

## **Prospectus**

### **Credit Suisse Index Fund (IE) ETF ICAV**

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

**Dated 11 February 2020**

## Table of Contents

1	Important Information .....	3
2	Definitions .....	6
3	Funds .....	17
4	Management of the ICAV .....	31
5	Conflicts of Interest.....	38
6	Share Dealings .....	41
7	Share Dealing on the Primary Market.....	44
8	Share Dealing on the Secondary Market .....	53
9	Listing on a Stock Exchange .....	55
10	Valuation of Assets .....	56
11	Fees and Expenses.....	59
12	Taxation.....	61
13	General Information.....	67
	Appendix I .....	75
	Appendix II .....	79
	Appendix III .....	81
	Appendix IV.....	101
	Appendix V.....	105

## 1 Important Information

This Prospectus contains important information and should be read carefully before investing.

### 1.1 Reliance on this Prospectus and KIID Access

In deciding whether to invest in the ICAV, investors should rely on information in this Prospectus, the Supplement of the relevant Fund and the relevant Fund's most recent annual and/or semi-annual reports. Prospective investors may also wish to consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision.

Each Class that is available for subscription will have a KIID issued in accordance with the Central Bank Rules. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in that event a KIID may not be available.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you of investing in the ICAV, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

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

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

### 1.2 Central Bank Authorisation

The ICAV is both authorised and supervised by the Central Bank. **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 any Fund of the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

### 1.3 Segregated Liability and Structure

The ICAV has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

The ICAV is an open-ended umbrella Irish collective asset- management vehicle with segregated liability between Funds formed in Ireland on 11 October 2019 under the ICAV Act with registration number C401941. The ICAV has been authorised by the Central Bank as a UCITS pursuant to the Regulations.

The ICAV is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes.

### 1.4 Responsibility

To the best of the knowledge and belief of the Directors (whose names appear under the heading "Management of the ICAV – Directors" below and who have taken reasonable care to confirm that such is the case) the information contained in this Prospectus is in accordance with the facts and does not in the Directors' judgment omit anything likely to materially affect the import of such information. The Directors accept responsibility for the information contained in this Prospectus accordingly.

## 1.5 Prospectus/Supplements

This Prospectus describes the ICAV. The ICAV issues Supplements to this Prospectus relating to each Fund. A separate Supplement will be issued at the time of establishment of each Fund. Each Supplement forms part of and should be read in the context of and in conjunction with this Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information in relation to a particular Fund. Details relating to Classes may be dealt with in the relevant Supplement for the particular Fund or in a separate Class Supplement for each Class. Shareholders and potential investors should refer to the most recent Supplement and/or Class Supplement for details of the existing Classes which will also be included in the relevant Fund's semi-annual and annual reports.

Shares in any of the Funds may be subscribed for or redeemed in cash or on an in-specie (in-kind) basis. Shares may also be bought or sold on the secondary market (as described below).

The ICAV may decline any application for Shares in whole or in part without assigning any reason therefor and will not accept an initial subscription for Shares of any amount which is less than the Minimum Initial Investment Amount as set forth in the Supplement for the relevant Fund, unless the Minimum Initial Investment Amount is waived by the Directors.

The Shares of each Fund may be listed on one or more Relevant Stock Exchanges and are fully transferable by Shareholders. It is envisaged that Shares will be bought and sold by private and professional investors in the secondary market like the ordinary shares of a listed company. However, the ICAV cannot guarantee that a liquid secondary market will develop in relation to the Shares of any particular Fund.

## 1.6 Restrictions on Offerings

**Potential subscribers and purchasers of Shares should consult a stockbroker, bank manager, solicitor, accountant or other financial advisor and inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised. It is the responsibility of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence or domicile.

The Directors may in their sole discretion reject any application in whole or in part without giving any reason for such rejection in which event, subject to applicable law, the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. For further details, please refer to the section of this Prospectus entitled "Share Dealings."

Shares are offered only on the basis of the information contained in this Prospectus and, as appropriate, the latest audited annual accounts and any subsequent semi-annual report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the laws of any jurisdiction including the regulations or requirements of the financial regulator of such jurisdiction where the Shares are sold. All

disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

#### United States of America -

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and the ICAV has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended. Accordingly the Shares may not be offered or sold, directly or indirectly, in the U.S. or to any U.S. Person except pursuant to an exemption from, or in a transaction not subject to the requirements of the U.S. Securities Act of 1933, as amended, and the U.S. Investment Company Act of 1940, as amended. The Shares have not been approved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

### 1.7 Suitability of Investment

**As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on his investment.** A typical investor will be seeking to achieve a return on his investment in the medium to long term.

The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk.

As with any investment, future performance may differ from past performance, and Shareholders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.

No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund. In particular, investors should read and consider Appendix III to this Prospectus (entitled "Risk Factors") before investing in the ICAV.

### 1.8 MiFID II Product Governance Rules – UCITS as non-complex financial instruments

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorized firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

### 1.9 Listing

The Shares of each Fund will normally be listed and admitted for trading on the main market of the Deutsche Börse. It is also intended that the Shares of each Fund will be listed and admitted for trading on a number of other stock exchanges (including without limitation, Frankfurt Stock Exchange (XTF Exchange Traded Fund platform), SIX Swiss Exchange and Borsa Italiana, but the ICAV does not warrant or guarantee that such listings will take place or continue to exist. In the event that such listings do take place, the listings of the Shares of the Funds will normally be on the main market of the Deutsche Börse (although a number of Funds may be listed on an alternative stock exchange) and any other listings shall be secondary to the main listing.

For details of where Shares are listed or admitted for trading, please refer to the Website.

### 1.10 Repurchase Charge

**The Manager may levy a Repurchase Charge of up to 3 % of the Net Asset Value per Share.** Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.

**The difference at any one time between the subscription price (to which may be added a Subscription Charge) and the repurchase price (from which may be deducted a Repurchase Charge) means that an investment should be viewed as medium to long-term.**

## 2 Definitions

**Accounting Period** means a period ending on 31 March of each year or such other date as the Directors may from time to time decide with the prior approval of the Central Bank;

**Administration Agreement** means the agreement made between the Manager, the ICAV and the Administrator dated 9 January 2020 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed as administrator of the ICAV;

**Administrator** means Brown Brothers Harriman Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the Central Bank Rules as the administrator to the ICAV;

**Application Form** means such account opening form or application form (as the context requires) as the Directors may prescribe, to be completed by the Authorised Participant for the purposes of opening a Primary Market dealing account in relation to the ICAV and/or relevant Fund; or to be completed by the Common Depository's Nominee for the purposes of applying for Shares of the Funds to be issued in its name and to include authorisation of the ICAV to deal with Authorised Participants (as applicable);

**AIF** means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations;

**Authorised Participant** means a market maker or broker-type entity which is registered with the ICAV as an authorised participant and therefore able to subscribe directly to, or redeem directly from, the ICAV for Shares in a Fund (i.e. the Primary Market). A current list of Authorised Participants may be obtained on request from the ICAV;

**Base Currency** means, in relation to any Fund, such currency as is specified as such in the Supplement for the relevant Fund;

**Benchmark Index** means, in relation to a Fund, the index against which the return of the Fund will be compared;

**Benchmark Regulation** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;

**Benchmark Regulation Register** means the register of administrators and benchmarks maintained by ESMA under the Benchmarks Regulation;

**Business Day** means, in relation to any Fund, each day as is specified as such in the Supplement for the relevant Fund;

**Cash Component** means the cash component of the Portfolio Composition File. The Cash Component calculated as part of the Portfolio Composition File is determined after the calculation of the Net Asset Value of the relevant Fund for the relevant Dealing Day on the basis of the prices used in calculating the Net Asset Value per Share and equals the difference between the value of the Shares to be issued and the value of the securities to be provided as part of the subscription, using the same valuation methodology as that used to determine the Net Asset Value per Share. The Manager may, in its absolute discretion, include an appropriate provision for duties and charges in respect of each subscription;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the ICAV;

**Central Bank Regulations** 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, consolidated, substituted in any form or otherwise modified from time to time;

**Central Bank Rules** means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the Regulations;

**Central Securities Depositories** means such Recognised Clearing and Settlement Systems which are national settlement systems for individual national markets. As the Funds issue Shares through the ICSD settlement system, Central Securities Depositories would be Participants in an ICSD;

**CIS** means a UCITS or other alternative investment fund within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;

**Class(-es)** means the class or classes of Shares (if any) relating to a Fund (each of which may have specific features with respect to subscription, exchange, repurchase, minimum subscription amount, hedged/unhedged, dividend policy, service provider fees or other specific features). The details applicable to each Class will be pre-determined and as described in the relevant Supplement;

**Clear Day** means in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Clearstream** means Clearstream Banking, Société Anonyme, Luxembourg and any successor in business thereto;

**Common Depository** means the entity appointed as a depository for the ICSD, currently The Bank of New York Mellon, London Branch having its registered office at One Canada Square, E14 5AL, London;

**Common Depository's Nominee** means the entity appointed as nominee for any Common Depository and as such acts as the registered holder of the Shares in the Funds, currently The Bank of New York (Depository) Nominees Limited;

**Country Supplement** means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the ICAV or a Fund or Class in a particular jurisdiction or jurisdictions;

**CRS** means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard, as implemented in Ireland;

**Data Protection Legislation** means, from 25 May 2018 onwards, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);

**Dealing Day** means, in respect of each Fund, each Business Day on which subscriptions for, repurchases of and exchanges of relevant Shares can be made by the ICAV as specified in the Supplement for the relevant Fund and/or such other Dealing Days as the Directors shall determine and notify to Shareholders in advance, provided that there shall be at least two Dealing Days in each Month occurring at regular intervals;

**Dealing Deadline** means, in relation to any application for subscription, repurchase or exchange of Shares of a Fund, the day and time specified in the Supplement for the relevant Fund;

**Depository** means Brown Brothers Harriman Trustee Services (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the depository of the ICAV in accordance with the Central Bank Rules;

**Depository Agreement** means the agreement made between the ICAV and the Depository dated 9 January 2020 as may be amended or supplemented from time to time in accordance with the Central Bank Rules, pursuant to which the latter was appointed depository of the ICAV;

**Directors** mean the directors of the ICAV or any duly authorised committee or delegate thereof, each a **Director**;

**Disruption Event** means a Market Disruption Event or a Force Majeure Event;

**Distributor** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Credit Suisse Fund Management S.A. or any successor thereto duly appointed in accordance with the Central Bank Rules as a distributor to the ICAV;

**Distribution Agreement** means the agreement made between the ICAV, the Manager and the Distributor dated 9 January 2020 as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank pursuant to which the Distributor was appointed distributor of the ICAV;

**Eligible Counterparty** means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:

- (i) Relevant Institution;
- (ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or
- (iii) a group company of an entity approved as a bank holding company by the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve.

**EEA Member States** means the member states of the European Economic Area, the current members at the date of this Prospectus being the EU Member States, Iceland, Liechtenstein and Norway;

**EMIR** means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;

**EU Member States** means the member states of the European Union;

**Euro, EUR or €** means the lawful currency of the participating EU Member States which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 as amended;

**Euroclear** means Euroclear Bank S.A. and any such successor in business thereto, as operator of the Euroclear clearing system, a Recognised Clearing and Settlement System, which provides securities services to the ICAV;

**Exchange Charge** means the charge, if any, payable on the exchange of Shares as is specified in the Supplement for the relevant Fund;

**Exempt Irish Shareholder** means

- (a) a qualifying management company within the meaning of section 739B(1) TCA;
- (b) an investment undertaking within the meaning of section 739B(1) TCA;
- (c) an investment limited partnership within the meaning of section 739J TCA;
- (d) 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;
- (e) a company carrying on life business within the meaning of section 706 TCA;
- (f) a special investment scheme within the meaning of section 737 TCA;
- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;



- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) 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;
- (k) the National Asset Management Agency;
- (l) the Courts Service;
- (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (n) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the ICAV is a money market fund;
- (o) 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;
- (p) 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; and
- (q) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;

and has provided a Relevant Declaration to this effect to the ICAV;

**Extraordinary Expenses** means the extraordinary expenses defined as such in the section headed "Fees and Expenses";

**FATCA** means (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**FDI** means a financial derivative instrument (including an OTC derivative);

**Force Majeure Event** means an event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that is beyond the reasonable control of the Investment Manager and that the Investment Manager determines affects the Fund Assets.

**Foreign Person** means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the ICAV with the Relevant Declaration under Schedule 2B TCA and in respect of whom the ICAV is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect;

**Fund** means a sub-fund of the ICAV the proceeds of issue of which are pooled separately in a segregated portfolio of assets and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the ICAV from time to time with the prior approval of the Central Bank;

**Fund Assets** means the Transferable Securities and/or the financial derivative instruments and/or the other financial instruments invested in by a Fund and cash held by the Fund in accordance with the Regulations, as further described in the relevant Supplement;

**Global Share Certificate** means the certificate evidencing entitlement to Shares (as described in further detail under the section of this Prospectus entitled "Share Dealings");

**ICAV** means an Irish collective asset-management vehicle; namely Credit Suisse Index Fund (IE) ETF ICAV;

**ICAV Act** means the Irish Collective Asset-management Vehicles Act 2015 as may be amended, consolidated or substituted from time to time and including any regulations made

thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

**ICSD** means International Central Securities Depositories being such Recognised Clearing and Settlement Systems used by the Funds in issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets, and which includes Euroclear and/or Clearstream;

**In-Kind Transaction Fee** means the fee amount payable by an Authorised Participant in the currency specified in the relevant Supplement, in addition to the value of the Shares subscribed for, or deducted from the value of the Shares redeemed;

**Index Provider** means, in relation to a Fund, the entity or person acting by itself or through a designated agent which compiles, calculates and publishes information on the Reference Index corresponding to a Fund and who has licensed the Reference Index to the ICAV, as specified in the relevant Supplement;

**Index Disruption and Adjustment Event** means in respect of a Reference Index or a Reference Asset, an event which impacts the ability of the counterparty to perform its obligations under one or more derivative contracts;

**Initial Issue Price** means the price (excluding any Subscription Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Instrument of Incorporation** means the instrument of incorporation of the ICAV as amended from time to time in accordance with the ICAV Act and the Central Bank Rules;

**Investment(s)** means any investment(s) authorised by the Instrument of Incorporation which is permitted by the Regulations;

**Investment Grade** means rating awarded to high quality corporate and government securities that are judged likely to meet their payment obligations by Standard & Poor's (i.e. rated at least BBB-) or Moody's (i.e. rated at least Baa3); or if unrated determined by the Investment Manager to be of comparable quality;

**Investment Management Agreement** means the agreement made between the ICAV, the Manager and the Investment Manager dated 9 January 2020 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed investment manager of the ICAV;

**Investment Manager** means, unless specifically stated otherwise in the Supplement for the relevant Fund, Credit Suisse Asset Management (Switzerland) Ltd or any successor thereto duly appointed in accordance with the Central Bank Rules as the investment manager to the ICAV;

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

**Irish Resident** means any person resident in Ireland or ordinarily resident in Ireland (as described in the Taxation section of this Prospectus) other than an Exempt Irish Shareholder;

**Irish Taxable Person** means any person, other than:-

- (a) a Foreign Person;
- (b) an intermediary, including a nominee, for a Foreign Person;
- (c) an Exempt Irish Shareholder;

in respect of each of which the Relevant Declaration and such other information evidencing such status is in the possession of the ICAV in each case on or before the appropriate date;

**Irish Tax Authorities** means the Irish Revenue Commissioners;

**ISIN** means the International Securities Identification Number;

**KIID** means the key investor information document;

**Manager** means Carne Global Fund Managers (Ireland) Limited or any successor thereto duly appointed in accordance with the Central Bank Rules as the manager to the ICAV;

**Management Agreement** means the agreement made between the ICAV and the Manager dated 9 January 2020 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed manager of the ICAV;

**Market** means a stock exchange or regulated market which is provided for in the Instrument of Incorporation and listed in Appendix II;

**Market Disruption Event** means the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset:

- (i) it is not possible to obtain a price or value (or an element of such price or value) of any Fund Asset according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (ii) the calculation of the price or value of any Fund Asset is, at the relevant time, in the opinion of the Manager and/or Investment Manager, impractical or impossible to make;
- (iii) there is a reduction in liquidity in any Fund Asset in the determination of the Manager and/or the Investment Manager;
- (iv) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where any Fund Asset is traded; or any suspension of or limitation is imposed on trading on any exchanges, quotation systems or over-the-counter market where securities that comprise 20% or more of the level of the Reference Index are traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Fund Asset or securities that comprise 20% or more of the level of the Reference Index. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Manager and/or Investment Manager, constitute a Market Disruption Event;
- (v) where the Fund Asset is not traded on any exchange, quotation system or other similar system, the Manager and/or the Investment Manager is unable to obtain (a) from dealers in the Fund Asset firm quotations in respect thereof or (b) a subscription or a repurchase price of any Fund Asset according to the rules or normal accepted procedures for such Fund Asset;
- (vi) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Manager and/or Investment Manager;
- (vii) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Fund Asset into the Base Currency through customary legal channels, as determined by the Manager and/or the Investment Manager;
- (viii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Fund Asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Fund Asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Manager and/or Investment Manager; and/or

- (ix) a general moratorium is declared in respect of banking activities in London, Dublin, New York, or TARGET.

