more countries.

### **Conflicts of Interest**

Due to the operations which are or may be undertaken by the Manager, the Investment Managers, the Administrator, the Depositary and the Directors and their respective holding companies, subsidiaries and affiliates (each an "interested party"), conflicts of interest may arise.

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. Furthermore, 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 is effected on normal commercial terms as if negotiated on an arm's length basis and the investments held by the ICAV are acquired in the best interests of the Shareholders.

Dealings will be deemed to have been effected on normal commercial terms negotiated at arm's length if: (1) a certified valuation of a transaction by a person approved by the Depositary as independent and competent is obtained; 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.

The Manager, the Investment Managers, the Depositary, the Administrator and/or their affiliates 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. Neither the Investment Managers nor any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction.

### **Soft Commissions**

#### *Non-MiFID Regulated Investments Managers*

An Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and that any benefits should be those which assist in the provision of investment services to the ICAV.

Where an Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or financial derivative instruments for a Fund, the rebated commission shall be paid to the relevant Fund. An Investment Manager, or any of its delegates, may be paid or reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

A report will be included in the Fund's annual and half-yearly reports describing the relevant Investment Manager's soft commission practices.

#### *MiFID Regulated Investment Managers*

In accordance with its obligations under MiFID, each Investment Manager which is subject to the requirements of MiFID, shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the relevant Investment Manager to the relevant Fund as soon as reasonably possible after receipt. In particular, where the Investment Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, permitted derivative instruments or techniques and instruments for a Fund, the rebated commission shall be paid to the relevant Fund as the case may be. The Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the Investment Manager from complying with its obligation to act in the best interests of the relevant Fund, provided they are disclosed to the Fund prior to the provisions of

investment management services by that entity. A list of acceptable “minor non-monetary” benefits is set out in the Commission Delegated Directive (EU) 2017/593.

The relevant Investment Manager may only receive third-party investment research, provided it is received on such basis that it does not contravene MiFID. Investment research will not constitute an inducement under MiFID where it is paid for by the Investment Manager itself out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund. In this regard, the Investment Manager may discharge the charges relating to investment research which is or may be used by the Investment Manager in managing the assets of the Fund out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund.

## **SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS**

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### **Initial Subscriptions**

The terms and conditions applicable to the subscription for Shares including the Initial Offer, the Initial Price, Minimum Holding, Minimum Redemption and Minimum subscription are set out in the Supplement for the relevant Fund.

### **Subscriptions Following the Initial Offer**

Following the close of the Initial Offer, the ICAV may offer Shares in each Fund on each Subscription Date at an issue price equal to the Subscription Price per Share of the relevant Fund on each Valuation Date.

### **Subscription Procedure**

All applications for Shares must be received by post, delivery or fax (with the signed original to follow as soon as possible after) by the Administrator for onward transmission to the Administrator at their respective addresses on the relevant Subscription Date no later than the times set out in the applicable Supplement. Applications received must be sent to the Administrator to be received no later than the times set out in the applicable Supplement. In addition, following initial subscription, subsequent subscriptions may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank).

The procedure for subscribing for Shares, the Minimum Subscription amount applicable and details of any subscription charges for each Fund will be as set out in the applicable Supplement. Notwithstanding the dealing provisions disclosed in each of the Supplements, subscriptions may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank) for all Funds.

Before subscribing for Shares, an applicant who is not an Irish Resident or is an Exempt Irish Resident 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.

### **Anti-Money Laundering Procedure**

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.. Depending on the circumstances of each application, a detailed verification of the source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is 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 a redemption 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 may be required to produce a copy of a current passport or identification card (which should show the photograph, signature and the date of birth of the individual applicant) duly certified by a public authority such as a notary public, together with two pieces of evidence of the applicant's address, such as a utility bill or bank statement (no more than three months old) duly certified by a notary public. In the case of corporate applicants, this may require production of certified copies of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and authorised signatories list together with the names, occupations, residential and business addresses and dates of birth of all directors and beneficial owners. Detailed verification of directors' and substantial beneficial owners' identity and address may also be required.

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 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 a subscription or redemption 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 refuse to process a redemption request until proper information has been provided including any relevant money laundering documentation.

In the event of failure by an investor or applicant to provide documentation required to complete verification purposes, within a reasonable period of time after subscription, the Administrator on behalf of the ICAV and the Directors may each terminate the relationship with such Shareholder and redeem the Shareholder's Shares. Where such failure to provide the requisite documentation is associated with a suspicion of money-laundering, the Administrator on behalf of the ICAV and the Directors will not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

### **Written Confirmations of Ownership**

Shares will be issued in registered form. Contract notes will normally be issued 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. Share certificates will not be issued. Investors will not be entered onto the register of Shareholders if they subscribe for less than the Minimum Subscription (or such other amount as the Directors have in their absolute discretion determined).

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 within three Business Days of the provisionally allotted Shares and 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 three Business Days of the provisional allotment of Shares will result in the cancellation of the provisionally allotted Shares. The Administrator will normally issue a completion notice after the Shares have been issued and this will constitute a written confirmation of ownership of the Shares. Any gains or losses incurred by the ICAV as a result of the cancellation of the provisionally allotted Shares shall be for the account of the relevant Fund. The Directors have discretion to accept settlement after the Closing Date, in the case of Shares provisionally allotted pursuant to the Initial Offer, and after the relevant Valuation Date, in the case of Shares provisionally allotted on a subsequent Subscription Date, in order to deal with any contingencies which may arise in the transfer of subscription monies.

Investors will be required to agree to indemnify and hold harmless the ICAV, the Directors, the Manager, the Investment Managers, 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, the Manager or the Administrator may refuse to process a redemption request until proper information has been provided including any relevant money laundering documentation.

The Directors may, in their absolute discretion, accept payment for Shares by a transfer in specie of assets, the nature of which would qualify as investments of the Fund in accordance with the investment policy and restrictions of the relevant Fund and the value of which (including the Net Asset Value per Share, thereof) shall be determined by the Administrator, having consulted with the relevant Investment Manager and the Depositary, in accordance with the valuation principles governing the ICAV 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 ICAV 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. In addition, the Directors must ensure that any assets transferred will be vested with the Depositary on behalf of the ICAV. The Director and the Depositary must be satisfied that any such in specie transfer will not result in any material prejudice to existing Shareholders. Where it is intended that Shares of a Fund will be admitted to listing on the Official List and trading on the Main Securities Market of the Irish Stock Exchange, details of the identity of any assets to be transferred in specie, if known at the time of listing, will be set out in the applicable Supplement.

The Directors 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 to the applicant at his/her own risk and expense without interest.

### **Clearstream, Luxembourg and Euroclear**

Shares can be purchased (following the initial subscription) and redeemed by Clearstream, Luxembourg and Euroclear participants. The Administrator will register Shares held through Clearstream, Luxembourg or Euroclear in the name of the common depository's nominee. Shares held through Clearstream, Luxembourg and Euroclear are freely transferable and no ownership or transfer restrictions will be monitored by the Depositary or the Administrator. Shares held in Clearstream, Luxembourg or Euroclear may only be redeemed by the Administrator upon the instructions of Clearstream, Luxembourg or Euroclear, as appropriate. All such requests received by Clearstream, Luxembourg or Euroclear will be forwarded to the Administrator and settled on an actual basis, delivery versus payment or receipt against payment.

### **Closure of Share Classes**

The Directors may close some or all of the Share Classes in a Fund(s) to subscriptions from existing and/or new Shareholders. The Directors may subsequently re-open some or all of the Share Classes in the Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process of closing and potentially, re-opening the Share Classes may be repeated thereafter as the Directors may determine from time to time. Shareholders may ascertain the closed or open status of the Share Classes of the relevant Fund and if those Classes are open to existing and/or new Shareholders by contacting the Administrator, the Manager or the relevant Investment Manager. Closing the Fund to new subscriptions will not affect the redemption rights of existing Shareholders in the relevant Fund and such Shareholders will be permitted to convert into other Share Classes of the same Fund or a Share Class of another Fund as outlined below under the section of the Prospectus below entitled "Conversion of Shares".

## **Staggered Listings of Share Classes**

The launch and listing of various classes of Shares within a Fund may occur at different times and, therefore, at the time of the launch of given classes of Shares, the pool of assets to which a given class of Shares relates may have commenced operations. Where relevant, further information in this regard will be available in the interim and annual reports of the Fund which are sent to Shareholders and which will be made available to potential investors upon request.

## **Transfers**

The transferor shall be deemed to remain the 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. In respect of the Shares, each transferee will be required to provide the same information, representations and warranties to the ICAV and the Administrator as are required from any applicant for Shares.

The ICAV will be required to account for tax on the value of 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.

## **Redemptions**

After the relevant Closing Date for each 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 Fund on such Redemption Date.

Requests for redemption may be made by post, delivery or fax (with the signed original to follow as soon as is possible) to the Administrators for onward transmission to the Administrator on a completed redemption request (which is available on request from the Administrator) so as to be received on the relevant Redemption Date on which the Shares are to be redeemed no later than the times set out in the applicable Supplement. Redemption requests received must be sent to the Administrator to be received no later than the times set out in the applicable Supplement. In addition, redemption requests may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank).

During any period of net redemptions, the redemption price per Share may be reduced, at the discretion of the Directors, by a charge in respect of each Fund to cover the dealing costs involved in redeeming investments in the underlying investments of the relevant Fund as set out in the applicable Supplement. The charge is intended to protect existing and continuing Shareholders against the dilution of the value of their investment on account of these charges.

The procedure for redeeming Shares and details of any redemption charges will be as set out in the applicable Supplement. Notwithstanding the dealing provisions disclosed in each of the Supplements, redemption requests may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank) for all Funds.

Redemption requests may be sent by post or facsimile or electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank) but redemption proceeds will not be remitted until the Administrator has received the original of the redemption request, the original of the application form used on initial subscription and any other documentation required by the Administrator, including any relevant money laundering documentation. Subject to the

agreement of the Administrator, the original of the redemption request may not be required prior to payment of redemption proceeds, provided that an indemnity in relation to faxed instructions or electronic instructions in the form prescribed by the Administrator has been received by the Administrator. Redemption requests will only be processed on receipt of faxed instructions or electronic instructions where payment is made to a bank account on record. In addition, the Administrator or the Directors may refuse to process a redemption request until proper information has been provided. Any amendments to a Shareholder's registration detail or payment instructions will only be effected upon receipt of original documentation by the Administrator.

The ICAV and the Administrator will be required to withhold tax on redemption monies 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 Resident, in each case in respect of whom it is not necessary to deduct tax.

The power to pay redemption proceeds in specie, is at the discretion of the Directors and subject to the consent of the redeeming Shareholder. Asset allocation is subject to the approval of the Depositary. Notwithstanding the above, a determination to provide redemption in specie may be solely at the discretion of the Manager where the redeeming Shareholder requests redemption of a number of shares that represents at least 5% of the Net Asset Value of the relevant Fund. In this event the ICAV will, if so requested by the redeeming Shareholder, sell the assets on behalf of the Shareholder and the cost of the sale of the relevant units may be charged to the Shareholder. Shares redeemed shall be deemed to cease to be in issue at the close of business on the relevant Redemption Date in respect of the redemption and such redeemed Shares shall be cancelled.

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one Fund into Shares of another Fund or, Shares of one class within a Fund into Shares of another class within the same Fund on giving three days' notice, or such shorter period as the Directors may in their absolute discretion determine, to the Administrator in such form as the Administrator may require. Such notice of conversion may be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank).

The conversion is effected by arranging for the redemption of Shares of one Fund, converting the redemption proceeds into the currency of another Fund, and subscribing for the Shares of the other Fund with the proceeds of the currency conversion. No conversion fee will be levied.

Conversion will take place in accordance with the following formula:-

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

where:-

NSH = the number of Shares which will be issued in the new Fund;

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

SP = the issue price of Shares in the new Fund on that Business Day after deducting 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 Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

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

### **Deferral of Redemptions**

The Manager may, in its absolute discretion, limit the number of Shares that can be redeemed on any one Redemption Date to 10 per cent. of the Net Asset Value of the applicable Fund. 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). The ICAV shall treat the redemption requests as if they were received on each subsequent Redemption Date until all of the Shares to which the original request relates have been redeemed and the original request has been satisfied in full. If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected. Redemption requests carried forward will be treated pro rata with redemption requests received in respect of subsequent Redemption Dates.

### **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 he 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 thirty days to purchase additional Shares to meet this minimum holding requirement.

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

Subscriptions, transfers, conversions and redemptions for any Fund will be suspended for as long as the calculation of the Net Asset Value of that Fund is suspended as more fully described in the section headed "Valuation – Suspension of Valuation" on page 54.

Any applications for subscriptions, transfers, conversions and redemptions for a Fund will be considered on the first Subscription Date or Redemption Date, as applicable, following the termination of a suspension.

### **Operation of Collection Accounts**

The Administrator will open a collection and redemption account which is opened in the name of the relevant Fund.

### **Investor Restrictions**

Potential investors should note that restrictions apply regarding the types of persons to whom Shares may be issued and transferred for the purpose of ensuring that no Shares are held by any person or persons:-

- (i) in breach of the law or requirements of any country or governmental authority; or
- (ii) in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or

not, or any other circumstance appearing to the Directors and the Administrator to be relevant) where, in the opinion of the Directors and the Administrator, such holding might result in taxation, legal, pecuniary, regulatory or material administrative disadvantage to the ICAV or its Shareholders as a whole.

### **Abusive Trading Practices**

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

### **Data Protection Information**

#### **(i) What Personal Data is used?**

- (a) The ICAV and/or any of its delegates or service providers (including the Administrator, the Depositary, the Manager, the relevant Investment Manager, Sub-Investment Managers, distributors, dealers and duly authorised agents) may hold some or all of the following types of Personal Data in relation to Shareholders and prospective investors (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by Shareholders and prospective investors when completing the application process for Shares in the ICAV, including the completion of the Application Form.
- (b) The ICAV and/or any of its delegates or service providers may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks.
- (c) The ICAV is obliged to verify the Personal Data and where necessary, the ICAV and/or any of its delegates or service providers may request additional information and/documents in relation to Shareholders and prospective investors to ensure compliance with legal, tax and regulatory requirements and to ensure that information and documents previously received is kept up-to-date.
- (d) Where Shareholders and prospective investors have furnished Personal Data in respect of their officers, employees and beneficial owners to the ICAV, those Shareholders and prospective investors must furnish the information in this section on data protection to them and where necessary, ensure that they have obtained the necessary consent.

#### **(ii) What is Personal Data used for?**

- (a) The ICAV and/or any of its delegates or service providers (including, the Manager, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents) may process prospective investors' and Shareholders' Personal Data for any one or more of the following purposes and on the following legal bases:
  - a. to manage and administer the Shareholder's holding in the ICAV and any related accounts on an ongoing basis as required for the performance of the contract between the ICAV and the Shareholder and to comply with legal and regulatory requirements;

- b. for any other legitimate business interests' of the ICAV or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the Shareholder, namely, statistical analysis, market research purposes and to perform financial, tax, legal and/or regulatory reporting or requirements;

Your right to object - you have a right to object to the processing of your Personal Data where that processing is carried out for our legitimate interests.

- c. for any other specific purposes where the Shareholder has given specific consent. Such consent may be subsequently withdrawn by the Shareholder at any time, without affecting the lawfulness of processing based on consent before its withdrawal by writing to the board of directors of the ICAV at its registered office; or
- d. to comply with legal and regulatory obligations applicable to the Shareholder and/or the ICAV from time to time, including applicable anti-money laundering and counter terrorist legislation. In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections), Shareholders' Personal Data (including financial information) may be shared with the Irish tax authorities and the Revenue Commissioners. They in turn may exchange information (including Personal Data and financial information) with foreign tax authorities (including foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard.
- e. Shareholders are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the ICAV being unable to permit, process, or release the Shareholder's investment in the ICAV and this may result in the ICAV terminating its relationship with the Shareholder.

**(iii) Where is Personal Data stored and sent?**

- (a) In the course of business, the ICAV will collect, record, store, adapt, transfer and otherwise process Personal Data of Shareholders. The ICAV is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of Members in accordance with Data Protection Legislation.
- (b) Where processing is carried out on behalf of the ICAV, the ICAV shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of Members. These data processor's include the Manager, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents. The ICAV will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including, to process Personal Data only in accordance with the documented instructions from the ICAV (or where appropriate, the Manager).

- (c) In certain instances the Manager, an Administrator, a Depositary, an Investment Manager, a Sub-Investment Manager, an Investment Advisor, a Distributor, a dealer or a duly authorised agent may be required to process the Personal Data of Shareholders for its own purposes. It will do so as a data controller and in accordance with these terms of a written agreement with the ICAV (or its applicable delegate or service provider) and in accordance with its obligations under Data Protection Legislation. These purposes will include one or all of the follow:
- a. in order to comply with its own legal obligations including under relevant anti-money laundering/counter-terrorist financing laws or in order to report tax or regulatory related information to competent bodies or authorities;
  - b. to monitor and record calls and electronic communications, which may contain Personal Data, for quality, business analysis, training, investigation and fraud prevention purposes, for crime and/or regulatory detection, prevention, investigation and prosecution, and to enforce or defend the its rights, itself or through third parties to whom it delegates such responsibilities or rights; and
  - c. use the Personal Data to advise the ICAV of other products and services offered by the applicable party.

For a list of the Manager, Administrators, Depositaries, Investment Managers, Sub-Investment Managers, Investment Advisors, Distributors, dealers or duly authorised agents who process Shareholder's Personal Data and their associated contact details please contact the ICAV by email at the following email address [dataprivacy@carnegroup.com](mailto:dataprivacy@carnegroup.com) or by writing to the ICAV at its registered office as set out in the Prospectus of the ICAV.

- (d) A Shareholder's Personal Data may be disclosed or transferred by the ICAV and/or any of its delegates or service providers (including, the Manager, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents), whether in Ireland or elsewhere (including to entities situated in countries outside of the EEA, to other delegates, duly appointed agents and service providers of the ICAV (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, third party cloud storage providers and other technology providers for the purposes specified above. Personal Data may be transferred or disclosed.
- (e) A Shareholder's Personal Data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. The ICAV and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. These safeguards will be one of the following:
- a. The ICAV and/or any of its delegates and service providers will send the data to a country that's been approved by the European authorities as having a suitably high standard of data protection law.
  - b. The ICAV and/or any of its delegates and service providers will seek: (i) to put in place a contract with the recipient containing terms approved by the European authorities as providing a suitable level of protection; (ii) put in place binding corporate rules; or (iii)



rely on one of the derogations provided for in Data Protection Legislation.

- c. Sending the data to an organisation which is a member of a scheme that's been approved by the European authorities as providing a suitable level of protection. One example is the "Privacy Shield" scheme agreed between the European and US authorities.
- d. More information on these safeguards can be found here: [https://ec.europa.eu/info/law/law-topic/data-protection\\_en](https://ec.europa.eu/info/law/law-topic/data-protection_en).

**(iv) How long is Personal Data kept for?**

- (a) The ICAV will retain a Shareholder's Personal Data for the period necessary to fulfil the purpose(s) for which the information was collected. The retention period may vary depending on the purpose(s) for which the information was collected. The ICAV will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.
- (b) Where a specific legal or regulatory requirement applies to your information (e.g. anti-money laundering, counter-terrorism, tax legislation) the ICAV will retain it for the period of time specified in such legal or regulatory requirement. In the absence of a specific legal or regulatory requirement, the ICAV will retain your information for the applicable statutory limitation period following the end of the matter to which it relates, typically up to seven years. The ICAV may be required to extend the retention period if the information is required in relation to a complaint, investigation, judicial review, a claim or litigation. Please also note that the ICAV is sometimes legally obliged to retain original legal documents indefinitely.

**(v) What rights are available to Shareholders?**

- (a) Pursuant to the Data Protection Legislation, Shareholders have several rights which they may exercise in respect of their Personal Data, namely:
  - a. the right of access to Personal Data held by the ICAV;
  - b. the right to amend and rectify any inaccuracies in the Personal Data held by the ICAV;
  - c. the right to erase the Personal Data held by the ICAV;
  - d. the right to data portability of the Personal Data held by the ICAV; and
  - e. the right to request restriction of the processing of the Personal Data held by the ICAV;
  - f. the right to withdraw your consent where the ICAV and/or any of its delegates or service providers are relying upon it to process Personal Data.
- (b) In addition, Shareholders have the right to object to processing of Personal Data by the ICAV.
- (c) The above rights will be exercisable by Shareholders subject to limitations as provided for in the Data Protection Legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism or tax legislation.