**MiFID II Delegated Directive** means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;

**Minimum Additional Investment Amount** means such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Fund by each Shareholder (after investing the Minimum Initial Investment Amount) and as such is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund;

**Minimum Initial Investment Amount** means such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment for Shares of each Class in a Fund either during the Initial Offer Period or on any subsequent Dealing Day and as such is specified in the Supplement for the relevant Fund;

**Minimum Repurchase Amount** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which may be redeemed at any time by the ICAV and as such is specified in the Supplement for the relevant Fund;

**Minimum Share Class Size** means such amount (if any) as the Directors may consider for each Share Class and as set out in the Supplement for the relevant Fund;

**Minimum Shareholding** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder which shall be equal to or greater than at all times the Minimum Repurchase Amount and as such is specified in the Supplement for the relevant Class of Shares within a Fund;

**Money Market Instruments** means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time (for example, certificates of deposit, floating rate notes and fixed rate commercial paper listed or traded on permitted markets);

**Month** means a calendar month;

**Net Asset Value** means, in respect of the assets and liabilities of a Fund, a Class or the Shares representing interests in a Fund, the amount determined in accordance with the principles set out in the "Valuation of Assets" section below as the Net Asset Value of the Fund, the Net Asset Value per Class or the Net Asset Value per Share (as appropriate);

**OECD** means the Organisation for Economic Co-operation and Development;

**OTC** means over-the-counter and refers to derivatives negotiated between two counterparties;

**Participant** means an accountholder in the ICSD which may include Authorised Participants, their nominees or agents, and who hold their interest in Shares of the Funds settled and/or cleared through the applicable ICSD;

**Paying Agent** means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the ICAV and/or the Manager in certain jurisdictions;

**Portfolio Composition File** means the file setting out the Investments and Cash Component which may be transferred to the Fund, in the case of subscriptions, and by the ICAV, in the case of repurchases, in satisfaction of the price of Shares thereof. Each Share Class of a Fund will have a Portfolio Composition File, which may (but need not) differ from the Portfolio Composition Files for other Share Classes within the same Fund;

**Subscription Charge** means the charge, if any, payable to the Distributor (or any other appropriate party at the direction of the Directors) on subscription for Shares as described under "Share Dealings – Subscription for Shares" and specified in the relevant Supplement;

**Primary Market** means the off exchange market where Shares of the Funds are created and redeemed directly with the ICAV;

**Prospectus** means this prospectus issued on behalf of the ICAV as amended, supplemented or consolidated from time to time together with the Supplements for the Funds;

**Recognised Clearing and Settlement System** means any clearing system for the settlement of transactions in relation to the securities designated by the Revenue Commissioners as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.-the Dutch central institute for giro transferred securities), BNY Mellon, Central Securities Depository SA/NV, Central Moneymarkets Office, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Japan Securities Depository Centre, Monti Titoli SPA, The Canadian Depository for Securities Ltd., VPC AB (Sewden), Euroclear and Hong Kong Securities Clearing Company Limited;

**Reference Asset** means the basket of securities whose performance a Fund will aim to match, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement;

**Reference Index** means the index of securities whose performance a Fund will aim to match, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (S.I. No. 352 of 2011), as amended and as may be further amended, consolidated or substituted from time to time;

**Relevant Declaration** means the declaration relevant to the Shareholder as set out in Schedule 2B TCA;

**Relevant Institutions** means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the United Kingdom), or credit institutions authorised in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending EMIR in accordance with the requirements of the Central Bank;

**Relevant Stock Exchanges** means markets on which the Shares of the Funds will be listed and/or admitted to trading such as the Deutsche Börse, the Borsa Italiana, the Frankfurt Stock Exchange (XTF Exchange Traded Fund platform), the SIX Swiss Exchange and/or such other stock exchanges as the Directors may determine from time to time;

**Repurchase Charge** means the charge, if any, to be paid out of the Repurchase Price which Shares may be subject to, as described under "Important Information" and specified in the relevant Supplement;

**Repurchase Price** means the price at which Shares are redeemed, as described under "Share Dealings - Repurchase of Shares" and as may be specified in the relevant Supplement;

**Repurchase Proceeds** means the Repurchase Price less any Repurchase Charge and any charges, costs, expenses or taxes, as described under "Share Dealings – Repurchase of Shares";

**Revenue Commissioners** means the Irish Revenue Commissioners;

**Secondary Market** means a market on which Shares of the Funds are traded between investors rather than with the ICAV itself, which may either take place on a recognised stock exchange or OTC;

**Securities Financing Transactions** means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in;

**Securities Lending** means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities;

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

**SFT Regulations** or **SFTR** means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**Shares** means the participating shares in the ICAV representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund;

**Shareholders** means persons registered as the holders of Shares in the register of shareholders for the time being kept by or on behalf of the ICAV, and each a Shareholder;

**State** means the Republic of Ireland;

**Sub-Distributor** means any sub-distributor appointed by the Distributor in accordance with the Central Bank Rules as a sub-distributor to the ICAV;

**Subscriptions/Repurchase Account** means the account in the name of the ICAV through which subscription monies and repurchase proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form;

**Supplement** means any supplement to the Prospectus issued on behalf of the ICAV specifying certain information in relation to a Fund and/or one or more Classes from time to time;

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**Total Return Swap** means an OTC 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;

**Transferable Securities** shall have the meaning ascribed to that term in the Regulations, which at the date hereof means:

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

**UCITS** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;

**UCITS V** means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;

**United States** and **U.S.** means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;

**U.S. Dollars, Dollars** and **\$** means the lawful currency of the United States;

**U.S. Person** means a U.S. Person as defined in Regulation S under the United States Securities Act of 1933 and U.S. Commodity Futures Trading Commission Rule 4.7;

**Valuation Point** means the time on or with respect to the relevant Dealing Day by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund; and

**Website** means the website for each Fund as set out in the relevant Supplement, on which the Net Asset Value per Share will be published and on which this Prospectus, the Supplements, the KIID, including any relevant translation thereof, the Instrument of Incorporation, the latest financial reports and any other information in respect of the ICAV or any of the Funds, including various shareholder communications may be published.

### **Headings and Numbering**

The headings and numbering of sections of this Prospectus are for convenience of reference only and shall not affect the meaning or interpretation of this Prospectus in any way.

## Directory

### Credit Suisse Index Fund (IE) ETF ICAV

#### Directors

Emanuele Bellingeri

Ulrich Roth

Esther van den Hurk

Elizabeth Beazley

Fiona Mulcahy

#### Registered Office

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

#### Administrator

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

#### Auditors

PwC  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### Secretary

Carne Global Financial Services Limited  
2nd Floor, Block E, Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

#### Irish Legal Advisers

Maples and Calder  
75 St. Stephen's Green,  
Dublin 2,  
D02 PR50

#### Manager

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

#### Investment Manager

Credit Suisse Asset Management (Switzerland)  
Ltd.  
Kalandergerasse 1  
8045 Zurich  
Switzerland

#### Distributor

Credit Suisse Fund Management S.A.  
5 rue Jean Monnet  
L-2180  
Luxembourg

#### Depository

Brown Brothers Harriman Trustee Services  
(Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland



### 3 Funds

#### 3.1 Structure

The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. At the date of this Prospectus, the ICAV has established the Fund(s) listed in Appendix V hereto.

Additional Funds (in respect of which a Supplement or Supplements will be issued) may be established by the Directors from time to time with the prior approval of the Central Bank.

Shares may be issued in Classes within each Fund. Classes of Shares in each Fund may differ as to certain matters including currency of denomination, currency hedging strategies if any applied to the particular Class, dividend policy and fees and expenses charged. The Classes of Shares available for subscription shall be set out in the relevant Supplement.

A separate pool of assets shall not be maintained in respect of each Class. Additional Classes in respect of which a Supplement or Supplements will be issued may be created by the Directors and notified to and cleared in advance with the Central Bank or otherwise the creation of the further Classes must be effected in accordance with requirements of the Central Bank. Separate books and records will be maintained for each Fund but not for each Class.

#### 3.2 Investment Objective and Policies

The Instrument of Incorporation provides that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of the Fund.

The investment objective of each Fund will be (i) to replicate a Reference Index or Reference Asset; or (ii) to provide Shareholders with a return (either at the relevant scheduled maturity date or on each Dealing Day) linked to a Reference Index or Reference Asset.

This objective can be achieved by either (a) investing in a portfolio of Transferable Securities or other eligible assets that may comprise all the constituent securities of that Reference Index or Reference Asset, or an optimised sample thereof (the "**Sampling Strategy**") or unrelated Transferable Securities or other eligible assets (whereby a Fund may also on occasion hold securities which are not comprised in its Index where the Investment Manager believes this to be appropriate in light of the investment objective and investment restrictions of the Fund, or other factors) (a "**Replicating Fund**"); or (b) investing in a portfolio of Transferable Securities or other eligible assets that comprise only the constituent securities of a Reference Index (an "**Index Tracking Fund**", in accordance with the provisions of section 3.7 of this Prospectus).

The Sampling Strategy seeks to build a representative portfolio that provides a return comparable to that of the relevant Reference Index and is used for tracking certain indices which are too broad to replicate (i.e. the Reference Index contains too many securities for the Fund to be able to purchase them all efficiently) and/or which contain securities which are difficult to purchase in the open markets. Consequently, a Fund using this Sampling Strategy will typically hold only a subset of the securities which comprise the Reference Index.

Potential investors in a Fund may obtain a breakdown of the constituents held by the Fund from the Website or from the Investment Manager, subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant Benchmark Index providers.

There is no assurance that a Fund's Reference Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Reference Index is not a guide to future performance. In such a situation details of any known changes will be communicated to Shareholders and made available on the Website.

The Directors may decide, if they consider it to be in accordance with the investment restrictions and the Regulations and in the interest of the ICAV or any relevant Fund, to change or substitute the existing Reference Index or Reference Asset of a Fund with another Reference Index or Reference Asset.

The Directors may, for instance decide to substitute such a Reference Index or Reference Asset in the following circumstances, as applicable:

- (a) the accuracy and availability of data of a particular Reference Index or Reference Asset has deteriorated;
- (b) the components of the Reference Index or Reference Asset would cause the Fund (if it were to follow the Reference Index or Reference Asset closely) to be in breach of the limits set out under "**Investment Restrictions**" in Appendix I and/or materially affect the taxation or fiscal treatment of the ICAV or any of its Shareholders;
- (c) the particular Reference Index or Reference Asset ceases to exist or, in the determination of the Directors, there is a material change in the formula for, or the method of, calculating a component of the Reference Index or Reference Asset or there is a material modification of a component of the Reference Index or Reference Asset;
- (d) the swap and other techniques or instruments described under use of FDI which may be necessary for the implementation of the relevant Fund's investment objective cease to be available in a manner which is regarded as acceptable by the Directors;
- (e) the counterparty of swap agreements or other derivative instruments notifies the ICAV that there is limited liquidity in a portion of the component securities of the Reference Index or Reference Asset or it becomes impractical to invest in the components of the Reference Index or Reference Asset;
- (f) the Index Provider increases its licence fees to a level which the Directors consider excessive;
- (g) any successor Index Provider is not considered acceptable by the Directors;
- (h) a change of ownership of the relevant Index Provider and/or a change of name of the Relevant Index;
- (i) a new index becomes available which supersedes the existing Reference Index;
- (j) a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Shareholders than the existing Index;
- (k) a liquid futures market in which a particular Fund is investing ceases to be available; or
- (l) an Index Provider or Reference Index ceases to be compliant with applicable provisions of the Benchmark Regulation.

The above list is indicative only and cannot be understood as being exhaustive or limiting the ability of the Directors to change the Reference Index or Reference Asset in any other circumstances as they consider appropriate. Where such a change would result in a material difference between the constituent securities of the Reference Index and the proposed Reference Index, Shareholder approval will be sought in advance. Where the change of Reference Index would result in a non-material difference between the constituent securities of the Reference Index and the proposed Reference Index, Shareholder notification will be provided in accordance with the requirements of the Central Bank.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the securities that constitute each Reference Index. If the Investment Manager is unable to obtain or process such information in relation to any Reference Index on any Business Day, the most recently published composition and/or weighting of that Reference Index will be used for the purpose of all adjustments.

Further details of the investment objective and policies for each Fund are set out in the relevant Supplement.

The investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Fund. In the event of a change of the investment objective and/or a material change in the investment policy of a Fund, by way of a majority of votes cast at a meeting of the relevant Shareholders, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

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

### 3.3 Reference to Benchmarks

Certain Funds may refer to indices within the Supplement of the relevant Funds. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; (ii) relative VaR measurement; and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Shareholders should note that the ICAV and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed.

The Manager shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Manager will take to nominate a suitable alternative index.

The Reference Indices used by the Funds are each provided by an administrator (as defined in the Benchmark Regulation) which is either included on the ESMA register that is maintained in accordance with Article 36 of the Benchmark Regulation, or is in the process applying for inclusion on the ESMA register.

As of the date hereof, the benchmark administrators of the Funds' Reference Indices that are included on the ESMA register are:

- MSCI Limited (the administrator of the MSCI benchmarks).

The ICAV is monitoring the ESMA register on a continuous basis. Any updates that impact the benchmark administrators of the Funds' Reference Indices shall be reflected in the Prospectus at the next opportunity.

### 3.4 Investment Restrictions

The investment and borrowing restrictions applying to the ICAV and each Fund are set out in Appendix I. Each of the Funds' investments will be limited to investments permitted by the Regulations.

The limits on investments shall apply at the time of the purchase of the investments. If the limits referred to in Appendix I are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV shall ensure that the Fund will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of the Shareholders. Each Fund may also hold ancillary liquid assets.

The Directors, following consultation with the Manager, may from time to time impose such further investment restrictions as shall be compatible with or in the interest of Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Funds are placed. Additional investment restrictions in respect of any Fund may be outlined in the relevant Supplement.

With the exception of permitted investment in unlisted investments and over-the-counter FDI, investments by a Fund will be restricted to securities and FDI listed or traded on permitted markets as set out in Appendix II. Accordingly, each Fund may invest up to 10% of its Net Asset Value in unlisted securities/securities listed on markets other than those set out in Appendix II provided this is consistent with its investment objective. Unless otherwise specified in the

relevant Supplement, a Fund shall not invest more than 10% of its net assets in other UCITS or other open or closed ended CIS.

It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the Regulations which would permit investment by a Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the Regulations. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement in advance or, where not possible, as soon as practicable thereafter and will be subject to Shareholder approval if appropriate pursuant to section 3.2 above.

### **3.5 Borrowing Powers**

The ICAV may only borrow on a temporary basis for the account of a Fund and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of such Fund. In accordance with the provisions of the Regulations, the ICAV may charge the assets of a Fund as security for borrowings of that Fund.

The ICAV may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

### **3.6 Cross-Investment**

Investors should note that, subject to the Central Bank Rules and where more than one Fund is established within the ICAV, each of the Funds may invest in the other Funds of the ICAV where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the Manager or the Investment Manager (including a rebated commission) in respect of such investment will be paid into the assets of the relevant Fund. In addition, no Subscription Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing Fund's investment.

In order to avoid double-charging of management and/or any performance fees, any Fund that is invested in another Fund may not be charged a management fee and/or performance fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a Class of Shares that does not attract any management fee and/or performance fee. Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the ICAV.

If a Fund invests a substantial proportion of its Net Asset Value in CIS and/or other Funds of the ICAV the maximum level of the investment management fees that may be charged to the Fund by the other CIS or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the relevant Fund's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In addition, performance based compensation arrangements may create an incentive for the investment managers of such underlying funds to make investments that are more risky or more speculative than would be the case if such arrangement were not in effect.

### **3.7 Index Tracking Funds**

- (a) Notwithstanding the provisions of paragraph 2.3 of Appendix II, a Fund may, in accordance with the Instrument of Incorporation, invest up to 20% of its net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate or reference an index. The index must be recognised by the Central Bank in accordance with the Central Bank Regulations.
- (b) The limit in paragraph (a) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions as disclosed in the relevant Supplement.
- (c) The reference in paragraph (a) to replication of the composition of shares or debt securities index shall be understood as replication of the composition of the underlying assets of the index, including the use of derivatives or other techniques as referred to in Regulation 48A.

### 3.8 Tracking Error

The "**Tracking Error**" of each Fund (being the standard deviation of the difference in returns between the Fund and the Reference Index) will be set out in the Supplement for the relevant Fund.

The annual and half-yearly reports will state the size of the Tracking Error at the end of the period under review. The annual report will provide an explanation of any divergence between the anticipated and realised Tracking Error for the relevant period.

Exposure to the Reference Index may be affected by rebalancing costs, in particular where the Reference Index undergoes significant rebalancing or where constituents are not very liquid or have restrictions in terms of accessibility. Rebalancing costs are a factor of the rebalancing frequency of the underlying Reference Index, the constituents' weighting adjustments and/or the number of constituents being replaced on each rebalancing day, and the transaction costs incurred to implement such changes. High rebalancing costs will generally deteriorate the relative performance between the Fund and the Reference Index. The rebalancing frequency and any rebalancing costs are detailed for each Fund in the relevant supplement.

### 3.9 Leverage

It is not the intention of the ICAV that any Fund be leveraged however where a Fund is leveraged it will be disclosed, as appropriate, in the relevant Supplement for the relevant Fund.

### 3.10 Efficient Portfolio Management

#### 3.10.1 General

The ICAV on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Such techniques and instruments include futures, options, swaps, forwards and repurchase and reverse repurchase agreements (details of which are outlined below). Details of any additional techniques and instruments used for a Fund may be set out in the relevant Supplement.

Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (ii) the reduction of risk;
- (iii) the reduction of cost; or
- (iv) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. It is therefore the intention of the ICAV, in employing such efficient portfolio management techniques and instruments for these reasons, that their impact on the performance of the relevant Fund will be positive.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Fund or Class.

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The ICAV may (but is not obliged) to seek to mitigate this exchange rate risk by using FDI. Please refer to Appendix III to this Prospectus (sections entitled "Risk Factors; Efficient Portfolio Management Risk" and "Risk Factors; Currency Risk; Currency Hedging") for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the risk management process in respect of the ICAV.

### 3.11 Use of FDI

#### 3.11.1 Details of FDI used with a Summary of their Commercial Purpose

Each Fund may use any of the following FDI once provided for in the relevant Supplement. This list may be supplemented by additional FDI for a specific Fund as may be provided for in the relevant Supplement.

**Futures contracts.** Traded on a regulated exchange, a future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. A purchased futures contract commits the buyer to purchase the underlying instrument at the specified price on the specified date. A sold futures contract commits the seller to sell the underlying instrument at the specified price on the specified date. In practice most futures positions are closed prior to contract maturity by dealing an opposite trade which cancels out the commitment.

**Swaps.** A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time.

Typical cash flow and return series exchanged in a swap include: fixed interest rate, inflation rate, total return of an instrument or index and floating interest rates. Swap legs can be denominated in the same or a different currency.