- (d) A Shareholder may make a request to the ICAV to exercise these rights by contacting the ICAV by email at the following email address [dataprivacy@carnegroup.com](mailto:dataprivacy@carnegroup.com) or by writing to the ICAV at its registered office as set out in the Prospectus of the ICAV.
- (e) If you have any concerns regarding our processing of your Personal Data, or are not satisfied with our handling of any request by you in relation to your rights, you also have the right to make a complaint to the Data Protection Commissioner's Office.

## **VALUATION**

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### **Net Asset Value**

The Net Asset Value of the ICAV and of each Fund or of each class 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 Fund is, as at any Valuation Point, the aggregate value of the assets attributable to each Fund (including, without limitation, any unamortised expenses) less the aggregate liabilities attributable to each Fund (including, without limitation, its accrued expenses including any performance fee accrual 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 Fund will be calculated by dividing the Net Asset Value of such Fund by the number of Shares in issue in respect of that Fund.

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

Where classes of Shares denominated in different currencies are created within the 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 class and any costs and gains/losses of the hedging transactions will accrue solely to the relevant class of Shares. Furthermore, no currency Share class may be leveraged as a result of using such currency hedging transactions. Any currency hedging will be limited to 100 per cent. of the Net Asset Value attributable to each class of Shares. The costs and gains/losses of the hedging transactions will accrue solely to the relevant class of Shares. This strategy may substantially limit Shareholders of the class of Shares from benefiting if the class currency falls against the base currency and/or the currency in which the assets of a Fund are denominated.

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

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

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

- (a) the proceeds from the issue of each Share shall be applied in the books and records of the Fund established for that Share, and the assets less the liabilities plus income less expenditure attributable thereto shall be applied to such 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 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 Fund;
- (c) in the case of any asset which the Directors do not consider as attributable to a particular 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 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 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 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 Funds pro rata to their Net Asset Values.

### **Valuation Principles**

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

- (1) The Net Asset Value of each 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 Fund.
- (2) The assets of a Fund shall be deemed to include:-
  - (a) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
  - (b) all bills, demand notes, promissory notes and accounts receivable;
  - (c) all bonds, certificates of deposit, shares, stock, units in collective investment schemes, debentures, debentures stock, subscription rights, warrants, options and other investments and securities owned and contracted for, (other than rights and securities issued by it);
  - (d) all stock and cash dividends and cash distributions which the Directors consider will be received by the ICAV in respect of the 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;
  - (e) all interest accrued on any interest-bearing securities forming part of the Fund; and
  - (f) all prepaid expenses including dividends receivable by the ICAV relating to that 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.
- (3) 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.
- (4) Assets shall be valued as follows:-
  - (g) deposits shall be valued at their principal amount plus accrued interest from the date on which the same was acquired or made;

- (h) save as otherwise herein provided investments or assets listed, quoted or dealt in on a Recognised Market shall be valued at the Valuation Point (or such other time as the Manager (or where relevant, the Directors) shall consider more appropriately represents the time of closing of business in such Recognised Market) in each case being the mid-market price (being the average of the bid and offer prices) on the Recognised Market on which these assets are traded or admitted for trading (being the Recognised Market which is the sole or in the opinion of the Directors the principal Recognised Market on which the investment in question is listed, quoted or dealt in). If, in the sole opinion of the Manager (or where relevant, the Directors), the dealing price (which will be the mid-market price) for the assets, calculated as at the Valuation Point is not representative of the value of the assets, the value will be the probable realisation value, estimated with care and in good faith by such competent person as may be appointed by the Manager (or where relevant, the Directors) and approved for the purpose by the Depositary;
- (i) exchange traded futures and options contracts (including index futures) shall be valued at the settlement price as determined by the market in question. If such market price is not available, the value shall be the probable realisation value estimated by an independent party approved for the purpose by the Depositary. 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. Forward exchange contracts shall be valued by reference to freely available market quotations. As foreign exchange hedging may be utilised for the benefit of a particular type of Share within a Fund, its costs and related liabilities and/or benefits shall be for the account of that Share type 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 type;
- (j) securities quoted, listed or normally dealt in on more than one market, the Directors shall adopt as the value thereof the relevant price on the market which, in their opinion, provides the principal market for such securities, or the market which the Manager determines provides the fairest criteria in value for such securities;
- (k) at any time when dealing prices are not available in respect of assets listed, quoted or dealt in on a Recognised Market in each case on the Recognised Market on which these assets are traded or admitted for trading (being the Recognised Market which is the sole or in the opinion of the Directors the principal Recognised Market on which the investment in question is listed, quoted or dealt in), the value of the assets will be the probable realisation value estimated with care and in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Depositary;
- (l) any investments or assets not listed, quoted or dealt in on a Recognised Market shall be valued at the probable realisation value as determined with care and in good faith by such competent persons as may be appointed by the Directors and approved for the purpose by the Depositary;
- (m) securities listed or traded on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued, taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security;
- (n) cash shall be valued at face value (together with accrued interest to the relevant Valuation Date) unless, in the opinion of the Manager, any adjustment should be made to reflect the fair value thereof in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant;

- (o) the value of units or shares or other similar participation in any Collective Investment Scheme shall be valued at the latest mid-market price or the last available Net Asset Value as published by the Collective Investment Scheme; and
  - (p) notwithstanding the foregoing, the Manager may permit some other method of valuation to be used for any particular asset if they consider that such valuation better reflects the fair value of that asset, such other method to be approved by the Depositary. The rationale/ methodologies used should be clearly documented.
- (5) Currencies or values in currencies other than in the currency of designation of a particular Fund shall unless the Directors determine otherwise be converted or translated at the rate which the relevant Investment Manager after consulting with, or in accordance with, the method approved by the Depositary 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 Fund.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator may rely upon such automatic pricing services as it shall determine or, if so instructed by the ICAV or the relevant Investment Manager, it may use information provided by particular pricing services, brokers, market makers or other intermediaries. In such circumstances, the Administrator shall not, in the absence of negligence or wilful default on the part of the Administrator, be liable for any loss suffered by the ICAV or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary. Furthermore, in calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall use reasonable endeavours to verify pricing information supplied by the relevant Investment Manager, any investment adviser or any connected person, but investors should note that in certain circumstances it may not be possible or practicable for the Administrator to verify such information. In such circumstances, the Administrator shall not be liable for any loss suffered by the ICAV or any Shareholder by reason of any error in the calculation of the Net Asset Value and Net Asset Value per Share resulting from any inaccuracy in the information provided by any such person.

### **Calculation of Subscription and Redemption Prices**

#### *Subscription Prices*

The prices at which Shares of each Class may be subscribed for on a Subscription Date is the Subscription Price per Share of the relevant Class calculated as at the Valuation Point in respect of the relevant Subscription Date.

The Subscription Price per Share of each Class is ascertained by: -

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Subscription Date;
- (b) adding thereto a provision for Duties and Charges, if the Directors so determine; and
- (c) in the event of subscription applications exceeding redemption request for any Dealing Day, and if the Directors so determine, adding thereto such provision representing an Anti-Dilution Levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors may determine.

### *Redemption Prices*

The price at which Shares may be redeemed on a Redemption Date is the Redemption Price per share of the relevant Class calculated as at the Valuation Point in respect of the relevant Redemption Date.

The Redemption Price per Share of the relevant Class is ascertained by: -

- (d) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (e) deducting therefrom a provision for Duties and Charges, if the Directors so determine; and
- (f) in the event of requests for redemption exceeding subscription applications for the ICAV on any Redemption Date, and if the Director so determine, deducting therefrom such provision representing an Anti-Dilution Levy to provide for dealing costs and preserve the value of the underlying asset of the relevant Fund as the Directors determine.

The Subscription Price and the Redemption Price of Shares of each class is available from the Administrator on request.

### **Suspension of Valuation**

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

- (a) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial part of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders in the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the relevant Fund cannot be fairly calculated; or
- (c) any breakdown in the means of communication normally employed in determining the value of the investments of the relevant Fund or when for any reason the current prices on any market of a substantial part of the investments of the relevant Fund cannot be promptly and accurately ascertained.

Any such suspension will be notified to the Central Bank and the Irish Stock Exchange (for each class of Shares admitted to listing on the Official List and trading on the Main Securities Market of the Irish Stock Exchange) immediately and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Without prejudice to the foregoing, and in circumstances where the temporary suspension has not been lifted within 21 working days of application, the Central Bank will be provided with an update on the temporary suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

## **FEES AND EXPENSES**

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### **Establishment Expenses**

Details of the establishment expenses relating to any Funds of the ICAV which are established in the future will be set out in the applicable Supplement. The preliminary expenses incurred in the formation of each Fund as set out in the relevant Supplement will be discharged out of the assets of the relevant Fund and will be amortised over the first five financial years of the relevant Fund's operation.

The Directors may in their absolute discretion, following consultation with the Depositary, shorten the period over which said expenses are amortised.

This practice of amortisation of establishment costs is not in accordance with International Financial Reporting Standards and, although this is not anticipated by the Directors, could lead to a divergence between the published Net Asset Value per Share, which is calculated in accordance with this Prospectus, and the Net Asset Value per Share included in the financial statements, which is calculated in accordance with International Financial Reporting Standards.

### **Investment Management Fee**

Under the provisions of the relevant Investment Management Agreement, each Fund or class of Shares will pay the Investment Manager a fee in respect of its duties as investment manager of that Fund or class of Shares. Each Investment Manager is entitled to such fees as stated in the relevant Supplement.

### **Performance Fee**

A performance fee may be payable to the relevant Investment Manager by a Fund or class of Shares. Details of such fees will be set out in the applicable Supplement.

### **Management Fee**

Under the provisions of the Management Agreement, each Fund or class of Shares will pay the Manager a fee in respect its duties as Manager of that Fund or class of Shares. Details of such fees will be as set out in the applicable Supplement.

### **Administration Fee**

Under the provisions of the Administration Agreement, each Fund or class of Shares will pay the Administrator a fee in respect of its duties as Administrator of that Fund or class of Shares. Details of such fees will be as set out in the applicable Supplement.

### **Depositary Fee**

Under the provisions of the Depositary Agreement, each Fund or class of Shares will pay the Depositary a fee in respect of its duties as Depositary of that Fund or class of Shares. Details of such fees will be as set out in the applicable Supplement.

### **Initial Sales Charge and CDSC**

Details of any applicable initial sales charge or CDSC shall be specified in the Supplement for the relevant Fund.



## **Redemption Charge**

The Directors may, at their discretion, charge redeeming Shareholders a redemption charge of up to 3% of the Net Asset Value per Shares. Details of any applicable redemption charge shall be specified in the Supplement for the relevant Fund.