Other swaps reference instrument characteristics such as price volatility, variance, correlation, covariance and asset swap levels. These swaps have one active leg and a null second leg which means exposure is limited to change in the reference characteristic.

Specifically the use of Total Return Swaps by a Fund shall be subject to the requirements of the SFTR.

**Options.** An option is an agreement between two parties where the option buyer has the right but not the obligation to buy (call option) or sell (put option) an instrument at a specified date and price. An option buyer pays a premium representing the value of the option and if, at the option expiry, it is economically advantageous may exercise a call option to buy the underlying instrument, or in the case of a put option, sell the underlying instrument. The option writer receives and keeps the option premium and at the choice of the option buyer has to buy or sell the underlying instrument at the time and price specified. The reference instrument for an option may be a security, another derivative such as a swap, future, CDS or may specify an interest or inflation rate, index, basket of instruments, currency or any instrument which the Fund is authorised to own. Standard options are exchange traded and other options are traded OTC.

**Contracts for Difference (CFD).** Contracts for difference are OTC derivatives (also known as synthetic swaps) which can be used to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such equities or financial instruments. An equity CFD is a derivative instrument designed to replicate the economic performance and the cash flows of a conventional share investment. Contracts for difference may be used either as a substitute for direct investment in the underlying security or as an alternative to and for the same purposes as futures and options, particularly in cases where there is no futures contract available in relation to a specific security, or where an index option or index future represents an inefficient method of gaining exposure because of pricing risk or the risk of mismatches in (i) the price or (ii) volatility of an index option or index future compared to that of the underlying index. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks.

**Forward Settled Transactions.** A forward settled transaction delays settlement of a transaction to a forward date. Delaying settlement allows the Fund to change the economic exposure without changing the physical asset exposure until the transaction settles. A forward foreign exchange transaction is an obligation to purchase or sell a specified currency pair at a future date, at a price set at the time the contract is made. Funds use these forward foreign exchange transactions to change the currency profile of a Fund without changing the profile of the invested assets.

**Convertible securities.** The convertible securities in which a Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares. Convertible securities may offer higher income than the shares into which they are convertible. A Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying shares or sell it to a third party. To the extent that any convertible securities in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Hybrid securities.** A Fund may invest in hybrid securities. A hybrid security is a security which combines two or more financial instruments. Hybrid securities generally combine a traditional stock or bond with an option or forward contract. Generally, the principal amount payable upon maturity or repurchase, or the interest rate of a hybrid security, is tied (positively or negatively) to the price of some currency, securities index, another interest rate or some other economic factor (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on the changes in the value of the benchmark.

In the case of a hybrid security such as a convertible bond, for example, a Fund benefits from a steady income stream, the repayment of principal at maturity, and the potential to share in the upside of the common stock. The yield advantage and finite maturity give the convertible downside price support, or investment value. At the same time, the embedded option component provides participation in higher equity values.

To the extent that any hybrid securities in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Structured notes.** A Fund may invest in structured notes for which the coupon payment, principal repayment or repayment schedule varies according to pre-agreed conditions relating to fluctuations in unrelated assets such as currencies or stock indices. To the extent that any structured notes in which a Fund may invest are leveraged or contain embedded derivatives, they will be managed by the Fund as FDI.

**Warrants.** The Fund may acquire warrants either as a result of corporate actions or by purchasing warrants, subject to the above conditions. A warrant is a similar instrument to an option in that the holder of the warrant has the option but not the obligation to either purchase or sell the underlying for a specified price or before a specified date. The underlying of the warrant can be an equity, bond or an index.

**Share Purchase Rights.** Share purchase rights, which give the Fund the ability but not the obligation to purchase more shares, may be issued to the Fund pursuant to its investment in a particular security and, in such cases, may be retained for the purposes of efficient portfolio management and exercised when considered appropriate.

### 3.11.2 Investment in Financial Indices through the use of Financial Derivative Instruments.

Where provided for in the relevant Supplement(s), a Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Fund.

Where the composition of financial index does not meet with the UCITS criteria for financial indices but the index is composed of UCITS eligible assets, investment by a Fund in a financial derivative instrument giving exposure to such a financial index may be permitted and shall in such cases be regarded as a financial derivative instrument on a combination of UCITS eligible assets.

It may not be possible to comprehensively list the actual financial indices to which exposure may be taken as they have not, as of the date of this Prospectus, been selected and they may change from time to time. A list of the indices which a Fund takes exposure to will be included in the annual financial statements of the Fund. Details of any financial indices used by any Fund will also be provided to Shareholders of that Fund by the Investment Manager on request.

Where the weighting of a particular constituent in the financial index exceeds the investment restrictions set down in the Regulations the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of Shareholders and the relevant Fund.

### 3.11.3 Securities Financing Transactions:

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the conditions and limits of the SFTR and the Central Bank Rules where provided for in the relevant Supplement. Such Securities Financing Transactions may only be entered into for the purposes of efficient portfolio management.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Fund may also use Total Return Swaps. Subject to each Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps and therefore the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions or Total Return Swaps can be as much as 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual accounts of each Fund will express the amount of the Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

Repurchase agreements are a type of Securities Lending transaction in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.



Any Fund that seeks to engage in Securities Lending should ensure that it is able at any time to recall any security that has been lent out or terminate any Securities Lending agreement into which it has entered.

Any Fund that enters into a reverse repurchase agreement 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. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund. All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or Securities Lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or Securities Lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or Securities Lending agents engaged by the ICAV from time to time (including whether they are related to the Manager or the Depositary) shall be included in the relevant Fund's semi-annual and annual reports.

While the ICAV will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions. Counterparties to such transactions shall: (1) be entities regulated, approved, registered or supervised in their home jurisdiction; and (2) be located in an OECD Member State, which together will constitute the ICAV's criteria to select counterparties. Counterparties need not have a minimum credit rating. In accordance with the Credit Ratings Agencies Directive (2013/14/EU), the Investment Manager shall not solely or mechanically rely on credit ratings in determining the credit quality of an issuer or counterparty. However, where a counterparty is downgraded to A-2 or below (or comparable rating) this shall result in a new credit assessment being conducted of the counterparty without delay.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or Securities Lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to section 5.1 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Repurchase/reverse repurchase agreements or Securities Lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to Appendix III, entitled "Risk Factors" in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the risk management process in respect of the ICAV.

#### 3.11.4 Risk Management Process

The risk management process in respect of the ICAV on behalf of each Fund has been filed with the Central Bank which accurately measures, monitors and manages the various risks associated with the use of FDI and Securities Financing Transactions where appropriate. Any FDI not included in the risk management process will not be utilised until such time as the risk

management process has been updated, in accordance with the Central Bank requirements. The ICAV will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### 3.11.5 Eligible Counterparties

A Fund may invest in OTC derivatives in accordance with the Central Bank Rules and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

### 3.12 Collateral Policy

In the context of efficient portfolio management techniques, Securities Financing Transactions 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 Rules and the terms of the ICAV's collateral policy outlined below.

#### 3.12.1 Collateral – received by a Fund

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the risk management process in respect of the ICAV. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

Any non-cash assets received by the Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depositary or a duly appointed sub-custodian.

#### 3.12.1.1 Non-Cash Collateral

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, as summarised below, in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability:

- (a) 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 pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place. Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the ICAV. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value. The rationale for the valuation methodology as described above is to ensure compliance with the requirements in the Central Bank Regulations.
- (c) Issuer credit quality: Collateral received should be of high quality.

- (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (e) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (f) Immediate availability: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (g) The Manager, in consultation with the Investment Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests in accordance with the requirements of EMIR. EMIR does not require the application of a haircut for cash variation margin. Accordingly any haircut applied to cover currency risk will be as agreed with the relevant counterparty. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Manager, in consultation with the Investment Manager, on an on-going basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix I to the Prospectus.
- (h) Safe-keeping: Any non-cash assets received by a Fund from a counterparty on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) shall be held by the Depository or a duly appointed sub-depositary. Assets provided by a Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depository or a duly appointed sub-depositary.

3.12.1.2 There are no restrictions on maturity provided the collateral is sufficiently liquid.

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

Cash collateral

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

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

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

### 3.12.2 Collateral – posted by a Fund

Collateral posted to a counterparty by or on behalf of a Fund must be taken into account when calculating counterparty risk exposure other than where it is protected by client money rules or similar arrangements. Collateral posted to a 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.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

Assets provided by the Fund on a title transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-custodian.

### 3.13 References to Ratings

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD (which amended the Regulations), notwithstanding anything else in this Prospectus, the Manager or the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

### 3.14 Currency Hedged Classes

A Fund may (but is not obliged to) enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any currency hedged Classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a Class designated in a currency other than the Base Currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant Fund; and/or (ii) exchange rate fluctuation risks between the designated currency of the Class and the other denominated currencies of the Fund's assets.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund but will be attributable to the relevant Class(es) and the gains and losses (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one Class may impact negatively on the Net Asset Value of another Class. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Currency Hedging at Share Class Level Risk") for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Share Class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Rules, the following operational provisions will apply to any currency hedging transactions:

- (i) Counterparty exposure should be managed in accordance with the limits in the Central Bank Regulations and the Central Bank Rules.
- (ii) Over-hedged positions should not exceed 105 per cent. of the Net Asset Value of the relevant Class of Shares which is to be hedged against the currency risk.

- (iii) Under-hedged positions should not fall short of 95 per cent. of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk.
- (iv) Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- (v) Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that positions materially in excess of 100 per cent or under-hedged positions will not be carried forward from month to month.
- (vi) The currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Share Classes.
- (vii) Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated. Please refer to Appendix III to this Prospectus (section entitled "Risk Factors; Currency Risk; Currency Hedging") for more details.

### **3.15 Foreign Exchange Arrangements**

Where provided for in the Supplement, a Fund may enter into forward foreign exchange contracts in the context of its investment activity and/or for efficient portfolio management purposes and this may give rise to variation margin requirements under EMIR. However, it should be noted that the EMIR variation margin rules will not apply to foreign exchange contracts characterised as spot trades in accordance with Commission Delegated Regulation (EU) 2017/565. This includes foreign exchange contracts with up to T+5 settlement terms where the main purpose of the contract is in connection with the sale or purchase of investments by the Fund and this corresponds with the standard settlement period for such investments.

### **3.16 Dividend Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares in the ICAV out of the net income of the ICAV (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the Central Bank Rules, partially or fully out of the capital of the relevant Fund.

Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

Any dividend income being paid out by a Fund and held in the distributions account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the ICAV.

To the extent Shares are not held via a Recognised Clearing and Settlement System, the ICAV will be obliged and entitled to deduct an amount in respect of Irish tax from any dividend payable to any investor who is, or is deemed to be, or is acting on behalf of, an Irish Taxable Person and to pay such amount to the Revenue Commissioners. Shareholders are referred to the Irish taxation section which sets out the tax implications for such shareholders.

Distributions of dividends and other payments with respect to Shares in the ICAV held through a Recognised Clearing and Settlement System will be credited to the cash accounts of such Recognised Clearing and Settlement System' participants in accordance with the relevant system's rules and procedures. Any information or ICAV communications to Shareholders holding Shares in a settlement system, including voting or proxy materials, annual reports etc.,

will be transmitted to those settlement systems capable of receiving and processing such information for transmission to Shareholders.

### **3.17** Publication of Net Asset Value per Share and Disclosure of Holdings

The Net Asset Value per Share for each Class shall be made available on the Website or such other website as may be notified to Shareholders in advance from time to time and updated following each calculation of the Net Asset Value. In addition, the Net Asset Value per Share for each Class may be obtained from the office of the Administrator during normal business hours in Ireland. These Net Asset Values will be those prices applicable to the relevant Dealing Day and therefore will only be available after the relevant Dealing Day.

In addition to the information disclosed in the periodic reports of the ICAV, the ICAV may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Notwithstanding the fact that this will be historical information, an investor that has received such information may be in a more informed position regarding the relevant Fund than investors that have not received the information.

Notwithstanding any other provision contained in the Prospectus, nothing shall limit, prevent or restrict the ICAV from disclosing portfolio holdings information for the purposes of compliance with the laws and regulations of any relevant jurisdiction where shares of the ICAV are sold or disclosing such information to a court of a competent jurisdiction, upon request.

### **3.18** Settlement of Subscriptions and Repurchases

The Directors have resolved that Shares in the Funds may be issued in dematerialised (or uncertificated) form and that the Funds may apply for admission for clearing and settlement through a Recognised Clearing and Settlement System. To facilitate this arrangement, the Depositary (or its delegate) will maintain an Umbrella Cash and Securities Account at the relevant Recognised Clearing and Settlement System. Settlement of subscriptions for Shares by an Authorised Participant will take place on a delivery versus payment ("**DVP**") basis at the relevant Recognised Clearing and Settlement System. An Authorised Participant will arrange for delivery of the subscription monies to the Umbrella Cash and Securities Account maintained by the Depositary (or its delegate) who, in turn, will arrange for the simultaneous delivery to the Authorised Participant of the Shares for which it has subscribed.

Upon a repurchase of Shares by an Authorised Participant, such transaction will also take place on a DVP basis at the relevant Recognised Clearing and Settlement System. The Authorised Participant will arrange for the delivery of Shares to the Depositary's (or its delegate's) Umbrella Cash and Securities Account who, in turn, will arrange for the simultaneous credit of the Umbrella Cash and Securities Account with the repurchase proceeds.

The ICAV in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Repurchase Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the ICAV and the Depositary at least annually.

### **3.19** Timing of Payment

Payment in respect of subscription must be received in cleared funds into the relevant Umbrella Cash and Securities Account on the Settlement Date as outlined in the Supplement for the relevant Fund.

## **4 Management of the ICAV**

### **4.1 General**

The Directors control the affairs of the ICAV and are responsible for the formulation of investment objectives and policies of each Fund in consultation with the Manager. The Directors have delegated certain of their duties to the Manager and have appointed the Depositary. The Manager has delegated certain of its duties to the Administrator and the Investment Manager and the Distributor.

The Central Bank Regulations refer to the responsible person, being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of a particular Irish authorised UCITS. The Manager assumes the role of responsible person for the ICAV.

### **4.2 Directors**

The address of the Directors is the registered office of the ICAV. The Directors, all of whom are non-executive directors of the ICAV, are:

#### **Emanuele Bellingeri:**

Mr Bellingeri is a Managing Director of Credit Suisse Asset Management based in Milan. He is head of Asset Management in Italy and member of the board of Credit Suisse Italy SpA. He oversees a team of more than 30 professionals. Mr Bellingeri started his career with Credit Agricole Asset Management, moving to Merrill Lynch Investment Managers and then Invesco Asset Management where he was Head of Professional Investors. In 2008 Mr Bellingeri joined Barclays Global Investors and was appointed Head of iShares for Italy, then part of Blackrock Group where he was also member of the BlackRock Italy Executive Committee and iShares EMEA Sales Leadership Team. Under his leadership, iShares became the leading ETF provider in Italy. Mr Bellingeri has more than 20 years of professional experience in the financial industry. He holds a Degree in BA from the University of Parma.

#### **Ulrich Roth**

Mr Roth is a Managing Director of Credit Suisse Asset Management (part of IWM), based in Zurich. He is responsible for the Buy Side Execution Switzerland/EMEA. Previously, Mr Roth was responsible for the portfolio management in Credit Suisse Index Solutions in Zurich for eleven years. Between 2006 and 2007 he served as head fund execution in the Private Banking division. Mr. Roth joined Credit Suisse in 1999 and held several management roles in the buy side execution area. His first role within Credit Suisse Asset Management was as a senior buy-side trader and head of the fixed income execution desk. Prior to joining Credit Suisse Mr. Roth spent 12 years at Swiss Bank Corp./UBS where he held several senior roles in proprietary trading including an assignment to the Capital Markets department of Swiss Bank Corp International, London. Mr Roth started his career at Hypothekar- und Handelsbank Winterthur as apprentice and graduated 1986 from the business school Winterthur with a bachelor degree equivalent.

#### **Esther van den Hurk:**

Ms van den Hurk is a Director with Credit Suisse Asset Management (part of IWM), based in Zurich. She is responsible for Provider Management and has 25 years of experience in multiple aspects of investment operations and provider management. As the global head of Provider Management, Ms van den Hurk oversees a team managing the oversight and governance of third party service provider relationships providing middle and back office functions for the products managed by Credit Suisse Asset Management. Within Credit Suisse, she previously served as Head of Middle Office for Insurance Linked Strategies. Prior to joining Credit Suisse in 2011, Ms van den Hurk gained over 16 years of experience in the provision of administration, middle and back office and other services to a broad variety of products including private equity, hedge funds and fund of funds while working for a market-leading fund administrator. She holds a Bachelor of Applied Sciences in Business Administration from Fontys University in the Netherlands.

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

Ms. Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. She has a

20-year track record in financial services. Elizabeth has undertaken a number of different roles within the Carne Group covering consulting and project management assignments before focussing in recent years on the Management Company related aspect of Carne's business.

Currently as Global Head of Onboarding for Carne Group, Elizabeth oversees a team of 9 professionals project managing the establishment of UCITS and AIFs and several third-party management companies predominantly in Carne's Irish and Luxembourg Management Companies covering service provider selection, governance documentation drafting and operational set-up. Elizabeth acts as a designated director and previously designated person and compliance officer for a number of UCITS companies and has also acted as Director on Carne's QIAIF and UCITS platforms and Super ManCo.

During her career in Carne Group to date Elizabeth has been a member of various industry working groups including the Technical committee and the ETF committee and most recently sits on the Management Company working group as Deputy Chair. Elizabeth has a Bachelor of Commerce from University College Cork, and has a Masters' degree in International Business from the Smurfit Graduate School of Business. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

#### **Fiona Mulcahy (Irish resident)**

Ms Mulcahy is an Independent Non- Executive Director and Chair of a number of Irish authorised entities with over 25 years' experience in the investment funds industry. Ms Mulcahy has over 10 years' experience serving on a wide range of financial services entity boards, as Non- Executive Director, Chair and Audit Committee Member. Ms Mulcahy was formerly a Partner with a leading Dublin law firm, where she worked principally in the area of financial services, banking and corporate finance. Ms Mulcahy graduated with an Honours Law Degree from University College Dublin and is qualified as a Solicitor. Ms Mulcahy received a Certificate (Cert IoD) and a Diploma in Company Direction (Dip IoD) from the Institute of Directors in 2012.

### **4.3 Manager**

The ICAV has appointed Carne Global Fund Managers (Ireland) Limited as the Manager of the ICAV.

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

The Manager is responsible for the general management and administration of the ICAV's affairs and for ensuring compliance with the Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund.

However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

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

The directors of the Manager are:

Neil Clifford (nationality: Irish – Irish resident)

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior equity analyst for



Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

Teddy Otto (nationality: German – Irish resident)

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

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

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

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.

Kevin Nolan (nationality: Irish – Irish resident)

Kevin joined the Carne Group as Group Finance Director in February 2015 and took responsibility for the Group's global financial management systems. He is a qualified Chartered

Accountant, with over 25 years of experience across a variety of industries including travel, security, telecommunications and financial services.

Kevin is highly experienced in the streamlining of business operations that drive growth and bottom line profit and especially in the areas of revenue management, developing and implementing financial controls, I.T. and product procurement.

Since joining Carne, Kevin has immersed himself in all aspects of the Group's global business and has become well-versed in a wide variety of issues within the Asset Management Industry.

Kevin currently sits on the board of Carne's Non – EU Channel Islands AIFM as Chief Financial Officer and is Finance Director for both the UK and Luxembourg Management Companies. Furthermore, he is a Director of a number of other Carne entities including a Luxembourg PSF company, and the main Carne Group holding company Carne Global Financial Services Ltd.

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 Secretary of the Manager is Carne Global Financial Services Limited.

The Manager is a service provider to the ICAV and is not responsible for disclosures in this Prospectus, save for disclosure in respect of its obligations as a UCITS management company subject to the requirements of the Regulations.

#### **4.4 Investment Manager**

The ICAV and the Manager have appointed Credit Suisse Asset Management (Switzerland) Ltd as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors and the Manager, for managing the assets and investments of the ICAV in accordance with the investment objective and policies of each Fund.

The Investment Manager is a limited liability company established under the laws of Switzerland on 21 February 2017 and is regulated by the Swiss Financial Market Supervisory Authority ("FINMA") for the purpose of asset management and subject to supervision by FINMA.

The business focus of the Investment Manager is to provide asset management services for institutional clients in the following areas: equities, fixed income, index solutions, real estate and balanced solutions. As at the 3<sup>rd</sup> quarter of 2019 the Investment Manager had approximately CHF 302bn in assets under management.

The Investment Manager may delegate the discretionary investment management functions in respect of the assets of each or any Fund to a sub-investment manager in accordance with the Central Bank Rules. Where a sub-investment manager is appointed but not paid directly out of the assets of the relevant Fund, disclosure of such entity will be provided to the Shareholders on request and details thereof will be disclosed in the ICAV's periodic reports. Where a sub-investment manager is appointed and paid directly out of the assets of a Fund, this will be set out in the Supplement for the relevant Fund.

The Investment Manager may also appoint non-discretionary investment advisers, in each case in accordance with the Central Bank Rules. Where an investment adviser is paid directly out of the assets of the relevant Fund, details of such investment adviser, including details of fees shall be set out in this Prospectus or in the relevant Supplement.

Credit Suisse Asset Management (Switzerland) Ltd is the entity that primarily promotes the ICAV.

#### **4.5 Distributor**

Credit Suisse Fund Management S.A. shall act as distributor of Shares in each Fund with authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the Central Bank Rules.

#### **4.6 Administrator**

The Manager, acting on behalf of the ICAV and the ICAV have appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited as administrator of the ICAV pursuant to the Administration Agreement with responsibility for the day to day administration of the ICAV's affairs. The responsibilities of the Administrator include share registration and transfer agency services, calculation of the ICAV's and each Fund's Net Asset Value and calculation of the Net Asset Value per Share and the preparation of the Funds' semi-annual and annual reports. The Administrator is a company incorporated with limited liability in Ireland on 29 March 1995 and is authorised by the Central Bank. Its registered office is as specified in the directory

The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

#### **4.7 Depositary**

The ICAV has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Fund. The Depositary is a private limited company incorporated in Ireland on 29 March 1995. The Depositary is a subsidiary of Brown Brothers Harriman & Co. and has issued share capital in excess of US\$1,500,000. Its registered office is as specified in the directory. The principal activity of the Depositary is to act as depositary and trustee to collective investment schemes. As at 30 September 2019, the Depositary had US\$259 billion under custody.

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

- (i) the Depositary shall (a) hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary; (b) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Commission Directive 2006/73/EC, opened in the name of the ICAV, so that they can be clearly identified as belonging to the ICAV in accordance with the applicable law at all times;
- (ii) the Depositary shall verify the ICAV's ownership of all assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;
- (iii) the Depositary shall ensure effective and proper monitoring of the ICAV's cash flows; and
- (iv) the Depositary shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

Under the terms of the Depositary Agreement, the Depositary may delegate duties and functions in relation to (i) and (ii) above, subject to certain conditions. The liability of the Depositary will not be affected by virtue of any such delegation.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Funds' assets to Brown Brothers Harriman & Co. as global custodian who in turn, as at the date of this Prospectus, has appointed the sub-delegates listed in Appendix IV.

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

*Summary of Oversight Obligations:*

The Depositary is obliged, among other things, to:

- (v) ensure that the sale, issue, repurchase, repurchase and cancellation of Shares effected by or on behalf of the ICAV are carried out in accordance with the Regulations, the conditions imposed by the Central Bank and the Instrument of Incorporation;
- (vi) ensure that the value of Shares is calculated in accordance with the Regulations and the Instrument of Incorporation;
- (vii) carry out the instructions of the ICAV unless they conflict with the Regulations or the Instrument of Incorporation;
- (viii) ensure that in each transaction involving the ICAV's assets, any consideration is remitted to it within the usual time limits;
- (ix) ensure that the ICAV's income is applied in accordance with the Regulations and the Instrument of Incorporation;
- (x) enquire into the conduct of the ICAV in each Accounting Period and report thereon to the Shareholders. The Depositary's report will be delivered to the Directors in good time to enable the Directors to include a copy of the report in the annual report of the ICAV. The Depositary's report will state whether, in the Depositary's opinion, the ICAV has been managed in that period:
  - (a) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the Central Bank, the Instrument of Incorporation and by the Regulations; and
  - (b) otherwise in accordance with the provisions of the ICAV Act, the Instrument of Incorporation and the Regulations.If the ICAV has not been managed in accordance with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation;
- (vii) notify the Central Bank promptly of any material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates; and
- (viii) notify the Central Bank promptly of any non-material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 114(2) of the Central Bank Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.

In discharging its role, the Depositary is required to act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

Up-to-date information regarding the Depositary, the Depositary's duties, any conflicts of interest that may arise and any safe-keeping functions delegated by the Depositary (including the delegates, sub-delegates and conflicts of interest arising from such a delegation) will be made available to investors upon request.

#### **4.8 Auditor**

PWC has been appointed to act as the auditor for the ICAV. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the ICAV/ its Funds in accordance with Irish law and International Standards on Auditing (Ireland).

#### **4.9** Paying Agents/Representatives/ Distributors

Local laws or regulations in certain EEA and other jurisdictions may require that the Manager appoints a local Paying Agent and/or other local representatives. The role of the Paying Agent may entail, for example maintaining accounts through which subscription and repurchase proceeds and dividends are paid.

Investors who choose or are obliged under local regulations to pay/receive subscription/repurchase monies via the intermediary entity rather than directly to the Administrator or the ICAV bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and b) repurchase monies payable by such intermediate entity to the relevant investor. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

Fees and expenses of Paying Agents and/or other local representatives, which will be at normal commercial rates, will be borne by the relevant Fund(s). Fees payable to the Paying Agents and/or other local representatives which are based on Net Asset Value will be payable only from the Net Asset Value of the relevant Fund(s) attributable to the relevant Class(es), all Shareholders of which Class(es) are entitled to avail of the services of the Paying Agents and/or other local representatives.

Investors who do not themselves wish to be registered as Shareholders may use the services of a nominee. Where Shares are held through a nominee, those underlying investors who avail of the services of such nominee may be obliged to pay a fee directly to it in relation to the subscription, repurchase or conversion of Shares, details of which will be provided by the nominee. Regard must be had to the anti-money laundering requirements set out in the section entitled "Share Dealings".

#### **4.10** Secretary

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

## 5 Conflicts of Interest

### 5.1 Conflicts of Interest

The Directors, the Manager, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (each a "**Connected Party**" for these purposes, collectively the "**Connected Parties**") are or may be involved in other financial, investment and professional activities (for example provision of Securities Lending agent services) which may on occasion cause a conflict of interest with the management of the ICAV and/or their respective roles with respect to the ICAV. These other activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. Each of the Connected Parties will use reasonable endeavours to ensure that any conflicts which may arise will be resolved fairly. The appointment of the Manager, the Investment Manager, Administrator and Depositary in their primary capacity as service providers to the ICAV are excluded from the scope of these Connected Party requirements.

The Manager or the Investment Manager may advise or manage other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Funds. Also, a conflict of interest may arise where the competent person valuing unlisted securities and/or OTC derivatives held by a Fund is the Manager or the Investment Manager or a sub-investment manager or any other Connected Party. For example, because the Manager or the Investment Manager's fees are calculated on the basis of a percentage of a Fund's Net Asset Value, such fees increase as the Net Asset Value of the Fund increases. When valuing securities owned or purchased by a Fund, the Manager or the Investment Manager (or any other Connected Party) will, at all times, have regard to its obligations to the ICAV and the Fund and will ensure that such conflicts are resolved fairly.

There is no prohibition on transactions with the ICAV, the Manager, the Investment Manager, the Administrator, the Depositary or entities related to the Manager, the Investment Manager, the Administrator or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

- (i) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Manager) has been obtained; or
- (ii) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or
- (iii) where the conditions set out in (i) and (ii) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Manager is) satisfied conform with the principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Manager) shall document how it complies with paragraphs (i), (ii) and (iii) above and where transactions are conducted in accordance with paragraph (iii), the Depositary (or in the case of a transaction involving the Depositary, the Manager), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, custodian and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected Party will provide the ICAV with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all Connected Party transactions.

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the ICAV.

## **5.2 Directors' Interests**

None of the Directors has or has had any direct interest in the promotion of the ICAV or in any transaction effected by the ICAV which is unusual in its nature or conditions or is significant to the business of the ICAV up to the date of this Prospectus or in any contracts or arrangements of the ICAV subsisting at the date hereof other than;

Elizabeth Beazley is an employee of Carne Global Financial Services Limited, which is the parent company of the Manager and the Secretary;

Esther van den Hurk is the head of provider management at Credit Suisse Asset Management (Switzerland) Ltd who act as the Investment Manager to the ICAV;

Emanuele Bellingeri is a Managing Director of Credit Suisse Asset Management, who acts as the Investment Manager to the ICAV; and

Ulrich Roth is a Managing Director of Credit Suisse Asset Management, who acts as the Investment Manager to the ICAV.

## **5.3 Manager and/or Investment Manager Investment in Shares**

The Manager and/or Investment Manager or an associated company or key employee of Manager and/or the Investment Manager may invest in Shares of a Fund for general investment purposes or for other reasons including so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances Manager and/or the Investment Manager or its associated company or key employee may hold a high proportion of the Shares of a Fund or Class in issue. Any subsequent repurchase of such investment by the Investment Manager or its associated company or key employee could have an adverse impact for the relevant Fund and its remaining investors as their proportionate share of fixed expenses could increase.

## **5.4 Soft Commissions**

It is not currently intended that any soft commission arrangements will be made in respect of the ICAV. In the event that the Manager and/or the Investment Manager do enter into soft commission arrangements they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the ICAV; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. A report will be included in the relevant Fund's annual and semi-annual reports describing the Manager and/or the Investment Manager's soft commission practices. Where appropriate, any such arrangements will comply with the requirements of Article 11 of the MiFID II Delegated Directive.

## **5.5 Cash Commission/ Rebates and Fee Sharing**

Where the Manager and/or 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 FDI for a Fund, the rebated commission shall be paid to the relevant Fund. The Manager and/or an Investment Manager or their delegates may be paid / reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Manager and/or an Investment Manager or their delegates in this regard.

#### **5.6** Common Counsel and Auditor

Maples and Calder is Irish counsel to the ICAV. Maples and Calder may also act as counsel to the Investment Manager in matters not involving the ICAV, and may also represent Credit Suisse and its affiliates. Consequently, certain conflicts of interest may arise. Prospective investors and Shareholders are advised to consult their own independent counsel (and not Maples and Calder) with respect to the legal and tax implications of an investment in the Shares.

PWC has been appointed as the auditor for the ICAV. PWC may also act as the auditor to the Investment Manager in matters not involving the ICAV, and may also act as the auditor to Credit Suisse and its affiliates. Consequently, certain conflicts of interest may arise.

#### **5.7** Other Conflicts

Any other potential conflicts may be disclosed in the relevant Supplement.



## **6 Share Dealings**

- 6.1.1 The Funds are exchange traded funds which means that the Shares of the Funds are listed and or admitted to trading on one or more stock exchanges. Certain brokers are authorised by the ICAV to subscribe and redeem Shares of the Funds directly with the ICAV in the Primary Market and they are referred to as "Authorised Participants". Such Authorised Participants generally have the capability to deliver the Shares of the Funds within the Recognised Clearing and Settlement System relevant to the stock exchanges on which the Shares are listed. Authorised Participants usually sell the Shares they subscribe on one or more stock exchanges, the Secondary Market, where such Shares become freely tradable. Potential investors who are not Authorised Participants can purchase and sell the Shares of the Funds on the Secondary Market through a broker/dealer on a recognised stock exchange or OTC.
- 6.1.2 The section titled "Share Dealing on the Primary Market" relates to subscriptions and repurchases between the ICAV and Authorised Participants. Investors who are not Authorised Participants should refer to the section below titled "Share Dealing on the Secondary Market".
- 6.1.3 Clearing and Settlement

The settlement of trading in Shares of the Funds is centralised in an ICSD structure. Shares in the Funds will generally be issued in dematerialised form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate issued to the Common Depository's Nominee which is required for the ICSD settlement model (the ICSD being the Recognised Clearing and Settlement Systems through which the Funds' Shares will be settled). The Funds will apply for admission for clearing and settlement through the applicable ICSD. The ICSD for the Funds will be Euroclear and Clearstream, Luxembourg.

Under the ICSD settlement model, all Shares in the Funds will ultimately settle in an ICSD but investors may have their holdings within Central Securities Depositories which will be Participants. All Shares in issue will be represented by a Global Share Certificate and the Global Share Certificate will be deposited with a Common Depository and registered in the name of the Common Depository's Nominee on behalf of Euroclear and Clearstream, Luxembourg and accepted for clearing through Euroclear and Clearstream, Luxembourg. The applicable ICSD for an investor is dependent on the market in which the Shares are traded.

A purchaser of interests in Shares in the Funds will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such Shares. Legal title to the Shares of the Funds will be held by the Common Depository's Nominee. The rights of the holder of the indirect beneficial interests in the Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under the Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All distributions, notices, reports, and statements issued to such Shareholder by the ICAV shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

### **6.1.4 ICSD**

Each Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Participant must look solely to its ICSD for such Participant's (and therefore any person with an interest in the Shares)

portion of each payment or distribution made by the Funds to or on the instructions of a Common Depository's Nominee and in relation to all other rights arising under the Shares.

Participants shall have no claim directly against the ICAV, the Funds, any Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the Shares which are made by the ICAV or the Funds to or on the instructions of the Common Depository's Nominee and such obligations of the ICAV shall be discharged thereby. The ICSD shall have no claim directly against the ICAV, the Funds, any Paying Agent or any other person (other than the Common Depository).

The ICAV or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the Shares to provide them with information relating to: (a) the capacity in which they hold an interest in Shares; (b) the identity of any other person or persons then or previously interested in such Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the ICAV with applicable laws or the constitutional documents of the ICAV.

The ICAV or its duly authorised agent may from time to time request the applicable ICSD to provide the ICAV with certain details in relation to Participants that hold interests in Shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of ETFs and holdings of the Participant within Euroclear and Clearstream, Luxembourg, as appropriate including which Funds, types of Shares and the number of such interests in the Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the Shares held by each such Participant. Euroclear and Clearstream, Luxembourg Participants which are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of Euroclear and Clearstream, Luxembourg to disclose such information to the ICAV of the interest in Shares or to its duly authorised agent. Similarly, the ICAV or its duly authorised agent may from time to time request any Central Securities Depository to provide the ICAV with details in relation to Shares in each Fund or interests in Shares in each Fund held in each Central Securities Depository and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests in Shares in a Central Securities Depository or intermediaries acting on behalf of such holders agree to the Central Securities Depository, pursuant to the respective rules and procedures of the relevant Central Securities Depository, disclosing such information to the ICAV or its duly authorised agent.

The holder of the indirect beneficial interest in the Shares may be required to agree to the applicable ICSD providing the identity of a Participant or investor to the ICAV upon their request.

#### 6.1.5 Notices of Meetings and the Exercise of Voting Rights through the ICSD

Notices of general meetings and associated documentation will be issued by the ICAV to the registered holder of the Shares i.e. the Common Depository's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the Participants and the Participant's right to exercise voting rights. Investors who are not Participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant ICSD to receive any notices of Shareholder meetings of the ICAV and to relay their voting instructions to the relevant ICSD.

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of any Shareholder meetings of the ICAV and to relay any associated documentation issued by the ICAV to the Common Depository, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its Participants to the Common Depository and the Common Depository is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depository's Nominee, which is obligated to vote in accordance with the Common Depository's voting instructions.



## **7 Share Dealing on the Primary Market**

### **7.1 Share Dealing on the Primary Market**

The Primary Market is the market on which Shares of the Funds are issued by the ICAV to Authorised Participants or redeemed by the ICAV from Authorised Participants. Only Authorised Participants are able to subscribe or redeem Shares on the Primary Market.