## **Paying Agent Fees**

Fees and expenses of Paying Agents, which will be at normal commercial rates, will be borne by the relevant Fund. Fees payable to the agent which are based upon Net Asset Value will be payable only from the Net Asset Value of the relevant Fund attributable to the classes of the Shares.

## **Directors' Remuneration**

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year shall not exceed €130,000. However, any Directors affiliated with the Investment Manager are not entitled to a fee. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the ICAV or in connection with the business of the ICAV. The Directors may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the ICAV and such remuneration will be at normal commercial rates.

## **Other Expenses**

The ICAV will also pay the following costs and expenses:-

- (i) all out-of-pocket expenses payable to the Manager, the Investment Managers, the Administrator and the Depositary (including VAT thereon). Such out-of-pocket expenses may include transaction charges provided that they are charged at normal commercial rates. Any expenses incurred in relation to a particular Fund will be applied to that Fund. Expenses incurred in relation to more than one Fund will be applied pro-rata across the relevant Funds;
- (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 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 any Prospectus or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise);
- (v) all expenses incurred in the collection of income of the ICAV;
- (vi) 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);
- (vii) 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;

- (viii) all commissions, stamp duty, value added tax and other costs and expenses of or incidental to any acquisition, holding, 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 therefore or in respect thereof or in connection therewith;
- (ix) 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 dispatched pursuant to the Instrument of Incorporation;
- (x) the fees and expenses of the auditors, tax and legal advisers, translators and other professional advisers of the ICAV;
- (xi) all fees and expenses in connection with the marketing and advertising of the ICAV;
- (xii) any fees payable by the ICAV to any regulatory authority in any other 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, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (xiii) all fees and costs relating to the listing or de-listing of Shares in the ICAV on the Irish Stock Exchange or on any other stock exchange;
- (xiv) 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;
- (xv) all other costs and expenses incurred by the ICAV and any of its appointees which are permitted by the Instrument of Incorporation; and
- (xvi) fees in respect of company secretarial services.

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

## TAXATION

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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, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in 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 Directors 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.

### Ireland

The Directors have been advised that on the basis that the ICAV is resident in Ireland for taxation purposes, the taxation position of the ICAV and the Shareholders is as set out below. Please refer the Irish Tax Definitions outlined at the end of this Section.

### **The ICAV**

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

The Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B TCA. Under current Irish law and practice, the ICAV is not chargeable to Irish tax on its relevant income and relevant gains.

However, a charge to tax can arise on the happening of a “chargeable event” in the ICAV. A chargeable event includes any payments to Shareholders or any distribution, encashment, redemption, cancellation, transfer and also includes a Deemed Disposal (as defined below) of Shares.

A chargeable event does not include:

- (a) An exchange by a Shareholder, effected by way of an arm’s length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;
- (b) Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System (as defined below) as designated by order of the Irish Revenue Commissioners;
- (c) A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or former civil partners, subject to certain conditions;
- (d) An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H TCA) of the ICAV with another investment undertaking; or

- (e) An exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) TCA), subject to certain conditions.

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

Where the chargeable event is a Deemed Disposal and the percentage value of Shares held by Irish Residents is less than 10% of the total value of the Shares in the ICAV, and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for each Irish Resident Shareholder, the ICAV will not be obliged to deduct tax. The Shareholder must instead pay tax on the Deemed Disposal on a self-assessment basis. Irish Resident Shareholders should contact the ICAV to ascertain whether the ICAV has made such an election in order to establish their responsibilities to account for Irish tax. Credit is available against tax relating to a chargeable event for tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No chargeable event will arise in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Irish Shareholder provided in each case that a Relevant Declaration (as defined below) has been provided to the ICAV by the Shareholder.

## **Taxation of Shareholders**

### *Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish tax in respect of their Shares. No tax will be deducted by the ICAV provided that either:

- (a) the ICAV is in possession of a signed and completed Relevant Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the ICAV is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn (the "Equivalent Measures Regime").

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

In the absence of such a Relevant Declaration or Equivalent Measures Regime, the ICAV must presume that the Shareholder is Irish Resident and the ICAV will deduct tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder. It is the obligation of a non-Irish Resident Shareholder to notify the ICAV if it ceases to be non-Irish Resident.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption (as above) on behalf of the Shareholders for whom they are acting provided that the ICAV is not in possession of any information which would reasonably suggest that the information provided by an Intermediary is incorrect. The Intermediary must state in the Relevant Declaration that to the best of its knowledge the Shareholders on whose behalf it acts are not Irish Resident.

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

#### *Exempt Irish Shareholders*

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

Irish Resident Exempt Irish Shareholders in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV in all respects as if they are not Exempt Irish Shareholders (see below).

Exempt Irish Shareholders may be liable, under the self-assessment system, to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.

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

#### *Taxable Irish Residents*

An Irish Resident Shareholder who is not an Exempt Irish Shareholder will have tax deducted at the rate of 41% in respect of any distributions made by the ICAV and on any gain arising on a sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules. The ICAV will be entitled to deduct such tax from payments or redeem and cancel such number of Shares as are required to meet the tax in respect of the relevant Shareholder and will pay the tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish Resident company, and the ICAV is in possession of a declaration from the Shareholder confirming that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on a redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

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

Where an Irish Resident Shareholder is not a company and tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for income tax at the rate of 41% on the payment or on the amount of the

gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

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

- (a) where an Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder (and has therefore had tax deducted), and the payment is taxable as trading income under Schedule D Case I, therefore the amount received by the Shareholder is increased by any amount of tax deducted and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (b) where the payment is made on the sale, transfer, Deemed Disposal, redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (c) the amount of tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

Where an Irish Resident Shareholder is a company and tax has not been deducted, the amount of the payment will be treated as income arising which is chargeable to Irish tax. Where the payment is in respect of the sale, transfer, cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax at the standard rate of 12.5% under Schedule D Case I.

Should an excess payment of tax arise on the redemption of Shares as a result of tax paid on an earlier Deemed Disposal in respect of the Shareholder, the ICAV, on election in writing to the Revenue Commissioners and notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided the value of the Shares held by the Shareholder does not exceed 15% of the total value of the Shares in the ICAV. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a Deemed Disposal for the making of an irrevocable election by the ICAV to value the Shares at the later of 30 June or 31 December immediately prior to the date of the Deemed Disposal, rather than on the date of the Deemed Disposal.

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

### *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In addition, the tax reference number of the Shareholder must be provided (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided.

However, no details are required to be reported to the Irish Revenue Commissioners in respect of Shareholders who are:

- (a) Exempt Irish Shareholders;
- (b) Shareholders who are non-Irish Resident (provided a Relevant Declaration has been made); or
- (c) Shareholders in respect of whom their Shares are held in a Recognised Clearing System.

## **Other Taxes**

### *Foreign Taxes*

Dividends and interest which the ICAV may receive with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding or capital gains taxes, in the countries in which the issuers of the investments are located. It is not known whether the ICAV will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the ICAV will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific non-corporate Irish Resident Shareholder where that Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those individuals who can influence the selection. The tax deducted on the happening of a chargeable event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the property which may or has been selected was acquired on arm's length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares denominated in a currency other than Euro, such Shareholder may be liable to capital gains tax, currently at the rate of 33%, in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*

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

### *Capital Acquisitions Tax*

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B TCA, any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT"), currently at the rate of 33%, and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if:

- (a) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant Valuation Day;
- (b) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and
- (c) at the date of the gift, or at the date of the inheritance, the donee or successor is not domiciled or ordinarily resident in Ireland.

### **OECD Common Reporting Standard**

The common reporting standard (“CRS”) framework was first released by the OECD as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. The Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD in 2014 and this includes the Standard. The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (“FIs”) relating to account holders who are tax resident in other participating countries.

Ireland is a signatory to the Multilateral Competent Authority on Automatic Exchange of Financial Account Information which adopts and implements CRS. Enabling legislation providing the legal basis for the operation of the CRS is effective and involves the collection and reporting of financial account information by Irish FIs. Ireland has elected to adopt the “wider approach” to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all account holders rather than just account holders who are resident in a jurisdiction that has adopted the Standard. The Irish Revenue Commissioners will then disseminate this information to the jurisdictions with whom they need to exchange information.

The ICAV is classified as an Irish FI and will be obliged to report to the Irish Revenue Commissioners in respect of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year with respect to the previous calendar year.

Shareholders should note that the ICAV is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder’s investment (including but not limited to the value of and any payments in respect of the Shares) to the Irish Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the ICAV may require additional information and documentation from Shareholders.

Each Shareholder and prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements. Further information in respect of Ireland’s implementation of CRS may be found at <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-is-aeoi.aspx>

### **FATCA**

The governments of Ireland and the United States have signed an intergovernmental agreement (the “IGA”) that significantly increases the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish FIs by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The ICAV is classified as an Irish FI and will be subject to these rules.

The IGA provides that Irish FIs will report to the Irish Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS



in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The ICAV (and / or a delegate of the ICAV such as the Administrator or the Manager) shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or the Irish implementing legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.

There can be no assurance that payments to the ICAV in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly Shareholders and prospective investors should consult its own tax advisors as to the potential implication of the U.S. withholding taxes on the Shares before investing. Further information in respect of Ireland's implementation of FATCA may be found at <https://www.revenue.ie/en/companies-and-charities/international-tax/aeoi/what-is-aeoi.aspx>

#### **Irish Tax Definitions:**

**“Deemed Disposal”** means the deemed chargeable event that will occur at the expiration of the eighth anniversary of an Irish Resident Shareholder acquiring their shareholding and on every subsequent eighth anniversary thereafter;

**“Exempt Irish Shareholder”** means a Shareholder who comes within any of the categories listed below and has provided a Relevant Declaration to this effect to the ICAV in a form acceptable to the ICAV:

- (a) a qualifying management company within the meaning of Section 739B(1) TCA;
- (b) a specified company within the meaning of Section 734(1) TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) TCA;
- (d) an investment limited partnership within the meaning of Section 739J TCA;
- (e) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or a trust scheme to which Section 784 or 785 TCA applies;
- (f) a company carrying on life business within the meaning of Section 706 TCA;
- (g) a special investment scheme within the meaning of Section 737 TCA;
- (h) a unit trust to which Section 731(5)(a) TCA applies;
- (i) a charity being a person referred to in Section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a qualifying fund manager within the meaning of Section 784A TCA or a qualifying savings manager within the meaning of Section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C TCA;
- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in Section 787A TCA;
- (m) 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);

- (n) the National Asset Management Agency;
- (o) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- (p) the Courts Service;
- (q) a credit union within the meaning of Section 2 of the Credit Union Act 1997;
- (r) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Fund is a money market fund;
- (s) a company which is within the charge to corporation tax in accordance with Section 110(2) TCA in respect of payments made to it by the ICAV; and
- (t) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the ICAV in respect of that Shareholder under Part 27, Chapter 1A TCA.