#### **Applications for Shares**

An investor (generally only an Authorised Participant) can subscribe for or redeem their Shares (i) for cash and/or (ii) at the discretion of the Directors in-kind on the relevant date. The details on the specific cash and in-kind subscription and repurchase procedures are set out below under the headings "Cash Subscriptions and Repurchases" and "In-kind Subscriptions and Repurchases". A Subscription Charge of up to 5% of the Initial Issue Price or the Net Asset Value per Share, as appropriate, may be charged by the ICAV for payment to the Manager on the issue of Shares, out of which the Manager may, for example, pay commission to any Authorised Participants and other financial intermediaries. The amount of the Subscription Charge, if any, will be set out in the relevant Supplement.

After the initial issue, Shares of all Classes will be issued at a price corresponding to the Net Asset Value per Share (plus any Subscription Charge) of the relevant Class. The Net Asset Value per Share of each Class in each Fund will be published in its respective Base Currency. Details of the Minimum Initial Investment Amounts and Minimum Additional Investment Amounts for each Fund and any charges are set out in the relevant Supplement.

Initial applications for Shares must be made in writing to the ICAV care of the Administrator using the Application Form. Application Forms may be obtained from the ICAV or the Administrator. Subsequent applications may be made electronically via the Administrator's online order capture system or by fax as contingency using a subscription form obtainable from the ICAV or the Administrator. The Directors have also decided that initial and subsequent subscription applications may be made by electronic or other means (provided that a duly completed Application Form is received for initial subscription applications and such electronic or other means are in accordance with the requirements of the Central Bank).

Shares may be subscribed at the Net Asset Value thereof together with associated duties and charges which may be varied to reflect the cost of execution. Authorised Participants subscribing for Shares in exchange for in kind assets would need to deliver a basket of underlying securities and a cash component (both as determined by the Investment Manager based on the underlying portfolio held, and to be held, by the relevant Fund) to the relevant Fund as part of its settlement obligations.

The Directors may restrict or prevent the ownership of Shares by any person, firm or corporate body, if in the opinion of the Directors such holding may be detrimental to the ICAV, if it may result in a breach of any law or regulation, whether Irish or foreign, or if as a result thereof the ICAV may become exposed to tax disadvantages or other financial disadvantages that it would not have otherwise incurred (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as "Prohibited Persons"). In particular, the Directors have resolved to prevent the ownership of Shares by any U.S. Person.

Persons who are "Benefit Plan Investors", as defined in Section 3(42) of ERISA, will not be permitted to subscribe for Shares.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

Activities which may adversely affect the interests of the Shareholders (for example, activities that disrupt the ICAV's investment strategies or impact expenses for the ICAV) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Shareholders, take action as appropriate to deter such activities.

As with other Irish companies limited by shares, the ICAV is required to maintain a register of Shareholders. The Directors have resolved that Shares in the Funds may be issued in

dematerialised (or uncertificated) form and that the Funds may apply for admission for clearing and settlement through a Recognised Clearing and Settlement System.

The Depositary (or its delegate) will maintain an Umbrella Cash and Securities Account at the relevant Recognised Clearing and Settlement System. Settlement of subscriptions for Shares by an Authorised Participant will take place on a DVP basis at the relevant Recognised Clearing and Settlement System. An Authorised Participant will arrange for delivery of the subscription monies to the Umbrella Cash and Securities Account maintained by the Depositary (or its delegate) who, in turn, will arrange for the simultaneous delivery to the Authorised Participant of the Shares for which it has subscribed.

### **Repurchase of Shares**

Shareholders wishing to have all or some of their Shares redeemed by the ICAV may make an application for repurchase electronically via the Administrator's online order entry platform or, for contingency by fax using a repurchase form obtainable from the ICAV or the Administrator, provided that (i) payment shall be made to the account on record (any changes to the account on record may only be made upon receipt of original written instructions) (ii) an original Application Form has been received and all anti-money laundering and client identification checks are complete and (iii) that the Shareholder has requested this facility, or as the Directors have also decided, by electronic or other means to the Administrator. Applications must include details of the name of the Fund, Class of Share, the number of Shares or the amount the Shareholder wishes to have redeemed, the Shareholder's details, the Shareholder's account number and any other information required by the repurchase form. Failure to provide any of this information may result in delay of the application for repurchase whilst verification (which may be requested in writing) is sought from the Shareholder.

The ICAV is entitled to limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata, so that all Shareholders wishing to redeem their shareholding in that Fund on the relevant Dealing Day will realise the same proportion of their repurchase request. Shares not redeemed but which would otherwise have been redeemed, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a pro rata basis (as detailed above) together with repurchase requests received subsequently. If requests for repurchases are so carried forward, the Administrator will inform the Shareholders affected.

The Instrument of Incorporation contains special provisions with respect to a repurchase request received from a Shareholder which would result in Shares representing more than 5% of the Net Asset Value of any Fund being redeemed by the ICAV on any Dealing Day. In such a case the ICAV, at the discretion of the Directors, may satisfy the repurchase request in whole or in part by a distribution of investments of the relevant Fund in specie, provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The assets to be transferred shall be selected at the discretion of the Investment Manager, subject to the approval of the Depositary, and taken at their value used in determining the repurchase price of the Shares being repurchased. Where a Shareholder requesting such repurchase receives notice of the ICAV's intention to elect to satisfy the repurchase request by such a distribution of assets, the Shareholder may require that the ICAV, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale to that Shareholder.

Upon a repurchase of Shares by an Authorised Participant, such transaction will also take place on a DVP basis at the relevant Recognised Clearing and Settlement System. The Authorised Participant will arrange for the delivery of Shares to the Depositary's (or its delegate's) Umbrella Cash and Securities Account who, in turn, will arrange for the simultaneous credit of the Umbrella Cash and Securities Account with the repurchase proceeds.

### **Cash Subscriptions and Repurchases**

An investor (generally only an Authorised Participant) may subscribe for or redeem Shares for cash on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

- (a) Procedures for Subscriptions or Repurchases for Cash: Applications for cash subscriptions or repurchases will be made with effect from a Dealing Day in respect of

applications received on or prior to the Dealing Deadline. Dealing Days, Dealing Deadlines and the relevant Minimum Initial Investment Amount and Minimum Repurchase Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been rejected by the Manager and the applicant will be required to submit the application for subscription prior to the Dealing Deadline of the next Dealing Day. Applications for subscription will be irrevocable unless the Directors, or a delegate, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.

Shareholders wishing to subscribe or redeem Shares for cash may do so by notifying the ICAV or the Administrator of (i) the Shareholder's wish to subscribe or redeem in cash; and (ii) details of the Shareholder's bank account in which the subscription amount or repurchase proceeds, denominated either in the Base Currency of the Fund or the local currency, are to be debited or credited, respectively. Delivery instructions are available from the Administrator upon written request. Normally Shareholders wishing to make a cash repurchase must also make arrangement for the transfer of their Shares into the ICAV's account at a Recognised Clearing and Settlement System. On a repurchase, the Depositary will release cash at the instruction of the Administrator.

Cash subscriptions must be received by the relevant Settlement Date. The ICAV and the Manager reserve the right, in their sole discretion, to require the applicant to indemnify the ICAV against any losses, costs or expenses arising as a result of a Fund's failure to receive payment by the relevant Settlement Date.

- (b) Payment Procedures for Repurchases for Cash: Payment for Shares redeemed will be effected by the Settlement Date as specified in the Supplement for the relevant Fund (assuming the Shares have been transferred into the account maintained by the Depositary (or its delegate) on behalf of the ICAV at a Recognised Clearing and Settlement System). Repurchase proceeds in either the Base Currency of the Fund or other local currency may also be paid by electronic transfer to the appropriate bank account as notified by the redeeming Shareholder. The cost of any transfer of proceeds by electronic transfer will be deducted from such proceeds.

The repurchase proceeds will be paid net of any Repurchase Charge and any electronic transfer costs. Shareholders are reminded that, because of market fluctuations, transaction fees and other factors, the repurchase proceeds can be higher or lower than the initial subscription amount.

### **In-Kind Subscription**

At the discretion of the Directors, investors may subscribe, via an Authorised Participant, for Shares in-kind on each Dealing Day except during any period in which the calculation of the Net Asset Value is suspended. For the avoidance of doubt the Minimum Initial Investment Amount as set out in the Supplement for the relevant Fund shall apply in relative terms to in-kind subscriptions. "In-kind" means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a repurchase, the Fund will receive securities (or predominantly securities) acceptable to the Investment Manager.

Securities delivered in connection with in-kind subscription requests must be securities which the Fund may acquire pursuant to its investment objective and policies and will be reviewed and the value of such securities contributed verified by the Depositary. A report will be issued detailing the securities transferred, their respective market value on the day of the transfer and the number of Shares issued. Any costs resulting from such a subscription in-kind will be borne exclusively by the relevant investor. The value attributed to securities delivered in connection with in-kind subscription or repurchase requests will be equivalent to that for cash subscriptions/repurchases, and no Shares shall be issued until all securities and cash payable to the Depositary (or a permitted collateral amount) are in the possession of, or properly credited to the account of, the Depositary.

- (a) Applications for Subscription: Applications for in-kind subscriptions will be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been rejected by the Manager and the applicant will be required to submit the application for subscription prior to the Dealing Deadline of the next Dealing Day. Applications for subscriptions will be irrevocable unless the Directors, or a delegate, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.
- (b) Settlement Period: The standard settlement period for in-kind subscriptions is generally two Business Days following the Business Day on which the application for subscription is accepted, but this may vary depending upon the standard settlement periods of the different stock exchanges on which the shares are traded and the nature of the securities but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days from the relevant Dealing Deadline. No Shares will be issued to the applicant until all the securities being subscribed in kind have been received by the Depositary and the In-Kind Transaction Fee and, if applicable, transfer taxes have been received by the Depositary.

#### **Procedures for Redeeming Shares In-Kind**

- (a) Applications for Repurchase: At the discretion of the Directors, investors may redeem via an Authorised Participant, Shares in-kind. Applications for in-kind repurchases of Shares will be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline and asset allocation is subject to the approval of the Depositary. Dealing Days, Dealing Deadlines and the relevant Minimum Initial Investment Amount and Minimum Repurchase Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Manager shall otherwise agree and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline. Applications will be irrevocable unless the Directors, or a delegate, otherwise agree. If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.

The repurchase proceeds will be paid net of any Repurchase Charge and any electronic transfer costs. Shareholders are reminded that because of market fluctuations, transaction fees and other factors, the repurchase proceeds can be higher or lower than the initial subscription amount.

No delivery instructions will be issued by the Administrator to the Depositary in relation to the securities or cash until the Administrator has accepted the application for repurchase in relation to all Shares being redeemed (such day, the "**Cancellation Day**").

- (b) Settlement Period: The standard settlement period for in-kind repurchases is three Business Days following the Business Day on which the application for repurchase is accepted but may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the in-kind securities. Any cash to be paid in respect of an in-kind repurchase will be for value on the same day as settlement of the securities.
- (c) Partial Cash Settlement: The ICAV may, in its absolute discretion, satisfy part of the application for in-kind repurchase in cash, for example in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an

insufficient amount of that security is held for delivery to the applicant for repurchase in-kind.

Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

### **Directed Cash Dealings**

If any request is made by an Authorised Participant to execute underlying security trades and/or foreign exchange with respect to Share dealings in a way that is different than normal and customary convention, the Investment Manager will use reasonable endeavours to satisfy such request if possible but the Investment Manager will not accept any responsibility or liability if the execution request is not achieved in the way requested for any reason whatsoever.

If any Authorised Participant making a cash subscription or repurchase wishes to have the underlying securities relating to their subscription or repurchase traded with a particular designated broker (i.e. a directed cash subscription or repurchase), the Authorised Participant would need to specify such instructions in its dealing request. The Investment Manager may at its sole discretion (but shall not be obliged to) transact for the underlying securities with the designated broker for the purpose of the subscription or repurchase. Authorised Participants that wish to select a designated broker are required, prior to the Investment Manager transacting the underlying securities, to contact the relevant portfolio trading desk of the designated broker to arrange the trade.

If an application resulting in a creation is accepted as a directed cash subscription, as part of the Authorised Participant's settlement obligations, the Authorised Participant would be responsible for (i) ensuring that the designated broker transfers to the Fund (via the Depositary) the relevant underlying securities, and (ii) paying the fees and costs charged by the designated broker for selling the relevant underlying securities to the Fund plus any associated taxes and charges, including foreign exchange costs, to reflect the cost of execution.

If a dealing request resulting in a repurchase is accepted as a directed cash repurchase, the Authorised Participant is responsible for ensuring that the designated broker purchases the relevant underlying securities from the Fund. The Authorised Participant will receive the price paid by the designated broker for purchasing the relevant underlying securities from the Fund, less any associated taxes and charges, including foreign exchange costs, to reflect the cost of execution.

The ICAV and/or the Investment Manager will not be responsible, and shall have no liability, if the execution of the underlying securities with a designated broker and, by extension, an Authorised Participant's subscription or repurchase order, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the designated broker. Should an Authorised Participant or the designated broker to which the Authorised Participant directed the underlying securities transaction default on, delay settlement of, or change the terms of, any part of the underlying securities transaction, the Authorised Participant shall bear all associated risks and costs, including costs incurred by the ICAV and/or the Investment Manager as a result of the delay to the underlying securities transaction. In such circumstances, the ICAV and the Investment Manager have the right to transact with another broker and to amend the terms of the Authorised Participant's subscription or repurchase, including the subscription price and/or repurchase proceeds, to take into account the default, delay and/or the change to the terms.

### **Form of the Shares and Register**

The Shares shall be issued in the form of registered Shares. Registered Shares may be represented by a Global Share Certificate.

- (a) Registered Shares: The Shares can be issued in registered form and the Shareholders' register is conclusive evidence of the ownership of such Shares.

Registered Shares shall be issued without share certificates. The uncertified form enables the ICAV to effect repurchase instructions without undue delay.

- (b) Registered Shares represented by Global Share Certificates: Such Global Share Certificates will be issued in the name of the ICAV and deposited with the clearing agents or alternatively directly registered in the name of the relevant clearing agent. Global Share Certificates will be transferable in accordance with applicable laws and



any rules and procedures issued by any clearing agent concerned with such transfer. Such registered Shares represented by a Global Share Certificate are freely transferable subject to and in accordance with the rules of the relevant clearing agent. Shareholders who are not participants in such systems will only be able to transfer such registered Shares represented by a Global Share Certificate through a financial intermediary who is a participant in the settlement system of the relevant clearing agent.

#### General Provisions

The Directors reserve the right to reject any application in whole or in part. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the ICAV.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Instrument of Incorporation and as discussed herein under "Suspension of Calculation of Net Asset Value".

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the ICAV prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

### **7.2 Anti-Money Laundering and Counter Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the on-going monitoring of the business relationship in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as two original copies of evidence of his/her address, i.e. utility bills or bank statements (not more than six months old), date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary located in a jurisdiction recognised by Ireland as having equivalent anti-money laundering protections.

The ICAV is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 and the Criminal Justice Act 2013 which are aimed towards the prevention of money laundering and terrorist financing. In order to comply with these anti-money laundering and counter-terrorism financing regulations, the Administrator, on the ICAV's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The ICAV and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the Beneficial Ownership Regulations 2016 (SI 560 of 2016) or as otherwise required.

None of the ICAV, the Directors, the Manager, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of Repurchase Proceeds is delayed in such circumstances.

### **7.3 Data Protection**

Prospective investors should note that, by virtue of making an investment in the ICAV and the associated interactions with the ICAV and its affiliates and delegates (including completing the

Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the ICAV with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the ICAV and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The ICAV shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator, the Investment Manager and the Distributor, may act as data processors (or joint data controllers in some circumstances).

The ICAV has prepared a document outlining the ICAV's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the ICAV. The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the ICAV with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the ICAV;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the ICAV's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the ICAV and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the ICAV has considered this to be necessary for the purposes of its or a third party's legitimate interests.

#### **7.4 Compulsory Repurchase**

The ICAV may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified in the relevant Supplement.

The ICAV reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by any individual under the age of 18 (or such other age as the Directors think fit) or if the holding of the Shares by any person is 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 might result in the ICAV or the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the ICAV or the relevant Fund might not otherwise have incurred, suffered or breached.

The Directors of each Fund will compulsorily redeem Shares held by a U.S. Person.

To the extent the Shares are not held in a Recognised Clearing and Settlement System, where Irish Taxable Persons acquire and hold Shares, the ICAV shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be an Irish Taxable Person or is acting on behalf of an Irish Taxable Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners.

Shareholders are required to notify the ICAV and the Administrator immediately if they become U.S. Persons or persons who are otherwise subject to restrictions on ownership as set out in this Prospectus and such Shareholders may be required to sell or transfer their Shares. The ICAV may repurchase any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out

in this Prospectus or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to the ICAV, the Shareholders as a whole or any Fund or Class. The ICAV may also repurchase any Shares held by any person who holds less than the Minimum Shareholding or who does not, within seven days of a request by or on behalf of the Directors, supply any information or declaration required under the terms hereof to be furnished (including, without limitation, the failure to provide such documentation as may be required by the ICAV to satisfy the ICAV as to the identity and verification of beneficial ownership in accordance with anti-money laundering and prevention of terrorism law applicable in Ireland and the failure to provide any declarations including declarations as to appropriate tax status of the transferee). The ICAV may apply the proceeds of such compulsory repurchase in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon.

## 7.5 Exchange of Shares

Where provided for in the relevant Supplement, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of one Fund (the "**Original Class**") for Shares of another Class in a separate Fund which is being offered at that time (the "**New Class**") provided that all the criteria for applying for Shares in the New Class have been met, by giving notice to the Administrator on behalf of the ICAV on or prior to the Dealing Deadline for the relevant Valuation Point. The Manager however may at its sole discretion agree to accept requests for exchange received after that time provided they are received prior to the relevant Valuation Point. The Manager may not be able to exercise this discretion in all circumstances, for example where requests for exchanges of Shares are made via dealing platforms or other electronic means. In such cases, requests for exchange received after the Dealing Deadline may be rejected. Shareholders making requests for exchanges via dealing platforms or other electronic means are reminded that they must refer to the provider of the dealing platform or electronic means for the procedures that apply to such trading arrangements.