**“Intermediary”** means a person who:

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

**“Irish Resident”** means any person Resident in Ireland or Ordinarily Resident in Ireland other than an Exempt Irish Shareholder;

Resident in Ireland means in the case of a:

#### *Company*

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on the location of its place of central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless that company is regarded as resident in a treaty partner jurisdiction by virtue of the terms of a double taxation treaty between Ireland and that treaty partner jurisdiction. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland set out in the revised Section 23A TCA 1997.

The incorporation rule for determining the tax residence of a company incorporated in Ireland applies to all companies incorporated on or after 1 January 2015. For companies incorporated in Ireland before this date, a transition period will apply until 31 December 2020. It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A TCA.

#### *Individual*

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

- (a) Spends 183 or more days in Ireland in that tax year; or
- (b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding year.

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

presence of an individual if the individual is present in Ireland at any time during that day. If an individual is not resident in Ireland in a particular year, the individual may, in certain circumstances, elect to be treated as resident in Ireland for tax purposes;

#### *Trust*

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

**“Ordinarily Resident”** the term “ordinary residence” as distinct from “residence” denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive year in which that individual is not resident in Ireland. Thus an individual who is resident and ordinarily resident in Ireland in 2019 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the year in 2022.

**“Recognised Clearing System”** means BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD), Central Moneymarkets Office, Clearstream Banking SA, Clearstream Banking AG, CREST, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Euroclear, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Center (JASDEC), Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG, The Canadian Depository for Securities Ltd, VPC AB (Sweden) or any other system for clearing shares which is designated for the purposes of Section 739B TCA, by the Irish Revenue Commissioners as a recognised clearing system;

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

## United Kingdom

### *The ICAV*

The Directors intend to conduct the affairs of the ICAV in a manner such that it does not become resident in the UK for tax purposes. It is also the Directors' intention to run the ICAV as an investment company and not to carry out any trading activities (e.g. trading in securities), though it cannot be guaranteed that HM Revenue & Customs ("HMRC") will accept this treatment at all times. Accordingly, and provided that the ICAV is not held to carry on a trade in the UK through a permanent establishment situated therein, the ICAV will not be subject to UK corporation tax on income and gains arising from its activities. However, it cannot be guaranteed that these conditions will be met at all times.

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

### *Shareholders (other than those holding Shares through an ISA)*

At present the subscription limit for an ISA is £20,000 from tax year 2017 to 2018. Subject to their personal tax position, dividends or other distributions (including redemption dividends and any dividends funded out of realised capital profits of the ICAV) received by UK resident Shareholders will be subject to UK income tax or corporation tax annually, whether or not reinvested. In addition, UK Shareholders holding Shares at the end of each 'reporting period' (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a class 'reported income', to the extent that this amount exceeds dividends received. The terms 'reported income', 'reporting period' and their implications are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

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

### UK Reporting Fund Regime

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a 'reporting fund' (and a "distributing fund" prior to 1 April 2011 if appropriate) for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. Such elections have

specified time limits in which they can be made. Such investors should seek separate professional advice.

It should be noted that a "disposal" for UK tax purposes would generally include a switching of interest between Funds within the ICAV and might in some circumstances also include a switching of interests between classes in the same Fund of the ICAV.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. The Directors intend to manage the affairs of the ICAV and the Fund so that these upfront and annual duties are met and continue to be met on an ongoing basis for each of the classes within the ICAV, which intend to seek UK reporting fund status with effect from inception. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period, to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders six months following the end of the relevant reporting period.

Once reporting fund status is obtained from HMRC for the relevant classes, it will remain in place permanently so long as the annual requirements are undertaken. Should investors wish further information on the implications of the Funds obtaining such status they should seek professional advice.

In accordance with Regulation 90 of the Offshore Funds (Tax) Regulations 2009, Shareholder reports are made available within six months of the end of the reporting period at <https://www.carnegroup.com/>. The intention of the Offshore Fund Reporting regulations is that reportable income data shall principally be made available on a website accessible to UK investors. Alternatively, the Shareholders may if they so require, request a hard copy of the reporting fund data for any given year. Such requests must be made in writing to the following address:

Société Générale Securities Services, SGSS (Ireland) Limited  
3rd Floor  
IFSC House IFSC, Dublin 1  
Ireland

Each such request must be received within three months of the end of the reporting period. Unless the relevant Investment Manager is notified to the contrary in the manner described above, it is understood that investors do not require their report to be made available other than by accessing the appropriate website.

Individuals may be taxed on capital gains at a flat rate of 18 per cent. (or 28 per cent. for higher rate tax payers). A gain on disposal of Shares, together with other chargeable gains less allowable losses in a tax year, is subject to tax to the extent that it exceeds the annual exempt amount, which for the tax year 2012/2013 is £10,600.

Corporate Shareholders are not eligible for the annual exempt amount but indexation allowance may be available to reduce the amount of any taxable gain.

Special rules exist for Shareholders who are UK resident life assurance companies. Such investors should seek their own professional advice.

For UK resident corporate Shareholders investing in Funds more than 60 per cent. invested in "qualifying investments" (generally those which yield a return in the form of interest), capital gains tax treatment does not apply to their holding. Instead, their holding will be treated as a loan relationship and in most cases any increase in the value of the holding taxed on an annual mark to market basis. Equally, a deduction is available for any equivalent decrease in value. UK

corporate Shareholders affected by these rules should seek their own specific professional tax advice.

When United Kingdom resident individuals receive dividends (including reported income) from the ICAV they will, subject to their personal circumstances, be subject to tax at the ordinary rate of 10 per cent, the higher rate of 32.5 per cent. or the dividend additional rate of 42.5 per cent. UK individuals may be eligible to a non-refundable tax credit equivalent to 10 per cent. of the dividend plus the tax credit, which may be offset against their liability to tax. However, where Funds hold more than 60 per cent. of their assets in "qualifying investments" at any time (broadly assets in interest bearing securities or similar form), any distribution will be treated as interest in the hands of the UK individual investor. This means that no tax credit will be available and the relevant tax rates will be those applying to interest (i.e. 10 per cent. for starting rate tax payers, 20 per cent. for basic rate tax payers, 40 per cent. for higher rate tax payers and 50 per cent. for tax payers paying tax at the new additional rate of taxation).

UK resident individual 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 dividend or other distribution is received may be subject to United Kingdom income tax on such dividends or distributions on the remittance basis. The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad), which may render them liable to income tax in respect of the undistributed income of a Fund.

For UK corporate Shareholders distributions received from the ICAV (including reported income) will be treated as overseas dividends except where Funds are more than 60 per cent. invested in "qualifying investments" (generally those which yield a return in the form of interest), in which case the distribution received will be treated as an interest receipt.

When UK corporate shareholders, which are within the charge to UK corporation tax, receive dividends from the ICAV on and after 1 July 2009, the dividend is likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-UK companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the exemption from United Kingdom corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated the same way as a dividend distribution for these purposes.

It is anticipated that UK resident Shareholders will invest in classes of Shares within a Fund with UK reporting fund status (and previously UK distributor status, where relevant). Shareholders investing in other classes of Shares within a Fund should seek their own professional advice.

Shareholders should be aware that if persons who are resident in the United Kingdom (or certain persons connected with residents of the United Kingdom) have the power to secure that the affairs of the ICAV are conducted in accordance with their wishes, the ICAV may be a "controlled foreign company" for the purposes of Chapter IV Part XVII of the Income and Corporation Taxes Act, 1988 ("ICTA") (or Part 9A of the Taxation (International and Other Provisions) Act 2010 for accounting periods beginning on or after 1 January 2013). If the ICAV were to fall to be treated as a controlled foreign company any company that either alone or together with connected or associated persons, is deemed to be entitled to 25 per cent. or more of the ICAV's profits could be taxed on its share of the ICAV's profits unless one of a number of available exemptions is met. UK resident companies entitled to 25 per cent. or more of the chargeable profits of the ICAV should take their own specific professional advice.

The attention of Shareholders is drawn to the provisions of Section 13 of the UK Taxation of Chargeable Gains Act 1992. Under this section, if the ICAV would be treated as a close company were it resident in the UK, holders of more than a 10 per cent. interest in the ICAV could be assessed to UK tax on the ICAV's capital gains.

### *Shareholders (holding Shares through an ISA)*

The Directors intend that Shares of each Fund will qualify for inclusion within the stocks and shares component of an ISA provided that the ISA manager has acquired the Shares by purchase in the market or by application for Shares publicly offered for sale or subscription as the ICAV is authorised as a UCITS and has been approved as a recognised scheme under Section 264 of the Financial Services and Markets Act 2000. At present the subscription limit for an ISA is £11,280 from tax year 2012/2013 onwards, of which a maximum of £5,640 can be invested in cash investments.

Dividends on Shares held within an ISA are exempt from income tax. Capital gains on the disposal of Shares held within an ISA are exempt from capital gains tax.

### *Stamp Duty and Stamp Duty Reserve Tax*

The Shares should not be regarded as "chargeable securities" for the purposes of UK stamp duty reserve tax and, accordingly, no stamp duty reserve tax should be chargeable in respect of agreements for their transfer.

Technically, a charge to UK stamp duty could arise on an instrument of transfer in respect of the Shares (or a document evidencing a transfer) if it were executed in the UK or there is a matter or thing to be done in the UK. The term matter or thing is wide and may include paying or receiving cash in a UK bank account.

Where a charge to UK stamp duty arises this will generally be at the rate of 0.5 per cent. of the consideration for the transfer, rounded up to the nearest £5. Notwithstanding this, provided there is a separate instrument of transfer (or document evidencing the transfer) not executed in the UK, there should be no mechanism for enforcing the stamp duty and, in practice therefore, it is unlikely any charge would need to be paid.