The general provisions and procedures relating to repurchases will apply equally to exchanges. All exchanges will be treated as a repurchase of the Shares of the Original Class and application of the net proceeds to the purchase of Shares of the New Class, based upon the then current issue and Repurchase Prices of Shares in each Fund. The Instrument of Incorporation allows for an exchange fee of up to 3% of the total Repurchase Price of the Shares of the Original Class redeemed to be charged, and the Directors, in their sole discretion, reserve the right to impose such fee within this limit as shall be set out in the Supplement in respect of each Fund.

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

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

R = the number of Shares of the Original Class to be exchanged;

S = the number of Shares of the New Class to be issued;

RP = the Repurchase Price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;

ER = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors on or about the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

SP = the issue price per Share of the New Class as at the Valuation Point for the relevant Dealing Day; and

F = the exchange charge, if any payable to the ICAV, or as it may direct, on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

Shares may not be exchanged for Shares in a different Fund during any period when the calculation of the Net Asset Value of either of the relevant Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to or exceeds the Minimum Initial Investment Amount for the relevant New Class specified in the relevant Supplement. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding for the Original Class.

Where an exchange of Shares is permitted, further details will be outlined in the relevant Supplement.

The Administrator will at the discretion of the Fund arrange for any necessary currency transaction, at prevailing exchange rates, required if there is an exchange of Shares of any Class of a Fund for Shares of the same Class in another Fund. Any such currency transaction may be effected with the Depositary and will be at the applicant's cost. Currency exchange transactions may delay any dealing in Shares as any foreign exchange transaction may be delayed until cleared funds have been received. This foreign exchange transaction will be arranged by the Administrator at the risk of the relevant investor.

## **7.6 Total Repurchase of Shares**

All of the Shares of any Class or any Fund may be repurchased:

- if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size or the Minimum Share Class Size (if any) determined by the Directors following consultation with the Manager in respect of that Fund or Class and set out in the relevant Supplement; or
- on the giving by the ICAV of not less than twenty-one Clear Days' notice expiring on a Dealing Day to Shareholders of the relevant Fund or Class of its intention to repurchase such Shares; or
- if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be repurchased.
- The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total repurchase of Shares to cover the costs associated with the subsequent termination of a Fund or Class or the liquidation of the ICAV.
- Please refer also to section 13.7 for a summary of provisions in the Instrument of Incorporation in relation to the circumstances where a Fund may be terminated in relation to procedures for the winding up of the ICAV.

## **8 Share Dealing on the Secondary Market**

Shares may be purchased or sold on the Secondary Market by all investors through a relevant recognised stock exchange on which the Shares are admitted to trading, or OTC.

All investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Investors who invest in a Fund through a broker/dealer may not, from a clearing perspective, be recorded as a Shareholder on the register of Shareholders as the Shares may be held in a nominee name. Such investors will, however, have rights as a beneficial holder of the relevant Shares. Orders to purchase Shares in the Secondary Market through the recognised stock exchanges, or OTC, may incur brokerage and/or other costs which are not charged by the ICAV and over which the ICAV and the Manager has no control. Such charges are publicly available on the recognised stock exchanges on which the Shares are listed or can be obtained from stock brokers.

Investors may redeem their Shares through an Authorised Participant by selling its Shares to the Authorised Participant (directly or through a broker).

### **8.1 On Exchange**

It is the intention of the ICAV that its Funds, through the listing and/or admittance to trading of its Shares on one or more Relevant Stock Exchanges, will be ETFs. Upon such listings there is an expectation that members of the Relevant Stock Exchanges will act as market makers and provide offer and bid prices at which the Shares can be purchased or sold, respectively, by investors in accordance with the requirements of the Relevant Stock Exchange. The spread between such bid and offer prices is typically monitored by the Relevant Stock Exchanges. Certain Authorised Participants who subscribe for Shares may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more Relevant Stock Exchanges and/or other stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares. Investors should be aware that on days other than Business Days or Dealing Days of a Fund when one or more markets are trading Shares but the underlying Market(s) on which the Reference Index or Reference Asset of the Fund are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. The settlement of trades in Shares on Relevant Stock Exchanges will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the Relevant Stock Exchanges. Investors should also be aware that on such days the Reference Index or Reference Asset value would not necessarily be calculated and available for investors in making their investment decisions because prices of Reference Index or Reference Asset securities in the underlying Market(s) would not be available on such days. Nonetheless, one or more Relevant Stock Exchanges may provide a calculation of such Reference Index or Reference Asset based upon trading, if any, of such Reference Index or Reference Asset securities on marketplaces other than the underlying Market(s). Further details of the Relevant Stock Exchanges for each Fund are set out in the relevant Supplement.

### **8.2 Intra-Day Portfolio Value**

The Manager may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or "iNAV" for one or more Funds. If the Manager makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the assets/exposures of the Fund in effect on such Business Day, together with any cash amount in the Fund as at the previous Business Day. The Manager will make available an iNAV if this is required by any Relevant Stock Exchange.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any Relevant Stock Exchange. In particular, any iNAV provided for any Fund where the constituents of the Reference Index or Reference Asset are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share, may be misleading and should not be relied on. The inability of the Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a Relevant Stock Exchange, which will be determined by the rules of the Relevant Stock Exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the relevant constituent securities prices in comparison to other calculated values based upon the same constituent securities including, for example, the Reference Index or Reference Asset itself or the iNAV of other ETFs based on the same Reference Index or Reference Asset. Investors interested in subscribing for or redeeming Shares on a Relevant Stock Exchange should not rely solely on any iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Reference Index or Reference Asset, the relevant constituent securities and financial instruments based on the Reference Index or Reference Asset corresponding to the relevant Fund). None of the ICAV, the Directors, the Manager, any Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV.

### 8.3 Portfolio Transparency

Information on the calculation methodology, including the exact details of each Fund's Reference Index is available on the Website.

### 8.4 Secondary Market Repurchases

**Shares in the relevant Fund which are purchased on the Secondary Market cannot usually be redeemed directly from the ICAV. Investors normally sell their Shares on the Secondary Market with the assistance of an intermediary (e.g. a stockbroker or other investment broker) and may incur fees for investing in this manner. In addition, please note that such investors may pay more than the current Net Asset Value per Share when purchasing Shares on the secondary market and may receive less than the current Net Asset Value when selling their shareholding.**

However where the value of the Shares quoted on the Secondary Market significantly differs or varies from the current Net Asset Value per Share or in the case of a market disruption such as the absence of a market maker, investors who hold their shares through a Secondary Market will be permitted to redeem their shareholding directly from the ICAV.

In such situations, information will be communicated to the regulated market indicating that the ICAV is open for direct repurchases from Secondary Market investors. Such Secondary Market investors should refer to section 7 above of the Prospectus ("Share Dealing on the Primary Market") for details on how to process such repurchase requests.

Only the actual costs of providing this facility (i.e those costs associated with liquidating any underlying positions) will be charged to such Secondary Market investors and in any event, the fees in respect of any such repurchases shall not be excessive. However any such Secondary Market investor requesting buyback of its Shares may be subject to taxes as applicable, including any capital gains taxes or transaction taxes. Therefore it is recommended that prior to making such a request, the Shareholder seeks professional tax advice in relation to the implications of the buyback under the laws of the jurisdiction in which they may be subject to tax.

Shares bought back from investors who are not Authorised Participants will be redeemed in cash. Payment is subject to the investor having first completed any required identification and anti-money laundering checks. In kind repurchases may be available at the investor's request at the Manager's absolute discretion.

## **9 Listing on a Stock Exchange**

It is the intention of the ICAV that its Funds through having its Shares listed on one or more Relevant Stock Exchanges will qualify as an ETF. As part of those listings there is an obligation on one of more members of the Relevant Stock Exchange to act as market makers offering prices at which the Shares can be purchased or sold by investors. The spread between those purchase and sale prices may be monitored and regulated by the relevant stock exchange authority.

Unless otherwise stated in the Supplement for the relevant Fund, it is contemplated that application will be made to list the Shares of each Fund on Relevant Stock Exchanges.

Orders to buy Shares through the Relevant Stock Exchanges can be placed via a member firm or stockbroker. Such orders to buy Shares may incur costs over which the ICAV has no control.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

If the Directors decide to create additional Funds or Classes it may in its discretion apply for the Shares of such Funds to be listed on the Relevant Stock Exchange. For so long as the Shares of any Fund are listed on any Relevant Stock Exchange, the Fund shall endeavour to comply with the requirements of the Relevant Stock Exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares outside Ireland this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

Each Class of Shares of a Fund may be listed on one or more Relevant Stock Exchanges, further details of which will be set out in the relevant Supplement.

## 10 Valuation of Assets

### 10.1 Calculation of Net Asset Value

- (i) The Net Asset Value of a Fund shall be expressed in the Base Currency or in such other currency as the Manager may determine either generally or in relation to a particular Class or in a specific case, and shall be calculated by ascertaining the value of the assets of the Fund and deducting from such value the liabilities of the Fund as at the Valuation Point for such Dealing Day.
- (ii) In the event that the Shares of any Fund are further divided into Classes, the Net Asset Value per Class shall be determined by notionally allocating the Net Asset Value of the Fund amongst the Classes making such adjustments for subscriptions, repurchases, fees, dividend accumulation or distribution of income and the expenses, liabilities or assets attributable to each such Class (including the profit and loss (realised and unrealised) on and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to that Class) and any other factor differentiating the Classes determined by the Manager. The Net Asset Value of the Fund, as allocated between each Class, shall be divided by the number of Shares of the relevant Class which are in issue or deemed to be in issue and rounding the result mathematically to four decimal places as determined by the Manager or such other number of decimal places as may be determined by the Manager from time to time.
- (iii) The Net Asset Value per Share of a Fund or Class will be calculated by dividing the Net Asset Value of the Fund or Class as appropriate by the number of Shares in the Fund or Class then in issue or deemed to be in issue as at the Valuation Point for such Dealing Day and rounding the result mathematically to four decimal places or such other number of decimal places as may be determined by the Manager from time to time.
- (iv) The Instrument of Incorporation provides for the correct allocation of assets and liabilities amongst each Fund. The Instrument of Incorporation provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The assets and liabilities of a Fund will be valued at the Valuation Point as follows:-
- (v) Assets listed or traded on a recognised exchange for which market quotations are readily available shall be valued at the closing or last known market price which for the purposes of the ICAV shall be understood to mean the official closing price published by an exchange. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the Manager determines provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (vi) The value of any investment which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Manager or (ii) a competent person, firm or corporation (including the Investment Manager) appointed by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Manager or competent person (as approved by the Depositary) whereby such securities are valued by reference to the



valuation of other securities which are comparable in rating, yield, due date and other characteristics.

- (vii) Cash (in hand or on deposit) will be valued at its nominal/ face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (viii) Notwithstanding paragraph (i) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with paragraph (i) above.
- (ix) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with paragraph (ii) above.
- (x) Notwithstanding the provisions of paragraphs (i) to (v) above:-
  - (A) The Manager or its delegate shall, at their discretion in relation to any particular Fund which is a short-term money market fund, have in place an escalation procedure to ensure that any material discrepancy between the market value and the amortised cost value of a money market instrument is brought to the attention of the Investment Manager or a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
  - (B) Where it is not the intention or objective of the Manager or its delegate to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
- (xi) Notwithstanding the generality of the foregoing, the Manager may with the approval of the Depositary adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (xii) If the Manager deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale/methodologies used must be clearly documented.

The foregoing valuation principles are subject to any prevailing rules that may apply to how the ICAV is required to value particular instruments as may be contained in EMIR.

Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Manager or its delegate shall determine to be appropriate.

## **10.2 Suspension of Calculation of Net Asset Value**

The Directors may, following consultation with the Manager and/or the Investment Manager, at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, repurchase and exchange of Shares and the payment of Repurchase Proceeds:

- (i) during any period when any of the markets or stock exchanges on which a substantial portion of the assets of the relevant Fund are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) during 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 portion of the assets of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the

opinion of the Directors, following consultation with the Manager, the Net Asset Value of the Fund cannot be fairly calculated; or

- (iii) during any breakdown in the means of communication normally employed in determining the price of a substantial portion of the assets of the relevant Fund, or when, for any other reason the current prices on any market or stock exchanges of any of the assets of the relevant Fund cannot be promptly and accurately ascertained; or
- (iv) any period when, as a result of adverse market conditions, the payment of Repurchase Proceeds may, in the opinion of the Directors, following consultation with the Manager, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund; or
- (v) any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended; or
- (vi) any period when proceeds of any sale or repurchase of the Shares cannot be transmitted to or from the account of the relevant Fund; or
- (vii) any period in which the repurchase of the Shares would, in the opinion of the Directors, following consultation with the Manager, result in a violation of applicable laws; or
- (viii) during any period during which any transfer of funds involved in the realisation or acquisition of assets or payments due on the repurchase of Shares of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (ix) during any period when the Directors, following consultation with the Manager, are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- (x) during any period when in the opinion of the Directors such suspension is justified having regards to the best interests of the ICAV and/or the relevant Fund; or
- (xi) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the ICAV or terminate the relevant Fund is to be considered.

All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested subscriptions or repurchases of Shares of any Class in any Fund or exchanges of Shares of one Class in any Fund to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified immediately (without delay) on the same Business Day to the Central Bank. Details of any such suspension will also be notified to all Shareholders if, in the opinion of the Directors, it is likely to exceed 14 days.

## 11 Fees and Expenses

### 11.1 Total Expense Ratio

All of the fees and expenses payable in respect of a Fund are paid as one single fee. This is referred to as the "**Total Expense Ratio**" ("**TER**"). Out of the aforementioned TER, the ICAV will bear all costs incurred in connection with the ICAV's assets. This includes, but is not limited to, fees and out-of-pocket expenses properly incurred of the Manager, Investment Manager, any sub-investment manager, Depositary, Administrator, Directors, Distributor or sub-distributor, Secretary, MLRO, auditor, legal advisors, tax agent and Paying Agents. The TER is allocated by the ICAV and paid directly by the ICAV. The ICAV may pay, subject to any applicable regulations, part or all of its fees to any person that invests in or provides services to the ICAV or in respect of any Fund. All Directors will be entitled to reimbursement by the ICAV of out-of-pocket expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. The following fees and expenses will also be discharged out of the TER:

- (i) the cost of listing and maintaining a listing of Shares on any Relevant Stock Exchanges and the costs of all registration fees;
- (ii) any market maker(s) fees;
- (iii) the cost of convening and holding Directors' and Shareholders' meetings;
- (iv) professional fees and expenses for legal and other consulting services;
- (v) the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective Shareholders;
- (vi) the costs and expenses arising from any licensing or other fees payable to any Index Provider or other licensor of intellectual property, trademarks or service marks used by the ICAV;
- (vii) fees incurred for collateral management in relation to derivative transactions;
- (viii) the costs and expenses of any investment adviser appointed by the Investment Manager and/or sub-investment manager;
- (ix) the costs of carrying out any risk analysis associated with the ICAV or any Fund including calculating the SRRI, stress tests and VaR testing on an ongoing basis;
- (x) the costs of any amalgamation or restructuring of the ICAV or any Fund;
- (xi) the costs of liquidation or winding up the ICAV or terminating any Fund; and
- (xii) such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the ICAV or of any Fund.

The TER is calculated and accrued daily from the Net Asset Value of each Fund and payable monthly in arrears. The TER of each Fund is as listed in the relevant supplement.

If a Fund's expenses actually incurred in any period exceed the Total Expense Ratio ("**Deficit**"), the Investment Manager will pay the difference to the Fund from its own resources. Conversely, if the Total Expense Ratio in any period is greater than the Fund's expenses actually incurred ("**Surplus**"), the Investment Manager will receive the difference from the ICAV in respect of the relevant Fund. The Investment Manager may use the Surplus to pay any Deficit in a period to the Fund. The Investment Manager will pay any Deficit in the period to the Fund monthly in arrears (on the fourth last Business Day of the month following each calendar month). The ICAV on behalf of the relevant Fund will pay any Surplus to the Investment Manager at such frequency as requested by the Investment Manager.

For the avoidance of doubt, the Investment Manager may waive all or a portion of the Surplus it is entitled to receive in respect of any Fund.

The costs attributable to the individual Funds shall be allocated directly to them; otherwise the costs shall be divided among the individual Funds in proportion to the net asset value of each Fund.

## **11.2 Extraordinary Expenses**

The TER does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the ICAV including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the ICAV's investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the terms of such borrowings, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the ICAV). Extraordinary expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of each Fund to which they are attributable.

## **11.3 Establishment Expenses**

All fees and expenses relating to the establishment, organisation and authorisation of the ICAV and the initial Fund(s) including the fees of the ICAV's professional advisers (including legal, accounting, tax, regulatory, compliance, fiduciary and other professional advisers) will be borne by the Investment Manager.

The cost of establishing any subsequent Fund will be discharged by the Investment Manager unless otherwise set out in the relevant Supplement.

## **11.4 Entry/Exit Charges**

### **11.4.1 Subscription Charge**

Shareholders may be subject to a Subscription Charge of up to a maximum of 5 % of subscription monies, as specified in the relevant Supplement.

### **11.4.2 Repurchase Charge**

Shareholders may be subject to a Repurchase Charge up to a maximum of 3% of repurchase monies, as specified in the relevant Supplement.

### **11.4.3 Exchange Charge**

Shareholders may be subject to an Exchange Charge on the exchange of any Shares up to a maximum of 3 % of the Net Asset Value of the Shares in the original Fund, as specified in the relevant Supplement.

## 12 Taxation

### 12.1 General

The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. 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 in the ICAV is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and repurchase of, Shares in the places of their citizenship, residence and domicile.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.

### 12.2 Ireland

#### (a) Taxation of the ICAV

The Directors have been advised that the ICAV is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland.