## **MATERIAL CONTRACTS**

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

### **The Management Agreement**

The Management Agreement provides, inter alia, that:

- (i) the appointment of the Manager shall continue and remain in force unless and until terminated by either party giving to the other not less than 90 days' written notice. Upon the insolvency of either party or occurrence of certain other events, the agreement may be terminated by the other party with immediate effect;
- (ii) the ICAV agrees to indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees and agents) from and against any and all actions, proceedings, claims, demands, losses, costs and expenses which may be brought against, suffered or incurred by the Manager or any of its directors, officers, employees or agents by reason of its performance or non-performance of its obligations or functions pursuant to the Management Agreement other than those resulting from the fraud, bad faith, negligence or wilful default on the part of the Manager; and
- (iii) the Manager is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses" on page 55.

### **The Administration Agreement**

The ICAV and the Manager have appointed the Administrator under the terms of the Administration Agreement to carry on the general administration and accounting of the ICAV and to act as registrar and transfer agent to the ICAV.

The Administration Agreement provides, inter alia, that:

- (i) the Administrator's duties include, amongst others, the calculation of the NAV of each Fund, maintaining all books and records as may be required by Irish law and performing such other fund accounting and financial reporting services as may be agreed between the ICAV, the Manager and the Administrator in writing from time to time;
- (ii) the Administration Agreement shall continue in effect until terminated at any time by either the ICAV and the Manager or the Administrator upon not less than three months' written notice to the other parties; and
- (iii) the ICAV shall indemnify the Administrator, its directors, officers, agents, delegates or employees (the "Indemnitees") and hold it/ them harmless out of the assets of the relevant Fund from and against all liabilities, damages, reasonable costs, claims and reasonable expenses (including reasonable and documented professional fees) which may be suffered or incurred by, or awarded against any Indemnitee as a result of the Administrator's providing the services as set out in the Administration Agreement provided that such indemnity shall not be given where, inter alia, the Indemnitee is guilty of negligence, recklessness, wilful default, fraud or bad faith, in the performance of the duties and obligations of the Administrator under the Administration Agreement. Furthermore, the ICAV is not required to indemnify the Administrator for any indirect, special or consequential loss or damages, costs, claims or expenses.

### **The Depositary Agreement**

The ICAV has appointed the Depositary under the terms of the Depositary Agreement to act as Depositary of the ICAV's assets.



The Depositary Agreement provides, inter alia, that:

- (i) the Depositary undertakes to carry out depositary services including duties in relation to the custody of assets, asset verification duties, cash monitoring duties and oversight duties and all other duties and services to be provided by the Depositary pursuant to the terms of the Depositary Agreement, the Regulations, the UCITS Directive, the Delegated Regulation and the Central Bank UCITS Regulations;
- (ii) the Depositary Agreement shall continue in full force and effect until terminated by either party (without the payment of any penalty) on giving ninety (90) days' prior written notice to the other party hereto, or such other period as may be agreed between the parties in accordance with the requirements of the Central Bank;
- (iii) the ICAV hereby undertakes to hold harmless and indemnify the Depositary against all losses, damages, actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the Assets) and against all costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom ("Losses") which may be brought against, suffered or incurred by the Depositary by reason of the performance of the Depositary's duties as set out in the Depositary Agreement save where any such Losses arise as a result of Loss of a Custody Asset or the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations. The Depositary shall be liable to the ICAV, and the Shareholders of the ICAV, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations and the Depositary Agreement; and
- (iv) the Depositary is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses - Depositary Fee" above and as more fully described in the applicable Supplement."

## **GENERAL INFORMATION**

### **Share Capital**

The ICAV has an authorised capital of 100,000,300,000 divided into 100,000,000,000 Shares of no par value and 300,000 Subscriber Shares of £1.00 each. As only Shares can represent an interest in a Fund, the Subscriber Shares have no entitlement or interest in such a Fund.

### **Instrument of Incorporation**

The Instrument of Incorporation provides, inter alia, that the sole object of the ICAV is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds.

The Instrument of Incorporation contains provisions to the following effect:-

#### *(a) Issue of Shares*

The Directors are authorised to exercise all the powers of the ICAV to offer, allot or otherwise deal with the Shares up to an amount equal to the authorised but as yet unissued share capital of the ICAV.

The price at which Shares shall be issued shall be determined by reference to the Net Asset Value of the relevant Fund calculated as at the relevant Valuation Point.

The Directors may, with the prior approval of the Central Bank, establish new Funds. The Directors have the power to issue different classes of Shares in each Fund.

#### *(b) Rights of Subscriber Shares*

As the Subscriber Shares do not represent any interest in a Fund, they do not entitle the holders thereof to participate in the dividends of any Fund.

Each holder of Subscriber Shares is entitled to attend and vote at any general meeting provided that any holder of Subscriber Shares shall not be entitled to vote at any such general meeting at any time that Shares in issue are held by two or more Shareholders. 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*

The rights attached to any class of Share may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the issued Shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of the class by a majority of three-fourths of the votes cast at such meeting, but not otherwise. The provisions of the ICAV Act and the Instrument of Incorporation relating to general meetings shall apply to every such separate general meeting but the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question. Any holder of Shares of the class shall on a poll have one vote for each Share of the class held by him and any Shareholder of the class present in person or by proxy may demand a poll.

#### *(d) Voting Rights of Shares*

Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of Shares, the Instrument of Incorporation provide

that on a show of hands at a general meeting of the ICAV, at a meeting of holders of Shares in a particular Fund or at a meeting of holders of Shares of a particular class, every holder of Shares present in person or by proxy shall have one vote and on a poll every holder of Shares who is present in person or by proxy shall have one vote in respect of each whole Share held by him.

(e) *Change in Share Capital*

The ICAV may from time to time by ordinary resolution increase its capital, consolidate and divide its Shares into shares of larger amount or subdivide its Shares into shares of smaller amount or cancel 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 in conjunction with his office of Director on such terms as to tenure of office, and otherwise as the Directors may determine.

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 ICAV or in which the ICAV is interested, in which any Director is in any way interested be liable to 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. A Director who is in any way, whether directly or indirectly, interested in such a contract or arrangement or proposed contract or arrangement with the ICAV shall declare the nature of his interest if his interest then exists or in any other case at the first meeting of the Directors after he becomes so interested. A general notice given by a Director to the effect that he is a member of a specified company, society or firm and is to be regarded as interested in all transactions with such company, society or firm shall be a sufficient declaration of interest, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a meeting of the Directors or the Director giving the notice takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

Any Director may act by himself or through his firm or corporate entity in a professional capacity for the ICAV, and he or his firm or corporate entity shall be entitled to remuneration for professional services as if he were not a Director.

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 UCITS Regulations, the Directors may exercise all of the powers of the ICAV to borrow or raise money and to mortgage or charge its undertaking, property and

assets both present and future and uncalled capital or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt liability or obligation of the ICAV, provided that the ICAV may not borrow more than 10% of its Net Asset Value and provided further that such borrowings are on a temporary basis.

(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 transfer in writing in any usual or common form or in any other form approved by the Directors but need not be under seal.

The Directors may decline to register any transfer of Shares in respect of which the ICAV has a lien or where the transfer would be in breach of the law or requirements mentioned in the Instrument of Incorporation. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine including pursuant to section 43(3) of the Act.

The Directors may decline to recognise any transfer of Shares unless the instrument of transfer is deposited at the ICAV's registered office or such other place as the Directors may reasonably require and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and the instrument of transfer relates to Shares of one class only.

(j) *Dividends*

The Instrument of Incorporation permits the Directors to declare on the Shares or on any class of Shares such dividends, including interim dividends, as appear to the Directors to be justified. The Directors may, with the sanction of the ICAV in a general meeting, satisfy any dividend due to holders of the Shares, in whole or in part, by distributing to them in specie any of the assets of the ICAV and, in particular, any investments to which the ICAV is entitled provided that, where the share capital is divided into different classes of Shares, any such distributions to the holders of one class of Shares shall not materially prejudice the interests of the holders of the other classes of Shares. Alternatively, if a holder does not wish to receive a dividend by way of in specie distribution, it may require the Directors to realise such investments necessary in order to effect the relevant distribution.

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund automatically, without the necessity for any declaration or other action by the ICAV.

(k) *Qualified Holders*

If it shall come to the notice of the Directors 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 or who belongs, or may belong to, or is comprised in, or may be comprised in, a class of persons designated by the Directors and the Depositary, the Directors may give notice to such person requiring him to transfer such Shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption of such Shares in accordance with paragraph (i) above. If any person upon whom such a notice is served does not within 30 days after such notice transfer his Shares to a person qualified to own the same or establish to the satisfaction of the Directors (whose judgement shall be final and binding) that he is qualified, entitled and permitted to own

the Shares, he shall be deemed upon the expiration of 30 days to have given a request in writing for the redemption of all his Shares.

(l) *Winding Up*

The Instrument of Incorporation contains provisions to the following effect:-

- (ii) If the ICAV shall be wound up, the liquidator shall apply the assets of the ICAV in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall in relation to the assets available for distribution among the shareholder make in the books of the ICAV such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable, provided always that in doing so, the liquidator shall comply with and be bound by the segregated liability provisions contained in the Instrument of Incorporation and the ICAV Act.
- (iii) The assets available for distribution among the all shareholders shall then be applied in the following priority:
  - (a) First, in the payment to the holders of the Shares of each Fund of a sum in the currency in which that Fund is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Fund held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payments to be made. In the event that, as regards any Fund, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the ICAV not comprised within any of the Funds.
  - (b) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any of the Funds remaining after any recourse thereto under paragraph (2)(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 Funds.
  - (c) Thirdly, in the payment to the holders of each Fund of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of that Fund held.
  - (d) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.
- (iv) If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court), then the liquidator may, with the authority of a special resolution and any other sanction required by the ICAV Act, divide among the shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the holders of different classes of Shares. The value of such assets will be the same amount that would be received by a shareholder for settlement in cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is liability. For the avoidance of doubt, if the special resolution above is passed, each shareholder is entitled to elect on a winding-up whether or not he wishes to

receive a distribution in specie or a cash distribution made in accordance with the provisions of paragraph (ii) above. However, in the absence of a shareholder electing to receive a distribution in specie on winding-up, such shareholder shall receive a cash distribution payment in accordance with the provisions of paragraph (ii) above. Where the ICAV agrees to sell the assets, if requested by a Shareholder, the cost of such sale can be charged to the redeeming Shareholder.

## **Reports**

The financial year-end of the ICAV is 31 March in each year. The annual report of the ICAV, incorporating audited financial statements in respect of each Fund, will be published within four months of the financial year end to which it relates. The financial statements of the ICAV will be maintained in Euro.

Unaudited interim financial reports for the ICAV will be made up to 30 September each year and will be published within two months of the date on which such report is made up.

The audited annual and interim financial statements will be made available by the ICAV to the Shareholders either at the registered address of the Manager or the Administrator, or may be sent to Shareholders by electronic mail or other electronic means of communication, within four and two months respectively after the end of the period to which they relate. Shareholders and prospective investors may also, on request, receive hard copy reports from the Administrator.

The annual and interim financial reports will be sent to the Central Bank upon publication.

## **Inspection of Documents**

Copies of the following documents are available for inspection and may be obtained, during normal business hours at the registered office of the ICAV:-

- (i) this Prospectus (and any Supplement attached thereto);
- (ii) the Instrument of Incorporation of the ICAV and any instrument amending the aforesaid document;
- (iii) the Key Investor Information Documents;
- (iv) the most recently published annual or interim report;
- (v) the material contracts of the ICAV;
- (vi) the UCITS Regulations;
- (vii) the Central Bank UCITS Regulations; and
- (viii) a memorandum for each of the Directors detailing the names of all the companies and partnerships of which they have been a director or partner at any time in the last five years, together with an indication of whether or not they are still a director or partner.

Copies of the documents listed in (i) to (iv) above are available free of charge at the registered office of the ICAV.

For UK investors, copies of documents (i) to (iv) above will also be available for inspection and obtainable free of charge during normal business hours at the following address:

Carne London

1<sup>st</sup> Floor, 5 Old Bailey

London, EC4M 7BA

### **Portfolio Holdings Disclosure**

The ICAV may (or may not) at its discretion, upon request from any Shareholder in a Fund (or their duly appointed agent or delegate), disclose that Fund's portfolio holdings or such other information, including collateral holdings to such Shareholder (or their duly appointed agent or delegate) provided the Shareholder (or their duly appointed agent or delegate) has entered into an agreement with the ICAV or the Manager governing the disclosure of such information. To the extent that the Fund provides non-public holdings information or other information to a Shareholder in a Fund, the ICAV will provide the same holdings information or other information to any other Shareholder in the Fund on request provided such Shareholder (or their duly appointed agent or delegate) has entered into an agreement with the ICAV or the Manager governing the disclosure of such information.

### **Miscellaneous**

As at the date of this Prospectus:

- (a) since registration, the ICAV has not been engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against it which may have a significant effect on the ICAV or its financial position;
- (b) the ICAV has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other contingent liabilities;
- (c) there are no existing or proposed Directors' service contracts;
- (d) none of the Directors, or their spouses, or any connected person has any interest in the share capital of the ICAV or any options in respect of such capital;
- (e) no Director nor any connected person has any interest, beneficial or non-beneficial, in the Shares of the ICAV nor any options in respect of such Shares;
- (f) Elizabeth Beazley, Dennis Murray and Sarah Murphy are employed by Carne Global Financial Services Limited. Elizabeth Beazley, Dennis Murray and Sarah Murphy may be deemed to have an interest in the Management Agreement between Carne Global Fund Managers (Ireland) Limited and the ICAV pursuant to which Carne Global Fund Managers (Ireland) Limited acts as Manager to the ICAV. Save as disclosed above, no Director has any direct or indirect interest in any contract or arrangement which was either unusual in its nature or significant to the business of the ICAV in the current financial year and remains outstanding;
- (g) subject to the foregoing paragraph, a Director may vote in respect of any contract, appointment or arrangement in which he is interested and he shall be counted in the quorum present at the meeting; and
- (h) no Director has: (i) any unspent convictions in relation to indictable offences; or (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within twelve months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangement with its creditors generally or with any class of its creditors; or (iv) been a partner of any partnership, which while he was a partner or within twelve months after he ceased

to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.



### APPENDIX I

#### INVESTMENT AND BORROWING RESTRICTIONS

Each 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 Fund will be set out in the applicable Supplement.

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

- (a) Transferable Securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State of the European Union or non-Member State of the European Union or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State of the European Union or non-Member State of the European Union;
- (b) recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- (c) Money Market Instruments, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market;
- (d) units of UCITS;
- (e) units of AIFs as set out in the Central Bank UCITS Regulations;
- (f) deposits with credit institutions as prescribed in the Central Bank UCITS Regulations; and
- (g) financial derivative instruments as prescribed in the Central Bank UCITS Regulations.

2. **Investment Restrictions**

- (a) A Fund may invest no more than 10 per cent. of its Net Asset Value in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1.
- (b) A Fund may invest no more than 10 per cent. of its Net Asset Value in recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.(a)) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that:-
  - (i) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - (ii) the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued on behalf of the Fund.
- (c) A Fund may invest no more than 10 per cent. 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 and Money Market Instruments held in the issuing bodies in each of which it invests more than 5 per cent. is less than 40 per cent.
- (d) The limit of 10 per cent. (in (c)) is raised to 25 per cent. in the case of bonds that are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5 per cent. of its Net Asset Value in these

bonds issued by one issuer, the total value of these investments may not exceed 80 per cent. of the Net Asset Value of the Fund.

- (e) The limit of 10 per cent. (in (c)) is raised to 35 per cent. if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European Union or its local authorities or by a non- Member State of the European Union or public international body of which one or more Member States of the European Union 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 per cent. referred to in (c).
- (g) Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
- (h) The risk exposure of a Fund to counterparty to an OTC derivative may not exceed 5 per cent. of its Net Asset Value.

This limit is raised to 10 per cent. in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988.

- (i) Notwithstanding paragraphs (c), (g) and (h) above, a combination of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of its Net Asset Value:-
  - (i) investments in Transferable Securities or Money Market Instruments; and/or
  - (ii) deposits.
- (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 per cent. of the relevant Fund's Net Asset Value.
- (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 per cent. of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.
- (l) A Fund may invest up to 100 per cent. of its Net Asset Value in different Transferable Securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members.

The individual issuers will be drawn from the following list:-

- Government of the People's Republic of China;
- Government of Singapore;
- Government of India (provided issuers are of investment grade);
- Government of Brazil (provided the issuers are of investment grade);
- European Investment Bank;
- International Finance Corporation;
- International Monetary Fund;
- Euratom;
- The Asian Development Bank;
- European Central Bank;
- Council of Europe;
- Eurofima;

- African Development 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; and
- Tennessee Valley Authority.

A Fund must hold securities from at least six different issuers, with securities from any one issuer not exceeding 30 per cent. of its Net Asset Value.

### 3. **Investment in a Collective Investment Schemes ("CIS")**

- (a) When a Fund invests in the shares of other CIS that are managed, directly or by delegation, by the relevant Investment Manager or by any other company with which the relevant Investment Manager is linked by common management or control, or by a substantial direct or indirect holding (i.e. more than 10 per cent. of the share capital or voting rights), that management company or other company may not charge management, subscription, conversion or redemption fees on account of the Funds investment in the shares of such other CIS.
- (b) Where a commission (including a rebated commission) is received by the relevant Investment Manager by virtue of an investment in the shares of another CIS, this commission must be paid into the property of the Fund.
- (c) A Fund may not invest more than 10 per cent. of its assets in other CIS.
- (d) The CIS are prohibited from investing more than 10 per cent. of net assets in other CIS.

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

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

### 5. **General Provisions**

- (a) An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) A Fund may acquire no more than:-
  - (i) 10 per cent. of the non-voting shares of any single issuing body;
  - (ii) 10 per cent. of the debt securities any single issuing body;
  - (iii) 25 per cent. of the shares of any single CIS; or
  - (iv) 10 per cent. 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 an EU Member State or its local authorities;
  - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non- EU Member State;
  - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;
  - (iv) shares held by a Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-EU 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 an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.
- (d) 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 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 Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- (g) The Investment Managers may not carry out uncovered sales of:-
- (i) Transferable Securities;
  - (ii) Money Market Instruments;
  - (iii) shares of CIS; or
  - (iv) financial derivative instruments.
- (h) A Fund may hold ancillary liquid assets.
- (i) For so long as the Shares of a Fund are listed on the Irish Stock Exchange, the Fund will not take or seek to take legal or management control of the issuers of its underlying investments and will adhere to the general principal of risk diversification.

## 6. **Financial Derivative Instruments**

Funds may invest in Financial Derivative Instruments dealt in over-the-counter markets provided that the following are adhered to:-

- (a) The Fund's global exposure (as prescribed in the UCITS) relating to Financial Derivative Instruments must not exceed its total Net Asset Value;
- (b) Position exposure to the underlying assets of the Financial Derivative Instruments, including embedded Financial Derivative Instruments in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, does not exceed the investment limits set out in the UCITS. (This provision does not apply in the case of index based Financial Derivative Instruments provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations);
- (c) The Fund may invest in Financial Derivative Instruments dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank; and
- (d) Investments in Financial Derivative Instruments are subject to the conditions and limits laid down by the Central Bank.

## 7. **Borrowing Restriction**

Each Fund may borrow amounts by way of short term loans not exceeding 10 per cent. of its net assets provided that such borrowing is on a temporary basis.

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## APPENDIX II

### LIST OF RECOGNISED MARKETS

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. This list of Recognised Markets is in accordance with the regulatory criteria in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets:-

1. **All stock exchanges:**

- located in any Member State of the European Union;
- In a Member State of the European Economic Area (EEA) (excluding Iceland, Liechtenstein and Malta):

Norway

- In any of the following countries:

Australia	New Zealand
Canada	Switzerland
Hong Kong	USA
Japan	United Kingdom

2. **Any stock exchange included on the following list:**

Argentina	Bolsa de Comercio de Buenos Aires
Brazil	BM&F Bovespa Stock Exchange (Bolsa de Valores de Sao Paulo)
China	The stock exchanges in Shanghai and Shenzhen
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Stock Exchange
India	National Stock Exchange of India and the Bombay Stock Exchange (BSE)
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Malaysia	Bursa Malaysia Derivatives (Bursa Malaysia)
Mexico	Bolsa Mexicana de Valores, SA.de.cv
Morocco	Casablanca Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Russia	RTS Stock Exchange and MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange)
Singapore	Singapore Exchange (SMX)
South Africa	JSE Securities Exchange
South Korea	Korea Exchange (KRX)
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange

3. **All derivative exchanges:**

- Approved in an EEA Member State
- Eurex
- NYSE Euronext

4. **Any derivative exchange included on the following list:**

Australia	Australian Stock Exchange (Sydney Futures Exchange)
Brazil	Bolsa de Mercadorias e Futuros (BM&F Bovespa Stock Exchange)
Canada	The Montreal Exchange
Hong Kong	Hong Kong Futures Exchange
Israel	Tel Aviv Stock Exchange
Japan	Tokyo Stock Exchange
Malaysia	Bursa Malaysia Derivatives Bhd (Bursa Malaysia)
Mexico	Mexican Derivatives Exchange (MerDer)
Russia	FORTS
Singapore	Singapore Exchange Derivatives Trading (SMX - DT)
South Africa	South African Futures Exchange (JSE)
South Korea	Korea Exchange(KRX)
Thailand	Thailand Futures Exchange
Turkey	Turkish Derivatives Exchange
USA	Chicago Mercantile Exchange (CME) Chicago Board Option Exchange (CBOE) Chicago Futures Exchange (CFE) NASDAQ.OMX Futures Exchange (NFX)

5. **Other Markets:**

- Derivative markets approved in a Member State of the EEA
- The market organised by the International Capital Market Association
- The market conducted by the "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)
- AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange
- The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan
- NASDAQ in the United States
- The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York
- The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc.
- The French market for "Titres de Creance Negotiable (over-the-counter market in negotiable debt instruments)
- EASDAQ (European Association of Securities Dealers Automated Quotation)
- The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada

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## APPENDIX III

### LIST OF SUB-DEPOSITARY AGENTS APPOINTED BY THE DEPOSITARY

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

<http://www.securities-services.societegenerale.com/en/who-are/key-figures/financial-reports/financial-report-details/news/global-list-sub-custodians-for-sgss/>

<b>ARGENTINA</b>	Banco Santander Río S.A. - Buenos Aires
<b>AUSTRALIA</b>	Citibank - Melbourne
<b>AUSTRIA</b>	Unicredit Bank Austria AG - Vienna
<b>BAHRAIN</b>	HSBC Bank Middle East Limited - Manama
<b>BELGIUM</b>	ESES - EUROCLEAR
<b>BENIN</b>	SG BCI - Abidjan
<b>BOTSWANA</b>	Standard Chartered Bank Mauritius Limited - Ebene
<b>BRAZIL</b>	Santander Securities Services Brasil Distribuidora de Titolos e Valores
<b>BULGARIA</b>	Societe Generale Expressbank AD - Varna
<b>BURKINA FASO</b>	SG BCI - Abidjan
<b>CANADA</b>	Royal Bank of Canada - Toronto
<b>CHILE</b>	Banco Santander Chile S.A. - Santiago
<b>CHINA Shanghai</b>	HSBC Bank (China) Company Limited - Shanghai
<b>CHINA Shenzhen</b>	HSBC Bank (China) Company Limited - Shenzhen
<b>COLOMBIA</b>	Itau Securities Services Colombia S.A Sociedad Fiduciaria
<b>CROATIA</b>	Splitska Banka - Split
<b>CYPRUS</b>	BNP Paribas Securities Services SA, Athens Branch
<b>CZECH REPUBLIC</b>	Komerčni Banka - Prague
<b>DENMARK</b>	Nordea Bank Danmark A/S - Copenhagen
<b>EGYPT</b>	Qatar National Bank Alahli



<b>ESTONIA</b>	Nordea Bank AB (Publ), Finnish Branch - Helsinki
<b>EURO MARKET</b>	Euroclear Bank SA/NV - Brussels
<b>EURO MARKET</b>	Clearstream Banking S.A. - Luxembourg
<b>FINLAND</b>	Nordea Bank AB (Publ), Finnish Branch - Helsinki
<b>FRANCE</b>	ESES – EUROCLEAR
<b>GERMANY</b>	Deutsche Bank – Frankfurt
<b>GERMANY</b>	Euroclear Bank SA/NV – Brussels
<b>GERMANY</b>	Societe Generale S.A. - Frankfurt am Main
<b>GHANA</b>	Standard Chartered Bank Mauritius Limited – Ebene
<b>GREECE</b>	BNP Paribas Securities Services SA, Athens Branch
<b>GUINEEA BISSAU</b>	SG BCI – Abidjan
<b>HONG KONG</b>	Deutsche Bank - Hong-Kong
<b>KUWAIT</b>	HSBC Bank Middle East Limited - Kuwait City
<b>LATVIA</b>	Swedbank AS – Riga
<b>LITHUANIA</b>	AB SEB Bankas – Vilnius
<b>LUXEMBOURG</b>	Societe Generale Bank & Trust – Luxemburg
<b>MALAYSIA</b>	HSBC Bank Malaysia Berhad - Kuala Lumpur
<b>MALI</b>	SG BCI – Abidjan
<b>MAURITIUS</b>	HSBC Corp. Ltd - Port Louis
<b>MEXICO</b>	Banco Santander México SA - Mexico City
<b>MOROCCO</b>	Societe Generale Marocaine de Banques (SGMG SG) – Casablanca
<b>NETHERLANDS</b>	ESES – EUROCLEAR
<b>NEW ZEALAND</b>	Citibank – Melbourne
<b>NIGER</b>	SG BCI – Abidjan
<b>NIGERIA</b>	Standard Chartered Bank Nigeria Limited - Lagos
<b>NORWAY</b>	Nordea Bank Norge ASA - Oslo
<b>OMAN</b>	HSBC Bank Middle East Limited - Ruwi
<b>PERU</b>	Citibank del Peru SA - Lima

<b>PHILIPPINES</b>	HSBC Corp. Ltd - Manila
<b>POLAND</b>	Societe Generale S.A. Branch in Poland - Warszawa
<b>PORTUGAL</b>	BNP Paribas Securities Services SA - Paris
<b>QATAR</b>	HSBC Bank Middle East Limited - Doha
<b>ROMANIA</b>	BRD - Bucharest
<b>RUSSIA</b>	Rosbank - Moscow
<b>SAUDI ARABIA</b>	HSBC Saudi Arabia Ltd - Riyadh
<b>SENEGAL</b>	SG BCI - Abidjan
<b>SERBIA</b>	Societe Generale Banka Srbija AD - Belgrad
<b>SINGAPORE</b>	HSBC Corp. Ltd - Singapore
<b>SLOVAKIA</b>	CSOB - Bratislava
<b>SLOVENIA</b>	SKB Banka d.d.- Ljubljana
<b>SOUTH AFRICA</b>	Societe Generale S.A. - Johannesburg
<b>SOUTH KOREA</b>	HSBC Corp. Ltd - Seoul
<b>SPAIN</b>	Societe Generale S.A. - Madrid
<b>SWEDEN</b>	Nordea Bank AB (publ) - Stockholm
<b>SWITZERLAND</b>	Societe Generale, Zurich Branch
<b>TAIWAN</b>	HSBC Corp. Ltd - Taipei
<b>THAILAND</b>	HSBC Ltd - Bangkok
<b>TOGO</b>	SG BCI - Abidjan
<b>TUNISIA</b>	UIB - Tunis
<b>TURKEY</b>	Türk Ekonomi Bankasi A.S. - Istanbul
<b>UKRAINE</b>	Unicredit Bank Austria AG - Vienna
<b>UNITED ARAB EMIRATES</b>	First Abu Dhabi Bank PJSC
<b>UNITED KINGDOM</b>	Euroclear Bank SA/NV - Brussels
<b>UNITED KINGDOM</b>	HSBC Plc - London
<b>UNITED STATES</b>	BBH - New York
<b>UNITED STATES</b>	BNP Paribas Securities Services - New York Branch
<b>UNITED STATES</b>	Citibank NA - New York

**URUGUAY**

Citibank NA - London

**VIETNAM**

HSBC Bank (Vietnam) Limited – Hanoi

## APPENDIX IV

### U.S. DEFINITIONS

#### "U.S. Person"

A "U.S. Person" for the purposes of this Prospectus is a person who is: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of a "Non-United States person" as used in the CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of "U.S. person" in Rule 902 and qualifies as a "Non-United States person" under CFTC Rule 4.7

"U.S. person" under Rule 902 of Regulation S under the 1933 Act includes the following:

any natural person resident in the United States;

any partnership or corporation organised or incorporated under the laws of the United States;

any estate of which any executor or administrator is a U.S. person;

any trust of which any trustee is a U.S. person;

any agency or branch of a non-U.S. entity located in the United States;

any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and

any partnership or corporation if:

- (i) organised or incorporated under the laws of any non-U.S. jurisdiction; and
- (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. person" under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons; and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rul 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

- (a) any natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;
- (b) a partnership, corporation or other entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3) represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

**"U.S. Taxpayer"**

"U.S. Taxpayer" includes (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organized in, or under the laws of, the United States or any thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless in some circumstances, be treated as U.S. Taxpayers.

An investor who is not a U.S. Person may nevertheless be considered a "U.S. Taxpayer" under U.S. federal income tax laws.

**"Benefit Plan Investor"**

"Benefit Plan Investor" is used as defined in U.S. Department of Labor ("DOL") Regulation 29 C.F.R. §2510.3-101 and Section 3(42) of ERISA (collectively, the "Plan Asset Rule") and includes (i) any employee benefit plan subject to Part 4, Subtitle B of Title I of ERISA; (ii) any plan to which Code Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530; and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 per cent. or more of a class of equity interests in the equity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of a percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

## APPENDIX V

### THE STOCK CONNECT

The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEX"), SZSE, SSE and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE and SZSE by routing orders to SSE or SZSE respectively. Under the Southbound Trading Link investors in China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and China Securities Regulatory Commission on 10 November 2014, the Stock Connect commenced trading on 17 November 2014. Under the Stock Connect, the Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE or SZSE.

For the SSE, these include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are not included in the "risk alert board".

The SSE does not permit ETFs as eligible securities.

For the SZSE, these include all constituent stocks of the SZSE Component Index and the SZSE Small / Mid Cap Innovation Index all SZSE-listed shares of companies that have issued both A shares and H shares. However, the SZSE, unlike the SSE, restricts investors who are eligible to trade shares listed on the ChiNext Board of SZSE to "institutional professional investors".

The SZSE will include EFTs as eligible securities.

It is expected that the list of eligible securities will be subject to review.

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota ("**Aggregate Quota**"), together with a daily quota ("**Daily Quota**"). Northbound trading and Southbound trading will be subject to a separate set of Aggregate and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC and is currently set at RMB300 billion. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The Northbound Daily Quota is set at RMB13 billion for each of SZSE and SSE respectively. HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SZSE or SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SZSE and SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SZSE and SSE securities.

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the Funds may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.



In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of a Fund's assets in China through its global custody network. such safekeeping is in accordance with the conditions set down by the Central Bank, which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.