Notwithstanding the above, a charge to tax may arise for the ICAV in respect of Shareholders on the happening of a "Chargeable Event" in the ICAV.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the ICAV in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "**Deemed Disposal**").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;
- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or
- (v) the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

On the happening of a Chargeable Event the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a Fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-

assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

(b) Taxation of Shareholders

The Irish taxation treatment applicable to Shareholders in the ICAV is set out below and is dependent on which of the following categories into which they fall:

*Shareholders whose Shares are held in a Recognised Clearing and Settlement System*

Any payments to a Shareholder or any encashment, repurchase, cancellation or transfer of Shares held in a Recognised Clearing and Settlement System will not give rise to a chargeable event in the ICAV (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing and Settlement System, apply in the case of chargeable events arising on a Deemed Disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the ICAV will not have to deduct any Irish taxes on the occurrence of such events.

However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on such events, including on a Deemed Disposal.

Where Shares are held in a Recognised Clearing and Settlement System, the obligation falls on the Shareholder (rather than the ICAV) to self-account for any tax arising on a chargeable event if the Shareholder is Irish Resident, Ordinary Resident and a non-Exempted Irish Investor. In the case of an individual, tax currently at the rate of 41% should be accounted for by the Shareholder in respect of any distribution or gain arising to the individual Shareholder on an encashment, repurchase, cancellation or transfer of Shares by a Shareholder.

Where the investment constitutes a "PPIU", tax at a rate of 60% should be accounted for by the Shareholder. These rates apply where the individual Shareholder has correctly included details of the income in a timely tax return (tax at a rate of 80% applies where details of the payment/disposal are not correctly included in the individual's tax returns).

Where the Shareholder is a company, any payment will be treated as income which is chargeable to tax under Case IV of Schedule D of the TCA.

A Relevant Declaration or approval in relation to appropriate equivalent measures is not required to be made where the Shares are held in a Recognised Clearing and Settlement System. It is the current intention of the Directors that all of the Shares will be held in a Recognised Clearing and Settlement System. If, in the future, the Directors permit Shares to be held in certificated form outside a Recognised Clearing and Settlement System, prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a prerequisite to being issued Shares in the ICAV or being registered as a transferee of the Shares (as the case may be). A Relevant Declaration will not be required to be completed in this regard where the ICAV has received approval from the Irish Revenue Commissioners where appropriate equivalent measures have been put in place.

*Shareholders who are neither Irish Residents nor Irish Ordinary Residents and their Shares are not held in a Recognised Clearing and Settlement System*

Non-Irish Resident Shareholders whose shares are not held in a Recognised Clearing and Settlement System will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the ICAV is in possession of written notice of approval from the 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 by the Revenue Commissioners.

If, in these circumstances, the ICAV is not in possession of a Relevant Declaration or the ICAV is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

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 for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares in the event that the shares are not held in a Recognised Clearing and Settlement System.

*Shareholders who are Irish Resident or Irish Ordinary Resident and their Shares are not held in a Recognised Clearing and Settlement System*

(i) Exempt Irish Shareholders

The ICAV is not required to deduct tax in respect of an Exempt Irish Shareholder whose shares are not held in a Recognised Clearing and Settlement System so long as the ICAV is in possession of a completed Relevant Declaration from those persons and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the ICAV if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV as if they are not Exempt Irish Shareholders.

While the ICAV is not required to deduct tax in respect of such Exempt Irish Shareholders, those Shareholders may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, repurchase or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for such tax to the Revenue Commissioners.

(ii) Irish-Resident Shareholders

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the ICAV on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

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

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the ICAV including its Irish tax reference number.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the ICAV 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.

#### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (a "PPIU") in relation to a specific Irish Resident Shareholder where that Irish Resident 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 Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

#### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

#### *Stamp Duty*

On the basis that the ICAV qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

#### *Capital Acquisitions Tax*

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (i) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (ii) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

#### (c) Other Tax Matters

The income and capital gains received by the ICAV from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The ICAV may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the ICAV will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.



### *Automatic Exchange of Information*

The ICAV is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The ICAV will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

### *FATCA Implementation in Ireland*

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA. The IGA provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents.

The ICAV is subject to these rules. Complying with such requirements will require the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory repurchase and/ or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the 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 any of its duly appointed agents) shall be entitled to require Shareholders 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 any legislation promulgated in connection with the IGA and Shareholders 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.

### *OECD Common Reporting Standard*

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The ICAV is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The ICAV, or a person appointed by the ICAV, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue

Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

### 12.3 Certain Irish Tax Definitions

#### *Residence – Company (which includes any body corporate, including an ICAV)*

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

#### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) 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 tax year.

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

#### *Ordinary Residence – Individual*

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

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2019 will remain ordinarily resident in Ireland until the end of the tax year 2022.

#### *Intermediary*

means a person who:-

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

## **13 General Information**

### **13.1 Reports and Accounts**

The year end of the ICAV and each Fund is 31 March in each year. Each Fund will prepare an annual report and audited accounts as of 31 March in each calendar year and a semi-annual report and unaudited accounts as of 30 September in each year with the first annual report to be made up to 31 March, 2021 and the first semi-annual report to be made up to 30 September, 2020.

Such reports and accounts will contain a statement of the Net Asset Value of the relevant Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

The audited annual report and accounts will be published within four months of the ICAV's/ the Funds' financial year end and its semi-annual report will be published within two months of the end of the half-year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with International Standards on Auditing (Ireland).

The Directors may send such reports and accounts electronically to Shareholders in accordance with the Central Bank Rules. See "Access to Documents" below.

### **13.2 Form and Share Capital**

The authorised share capital of the ICAV is two (2) redeemable Non-Participating Shares of no par value and 500,000,000,000 participating Shares of no par value. The share capital may be divided into different Classes of Shares with any preferential, deferred or special rights or privileges attached thereto, and from time to time may be varied so far as may be necessary to give effect to any such preference restriction or other term.

Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the ICAV. The Directors have the power to allot shares in the capital of the ICAV on such terms and in such manner as they may think fit.

### **13.3 The Instrument of Incorporation**

Clause 3 of the Instrument of Incorporation provides 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, consistent with the requirements of Regulation 4(3) of the Regulations.

The Instrument of Incorporation contains, among other things, provisions to the following effect:

### **13.4 Voting Rights**

Whenever the share capital is divided into different Classes, the class specific characteristics of a Class may be varied or abrogated by the ICAV, subject to the Central Bank Rules.

On a show of hands every holder who is present in person or by proxy and entitled to vote shall have one vote and the holder(s) of subscriber shares present in person or by proxy and entitled to vote shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy and entitled to vote shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy and entitled to vote shall have one vote in respect of his holding of subscriber shares.

### **13.5 Funds**

The ICAV is required to establish a separate portfolio of assets for each Fund created by the ICAV from time to time, to which the following shall apply:-

- (i) for each Fund the ICAV shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each Class of the Fund, and the investments and the liabilities and income and expenditure attributable thereto

shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;

- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the ICAV which the Manager does not consider are attributable to a particular Fund or Funds, the Directors shall following consultation with the Manager and with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, following consultation with the Manager and with the approval of the Depositary, vary the basis in relation to assets previously allocated;
- (iv) no Shares will be issued on terms that entitle the Shareholders of any Fund to participate in the assets of the ICAV other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full Repurchase Proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid up on the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the ICAV, any other Fund or any assets of the ICAV in respect of any shortfall;
- (v) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund; and
- (vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 36(6) of the ICAV Act, shall apply.

### **13.6 Termination of Funds**

Any Fund may be terminated by the Directors, in their sole and absolute discretion following consultation with the Manager, in any of the following events:-

- (i) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size (if any) determined by the Directors at their discretion in respect of that Fund;
- (ii) the Shareholders resolve by special resolution that the relevant Fund be wound up;
- (iii) if any Fund shall cease to be authorised or otherwise officially approved;
- (iv) if any law shall be passed or regulatory requirement introduced which renders it illegal or in the opinion of the Directors, following consultation with the Manager, impracticable or inadvisable or not commercially viable or excessively onerous from a compliance perspective to continue the relevant Fund;
- (v) if there is a change in material aspects of business or in the economic or political situation relating to a Fund which the Directors, following consultation with the Manager, consider would have material adverse consequences on the investments of the Fund; or
- (vi) if the Directors, following consultation with the Manager, shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors and the Manager shall be under no liability on

account of any failure to terminate the relevant Fund pursuant to points (i) to (v) above or otherwise.

The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

### **13.7 Winding up**

The Instrument of Incorporation contains provisions to the following effect:

- (i) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the ICAV Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Shares shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to other Classes of Shares. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;
- (iii) A Fund may be wound up pursuant to section 37 of the ICAV Act and in such event the provisions of the Instrument of Incorporation shall apply mutatis mutandis in respect of that Fund;
- (iv) If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the ICAV Act, divide among the holders of Shares of any Class or Classes of a Fund in specie the whole or any part of the assets of the ICAV relating to that Fund, 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 all the holders of Shares or the holders of different Classes of Shares as the case may be. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders 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 a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

### **13.8 Segregation of Liability**

The Instrument of Incorporation contains provisions reflecting the segregation of liability between the Funds in line with the ICAV Act.

### **13.9 Directors Indemnities and Insurance**

Pursuant to the Instrument of Incorporation, each of the Directors shall be indemnified by the ICAV against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such office in the discharge of his duties provided that, as permitted by the ICAV Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any negligence, default, breach of duty or breach

of trust by him in relation to the ICAV and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the ICAV and have priority as between the Shareholders over all other claims.

The ICAV acting through the Directors is empowered under the Instrument of Incorporation to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

### **13.10 Communications with Shareholders**

Communications with Shareholders may be effected by electronic mail or by any other means of communication provided that the Shareholder has consented to such method of communication. Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator. Communications with Shareholders will also be published on the Website. Investor should regularly visit the Website, or request that their stockbrokers or other financial agents or advisers do so on their behalf, to ensure that they obtain such information on a timely basis.

### **13.11 Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the ICAV and are or may be material.

#### **13.11.1 Management Agreement**

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

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

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

The ICAV shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) out of the assets of the relevant Fund from and against any and all direct losses which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, Delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of on the part of the Manager (or any of its directors, officers, employees, delegates, or agents) in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such

terms and conditions as agreed between the ICAV and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement and provided further that the Manager shall remain responsible and liable for any acts or omissions of any such delegate or sub-contractor as if such acts or omissions were those of the Manager.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) calendar days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); (vii) is the subject of a court order for its winding up or liquidation; or (viii) ceases to be appropriately regulated in the jurisdiction of its registered office for the proper performance of the Management Agreement. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

#### 13.11.2 Investment Management Agreement

Pursuant to the Investment Management Agreement the Investment Manager will be entitled to receive fees. The Investment Management Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Investment Management Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Investment Management Agreement or upon the insolvency of a party (or upon the happening of a like event).

The ICAV, out of the assets of the relevant Fund, shall indemnify and keep indemnified the Investment Manager from and against all actions, proceedings, claims and against all loss, costs, demands and expenses (including reasonable legal expenses) which may be brought against, suffered or incurred by the Investment Manager, by reason of the performance of its obligations under the terms of the Investment Management Agreement (other than by reference to any negligence, fraud, bad faith, recklessness or wilful default in the performance or non-performance by the Investment Manager of its duties and obligations under the Investment Management Agreement or persons designated by it of its obligations or duties hereunder or as a result of a breach of any of its obligations under the Investment Management Agreement).

The Investment Management Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Investment Management Agreement.

#### 13.11.3 Administration Agreement

The Administration Agreement shall continue in force until terminated by either the Manager, the ICAV or the Administrator on ninety (90) days' notice in writing to the other party or until terminated by either the Manager or the Administrator in accordance with the terms of the Administration Agreement, which provide that the Administration Agreement may be terminated forthwith by any party giving notice in writing to the other parties if at any time: (i) the other parties shall go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or a receiver

or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) any party shall commit any breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within thirty (30) consecutive calendar days after the service of written notice requiring it to be remedied; or (iii) any party ceases to be permitted to act as in its current capacity under any applicable laws; or (iv) the Depositary shall cease to be engaged as the depositary of the Fund.

The Administrator shall use reasonable care in performing its duties under the Administration Agreement, but shall not be held accountable or liable for any direct losses, damages or expenses the ICAV or any Shareholder or former Shareholder of the ICAV or any other person may suffer or incur arising from acts, omissions, errors or delays of the Administrator in the performance of its obligations and duties including, without limitation, any error of judgment or mistake of law, except a damage, loss or expense, resulting from the Administrator's wilful default, bad faith, fraud, recklessness or negligence in the performance of such obligations and duties. In addition, the ICAV and the Manager agree (out of the assets of the relevant Fund) to indemnify the Administrator against and hold it harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) actually incurred by the Administrator resulting from any act, omission, error or delay or any claim, demand, action or suit, in connection with or arising out of the proper performance by the Administrator of its obligations and duties under the Administration Agreement, not resulting from the wilful default, bad faith, fraud, recklessness or negligence of the Administrator in the performance of such obligations and duties

#### 13.11.4 Depositary Agreement

Pursuant to the Depositary Agreement between the ICAV, the Manager and the Depositary, the Depositary will act as depositary of the ICAV. The Depositary Agreement may be terminated by either party on giving 90 days' prior written notice to the other party. The Depositary Agreement may also be terminated by either party forthwith by giving notice in writing to the other party upon certain breaches as outlined in the Depositary Agreement or upon the insolvency of either party. The ICAV may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary approved by the Central Bank has been appointed with the prior approval of the Central Bank or where the Depositary is no longer permitted to act as a depositary by the Central Bank.

The Depositary shall exercise due care and diligence in the discharge of its duties and shall be liable to the ICAV and to the Shareholders of the ICAV for all other losses (i.e. other than loss of a financial instrument held in custody) suffered by the ICAV or the Shareholders of the ICAV as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the ICAV or to the shareholders in the ICAV, for the loss of a financial instrument held in custody by the Depositary or a third party to whom the custody of financial instruments held in custody in accordance with paragraph (4)(a) of Regulation 34 of the Central Bank Regulations has been delegated. Where a financial instrument held in custody has been lost, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the ICAV without undue delay. The Depositary shall not be liable if 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.

The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

#### 13.11.5 Distribution Agreement



Pursuant to the Distribution Agreement the Distributor has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. The Distribution Agreement may be terminated by any party on giving not less than 90 days' prior written notice to the other parties. The Distribution Agreement may also be terminated forthwith by any party giving notice in writing to the other parties upon certain breaches as outlined in the Distribution Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Distributor accepts responsibility for and shall indemnify and hold harmless the ICAV and the Manager (solely in its capacity as Manager of and in relation to the functions it performs for the ICAV) against all costs, losses, claims and expenses suffered or incurred by the ICAV and the Manager to the extent that such costs, losses, claims and expenses are due to the negligence, bad faith, wilful default or fraud in the performance of its obligations and the Distributor will not otherwise be liable for any costs, losses, claims and expenses suffered or incurred by the ICAV.

#### 13.11.6 Additional Contracts.

In addition to the above, the ICAV or the Manager may enter into additional contracts with Paying Agents as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the ICAV for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

### 13.12 Access to Documents and Up-to-date Information

The following documents may be provided in a durable medium (which shall include in writing and/or by electronic mail) or in an electronic format on the Website or such other website as may be notified to Shareholders in advance from time to time). A copy in writing of such documents shall be provided to Shareholders on request, free of charge.

- this Prospectus;
- once published, the latest annual and semi-annual reports of each Fund; and
- KIID (noting the disclosures regarding KIID access in section 1.1 of the Prospectus).

In addition, copies of the following documents may be obtained free of charge from the registered office of the ICAV in Ireland during normal business hours, on any Business Day:

- the Instrument of Incorporation; and
- once published, the latest annual and semi-annual reports of each Fund.

An up-to-date version of the KIID shall be made available for access in an electronic format on the Website. In the event that the ICAV proposes to register one or more Funds for public offering in other EU Member States, it shall make the following additional documentation available on the Website:

- this Prospectus;
- once published, the latest annual and semi-annual reports of each Fund; and
- the Instrument of Incorporation.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### 13.13 Remuneration Policy

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

ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Instrument of Incorporation. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

## Appendix I

### Investment Restrictions Applicable to Funds

#### 1 Permitted Investments

Investments of a Fund are confined to:

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

#### 2 Investment Limits

- 2.1 A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 A Fund shall not invest any more than 10% of its Net Asset Value in securities of the type to which Regulation 68(1)(d) of the Regulations 2011. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (a) the securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of 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% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond- holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6 The transferable securities or money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed (a) 10% of the Net Asset Value of a Fund; or (b) where the cash is booked in an account with the Depositary, 20% of the Net Asset Value of a Fund.
- 2.8 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of Relevant Institutions.

- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:
- (a) investments in transferable securities or money market instruments;
  - (b) deposits; and/or
  - (c) counterparty risk exposures arising from OTC derivative transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international bodies of which one or more Member States are members or any of the following:
- European Investment Bank
  - European Bank for Reconstruction and Development
  - International Finance Corporation
  - International Monetary Fund
  - Euratom
  - The Asian Development Bank
  - European Central Bank
  - Council of Europe
  - Eurofima
  - African Development Bank
  - International Bank for Reconstruction and Development (The World Bank)
  - The Inter-American Development Bank
  - European Union
  - Federal National Mortgage Association (Fannie Mae)
  - Federal Home Loan Mortgage Corporation (Freddie Mac)
  - Government National Mortgage Association (Ginnie Mae)
  - Student Loan Marketing Association (Sallie Mae)
  - Federal Home Loan Bank
  - Federal Farm Credit Bank
  - Tennessee Valley Authority
  - Straight-A Funding LLC
  - OECD Governments (provided the relevant issues are investment grade)
  - Government of Brazil (provided the issues are of investment grade)
  - Government of the People's Republic of China
  - Government of India (provided the issues are of investment grade)
  - Government of Singapore

Where a Fund invests in accordance with this provision, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.

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

- 3.1 A Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the ICAV or by any other company with which the management company of the ICAV is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or repurchase fees on account of the Fund's investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Fund manager/investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### 4 Index Tracking UCITS

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

### 5 General Provisions

- 5.1 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.
- 5.2 A Fund may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3 and 5.2 shall not be applicable to:
  - (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - (d) 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 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and

provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

- (e) Shares held by an investment company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.

- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or FDI.
- 5.8 A Fund may hold ancillary liquid assets.

## 6 FDI

- 6.1 A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).
- 6.2 Position exposure to the underlyings of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)
- 6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

## Appendix II

### Permitted Markets

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank Regulations. For the purposes of this Appendix II, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- (i) any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway, Switzerland or the United Kingdom (at any time it is not an EU Member State) which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the "Grey Book Market", that is the market conducted by those persons for the time being included in the list maintained by the FCA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FCA under that section conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (iii) all of the following stock exchanges and markets: the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Nairobi Stock Exchange, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Namibia Stock Exchange, the Nigeria Stock Exchange, the Karachi Stock Exchange, the Moscow Exchange, the Colombo Stock Exchange, the Zimbabwe Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Caracas Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange, the Ghana Stock Exchange, the Tunis Stock Exchange, the Ukrainian Stock Exchange, the Chittagong Stock Exchange, the Dhaka Stock Exchange, the Tel Aviv Stock Exchange, the Uganda Securities Exchange, the Belgrade Stock Exchange, the Bolsa de Valores de Panamá, the Lusaka Stock Exchange the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Corporation; the market

conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

- (iv) for investments in financial derivative instruments:- CME Group, NASDAQ OMX Group, Chicago Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange, American Stock Exchange, New York Futures Exchange, New York Stock Exchange, NYSE Arca, Chicago Board Options Exchange, NASDAQ OMX NLX, NASDAQ OMX PHLX, Philadelphia Board of Trade, Kansas City Board of Trade, CBOE Futures Exchange, CME Europe, Eurex, Euronext (Amsterdam, Brussels, Lisbon, Paris), ICE Futures Europe, ICE Futures Canada, ICE Futures U.S., Australian Stock Exchange, Sydney Futures exchange, New Zealand Exchange, Toronto Stock Exchange, Montreal Stock Exchange, Bolsa Mercadorias & Futuros, Bolsa Mexicana de Valores, Hong Kong Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Barcelona MEFF Rent Fija, OMX Nordic Exchange Copenhagen, OMX Exchange Helsinki, OMX Nordic Exchange Stockholm, Osaka Exchange, Singapore Exchange, Tokyo Financial Exchange, Tokyo Stock Exchange, Korea Exchange, London Stock Exchange, NASDAQ OMX Sweden, ERIS Exchange, Global Markets Exchange, ELX Futures.



## Appendix III

### Risk Factors

#### 1 General

All financial investments involve an element of risk to both income and capital.

There are risks associated with investment in the ICAV and in the Shares of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or a Fund or the suitability for you of investing in the ICAV or a Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on his investment.

Past performance of the ICAV or any Fund should not be relied upon as an indicator of future performance.

The liability of a Shareholder is limited to any unpaid amount of the nominal value of its Shares and all Shares in the ICAV will only be issued on a fully paid basis. However, under the Application Form and the Instrument of Incorporation (to which each Shareholder will subscribe as a member), investors will be required to indemnify the ICAV and its associates for certain matters.

#### 2 Investment Risks

##### 2.1 General Investment Risk

The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that any appreciation in value will occur.

There can be no assurance that a Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which a Fund invests may fluctuate. The investment income of each Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

##### 2.2 Risk of Loss

In the case of all Funds, an investment in a Fund is neither insured nor guaranteed by any bank, government, government agency or instrumentality, guarantee scheme or any bank guarantee fund which may protect the holders of a bank deposit. Shares of the ICAV are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the ICAV, the Investment Manager, the Distributor or any of their affiliates.

##### 2.3 Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. A Fund investing in bonds or other debt securities will be subject to the credit risk of the issuers of the

bonds or debt securities in which it invests. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may adversely affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero), which may in turn adversely affect the Net Asset Value of the Fund. In times of financial instability, there may be increased uncertainty surrounding the creditworthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value of the Fund.

The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

#### 2.4 Changes in Interest Rates Risk

The value of Shares may be affected by substantial adverse movements in interest rates.

#### 2.5 Currency Risk

**Currency Exchange Rates:** Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. To the extent that a substantial portion of a Fund's total assets is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

**Currency Hedging:** A Fund may enter into currency exchange transactions and/or use derivatives (at a Fund level or, in certain circumstances as described in this Prospectus, at a Class level) to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

#### 2.6 Currency Hedging at Share Class Level Risk

Hedging activity at Share Class level may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Share Class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Share Class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Share Class may impact negatively on another Share Class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Share Class and at the risk of the Share Class only because the Share Class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Share Classes to a proportion of this risk.

#### 2.7 Derivatives and Securities Financing Transactions Risk

**General:** The use of derivatives and Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The prices of derivative instruments are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets 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. The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several risks for the ICAV and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

**Absence of Regulation; Counterparty Risk:** In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under EMIR that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC derivatives could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

**Collateral Risk:** Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a 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 recover its assets

from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

**Counterparty Rating Downgrade Risk:** The ICAV will enter into OTC derivative transactions and Securities Financing Transactions only with those counterparties that it believes to be sufficiently creditworthy.

If a counterparty (which is not a Relevant Institution) engaged by the ICAV, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank Rules, a rating downgrade for a counterparty to an OTC derivative transaction or a Securities Financing Transaction to A-2 or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of that counterparty.

Regardless of the measures the ICAV, in respect of a Fund, may implement to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

**Correlation Risk:** The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

**Credit Risk and Counterparty Risk:** Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

**Foreign Exchange Transactions:** Where a Fund utilises derivatives which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

**Forward Trading:** Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated.

There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

**Futures and Options Trading is Speculative and Volatile:** Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in over-the-counter derivatives may involve additional risk as there is no exchange or market on which to

close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk. Warrants give a Fund the right to subscribe to or purchase securities in which a Fund may invest. The underlying security may be subject to market volatility thus rendering an investment in a warrant a higher risk than an investment in an equity security.

**Index Risk:** If a derivative is linked to the performance of an index, it will be subject to the risks associated with changes to that index. If the index changes, a Fund could receive lower interest payments or experience a reduction in the value of the derivative to below what the Fund paid. Certain indexed securities – including inverse securities (which move in the opposite direction to the index) – may create leverage, to the extent that the increase or decrease in value is at a rate that is a multiple of the changes in the applicable index.

**Legal Risk:** The use of OTC derivatives and Securities Financing Transactions will expose the Funds to the risk that the legal documentation of the relevant contract may not accurately reflect the intention of the parties.

**Leverage Component Risk:** Since many derivative instruments have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a substantial loss. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered.

**Liquidity Risk:** Liquidity risk exists when a particular derivative instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

**Liquidity of Futures Contracts:** Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits".

Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

**Margin Risk:** A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names which are determined by factors such as their credit ratings, regulatory and market capitalisation, regulatory status and home jurisdiction, and/or that of their parent group.

**Necessity for Counterparty Trading Relationships:** Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the ICAV believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

**Repurchase Agreements:** A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its

right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

**Risks Associated with Swaps:** A Fund may enter into swap agreements with respect to currencies, interest rates, credit defaults and financial indices. A Fund may use these techniques for investment purposes or for efficient portfolio management purposes to hedge against changes in interest rates, currency rates, securities prices, or as part of their overall investment strategies. Whether a Fund's use of swap agreements will be successful will depend on an Investment Manager's ability to correctly predict whether certain types of investments are likely to produce greater returns than other investments.

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract a Fund will be limited to contractual remedies pursuant to the agreements 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 Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

**Securities Lending Risk:** 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. A Securities Lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffers a loss as a result.

## 2.8 Emerging Markets Risk

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

**Accounting Standards:** in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

**Business Risks:** in some emerging markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

**Country Risk:** the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

**Currency Risk:** the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

**Disclosure:** less complete and reliable fiscal and other information may be available to investors.

**Legal:** the legal infrastructure and accounting, custodial, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

**Market Characteristics/ Liquidity and Settlement Risks:** in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in

emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

**Political Risk:** the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

**Tax:** The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

**Frontier Markets Risk:** Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/ or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations.

These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

## 2.9 Equity Risks

A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

## 2.10 Efficient Portfolio Management Risk

The ICAV on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments (including FDI) in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Derivatives Risk" above, will be equally

relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "General", particular attention is drawn to the sub-sections entitled "Credit Risk and Counterparty Risk" and "Collateral Risk". Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements counterparties and/or Securities Lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the section of the Prospectus entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

## 2.11 Investing in Fixed Income Securities Risk

The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below Investment Grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.



Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/ or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

#### 2.12 Leverage Risk

A Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

#### 2.13 Credit Ratings Risk

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer or a security is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

#### 2.14 Liquidity Risk

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low.

Liquidity risk exists when particular investments are difficult to purchase or sell. Also, some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities.

A Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price which could prevent the Fund from taking advantage of other investment opportunities. Funds with principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal

investment strategies involve securities of companies with smaller market capitalisations, foreign securities, illiquid sectors of fixed income securities, or securities with substantial market and/ or credit risk, the Fund will tend to have the greatest exposure to liquidity risk. Further, fixed income securities with longer durations until maturity face heightened levels of liquidity risk as compared to fixed income securities with shorter durations until maturity. Finally, liquidity risk also refers to the risk of unusually high repurchase requests or other unusual market conditions that may make it difficult for a Fund to fully honour repurchase requests within the allowable time period. Meeting such repurchase requests could require a Fund to sell securities at reduced prices or under unfavourable conditions. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected. It may also be the case that other market participants may be attempting to liquidate fixed income holdings at the same time as a Fund, causing increased supply in the market and contributing to liquidity risk and downward pricing pressure.

#### 2.15 Market Capitalisation Risk

Certain Funds may invest in the securities of small-to-medium- sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to- medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets; limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies and key-man management risk.

#### 2.16 Shareholder Ownership Considerations

Investors that settle or clear through an ICSD will not be a registered Shareholder in the ICAV, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant.

The ICAV will issue any notices and associated documentation to the registered holder of the Shares i.e. the Common Depository's Nominee, with such notice as is given by the ICAV in the ordinary course when convening general meetings. The Common Depository's Nominee has a contractual obligation to relay any such notices received by the Common Depository's Nominee to the Common Depository which, in turn, has a contractual obligation to relay any such notices to the applicable ICSD, pursuant to the terms of its appointment by the relevant ICSD. The applicable ICSD will in turn relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. The Common Depository is contractually bound to collate all votes received from the applicable ICSDs (which reflects votes received by the applicable ICSD from Participants) and the Common Depository's Nominee is obligated to vote in accordance with such instructions. The ICAV has no power to ensure the applicable ICSD or the Common Depository relays notices of votes in accordance with their instructions. The ICAV cannot accept voting instructions from any persons other than the Common Depository's Nominee.

Any liability arising from such inaction by the Common Depository and / or an ICSD will be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate).

Payments: With the authorisation and upon the instruction of the Common Depository's Nominee, any dividends declared and any liquidation and mandatory repurchase proceeds are paid by the ICAV or its authorised agent (for example, the Paying Agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their

share of each dividend payment or any liquidation or mandatory repurchase proceeds paid by the ICAV or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory repurchase proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory repurchase proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depository's Nominee.

## 2.17 Secondary Market Risk

**Listing:** There can be no certainty that a listing on any stock exchange applied for by the ICAV will be achieved and/or maintained or that the conditions of listing will not change. Further, trading in Shares on a Relevant Stock Exchange may be halted pursuant to that Relevant Stock Exchange's rules due to market conditions and investors may not be able to sell their Shares until trading resumes.

**Nominee Arrangements:** Where an investor holds Shares via an Authorised Participant or other nominee or intermediary such Shareholder will typically not appear on the Register of the ICAV and may not therefore be able to exercise voting or other rights available to those persons appearing on the Register.

**Trading Risk:** Even though the Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in the Shares on any Relevant Stock Exchange or that the market price at which the Shares may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the Net Asset Value per Share. As the Shares may be dealt in by means of subscription and repurchase, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a Relevant Stock Exchange may be halted or suspended due to market conditions or for the reason that, in the Relevant Stock Exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the ICAV to redeem Shares in accordance with the provisions set out below.

**Costs Of Buying Or Selling Shares:** Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges determined and imposed by the applicable broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will incur the cost of the difference between the price that an investor is willing to pay for Shares (the "bid" price) and the price at which an investor is willing to sell Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread." The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if a Fund's Shares have more trading volume and market liquidity and higher if Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who wish to trade regularly in relatively small amounts

## 2.18 Disruption Events

Upon the occurrence of a Disruption Event (including an Index Disruption and Adjustment Event and without limitation to the Directors' personal powers as further described herein):

- (a) to the extent that the Fund has entered into FDIs (and as will be agreed in advance with the ICAV), an Eligible Counterparty (whether acting as the relevant calculation agent or otherwise) may either (i) terminate one or more of the relevant FDIs, or (ii) adjust the terms of the relevant FDIs held by the Fund to account for such event, including adjustment to or substitution of the

Reference Index, the calculation of the Reference Index level or the valuation of the FDI (and, in the cases of (ii), (iii) and (iv) below, provided that the Investment Manager (and where appropriate the Eligible Counterparty) considers that it is commercially reasonable to do so, the relevant Fund may continue to operate by using such formula for and method of calculating the Reference Index level last in effect prior to the occurrence of any such event with such adjustments as the Investment Manager may deem necessary for the purpose of continuing the operation of the relevant Fund), and such adjustment(s) may have a positive or negative impact on the Net Asset Value of the relevant Fund; and/or

- (b) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares and payment of repurchase proceeds in accordance with the provisions under the section "Suspension of Calculation of Net Asset Value"; and/or
- (c) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to the market conditions (taking into account such disruption or adjustment event and the best interests of the Shareholders), the Directors shall terminate the Fund.

Any change of a Reference Index shall be subject to (i) the prior approval of the Shareholders of the relevant Fund by ordinary resolution; or (ii) shall be notified to Shareholders in the circumstances set out in section "Investment Objective and Policies" above.

Index Disruption and Adjustment Events may occur with respect to a Reference Index (which may impact the ability of a Fund to replicate or track the Reference Index) or the ability of an Eligible Counterparty to perform its obligations under one or more derivative contracts. These events include, but are not limited to, those items in section "Investment Objective and Policies" above and the events below:

- (i) the Reference Index is deemed to be inaccurate or does not reflect actual market developments;
- (ii) the Reference Index is permanently cancelled by the Index Provider;
- (iii) the Index Provider fails to calculate and announce the Reference Index level;
- (iv) the Index Provider makes a material change in the formula for or the method of calculating the Reference Index (other than a modification prescribed in that formula or method to maintain the calculation of the Reference Index level in the event of changes in the constituent components and weightings and other routine events);
- (v) the licence to use and reference the Reference Index by the ICAV is terminated;
- (vi) it becomes impossible or commercially unreasonable, in the determination of the Investment Manager, for the Eligible Counterparty to continue to perform its obligations under the derivatives;
- (vii) to the extent the Fund has entered into FDIs, and / or options or futures contracts on the Reference Index where (a) the costs associated with the Eligible Counterparty hedging its liability and obligations under the relevant FDIs and / or options or futures contracts on the Reference Index increase; or (b) the ability of the Eligible Counterparty to hedge its liability becomes impaired or commercially unreasonable or impracticable; or
- (viii) if any law shall be passed or change in law is implemented which renders it illegal, impracticable or inadvisable to (a) continue to reference or replicate the relevant Reference Index; or (b) for the Eligible Counterparty to continue to perform its obligations under one or more derivative contracts.
- (ix) The provisions in this apply to Reference Assets in the same way as they apply to a Reference Index.

## 2.19 Financial Markets and Regulatory Change

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the ICAV's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the ICAV. The ICAV and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures which have been or may be adopted in certain jurisdictions.

## 2.20 Changes in the UK political environment

Changes in the UK political environment following the UK's decision by referendum to exit from the EU may lead to political, legal, tax and economic uncertainty. This could impact general economic conditions in the UK. A UK exit could adversely affect the Investment Manager's ability to access markets or make investments, each of which could result in increased costs to the ICAV and/or the Funds.

## 2.21 Eurozone Crisis

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the recently created European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

## 2.22 Reinvestment of Cash Collateral Risk

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

## 2.23 Repurchase Risk

Large repurchases of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

## 2.24 Investment in Collective Investment Schemes (CIS)

A Fund may invest in one or more CIS including schemes managed by the Investment Manager or its affiliates. As a shareholder of another CIS, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the investment management fees and other expenses which a Fund bears directly in connection with its own operations.

If a Fund invests a substantial proportion of its net assets in other CIS the maximum level of the investment management fees that may be charged to that Fund by the other CIS will be set out in the relevant Supplement. Details of such fees may be contained in the relevant Fund's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In

addition, performance based compensation arrangements may create an incentive for the investment managers of such investors in other underlying funds to make investments that are more risky or more speculative than would be the case if such arrangements were not in effect.

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out under the heading "Valuation of Assets").

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the relevant Fund.

To the extent that the relevant Fund is invested in CIS, the success of the relevant Fund shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the relevant Funds' investment objective. Subjective decisions made by the CIS may cause the relevant Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the relevant Fund will be dependent not only on the investment performance of the CIS, but also on the ability of the Investment Manager to select and allocate the Funds' assets among such CIS effectively on an on-going basis. There can be no assurance that the allocations made by the Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

#### 2.25 Launch Phase and Wind-down Phase

Prospective investors should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as appropriate. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading. In respect of the wind-down phase and in accordance with the terms of this Prospectus and the Instrument of Incorporation, Shareholders will be notified in advance of a Fund being wound-down. As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

#### 2.26 Unlisted Securities

A Fund may invest in unlisted securities. In general there is less governmental regulation and supervision of transactions in the unlisted securities markets than for transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with unlisted securities. Therefore, any Fund investing in unlisted securities will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Fund will sustain losses.

#### 2.27 Volatility Risk

Prices of securities may be volatile. Price movements of securities are difficult to predict and are influenced by, among other things, speculation, changing supply and demand relationships, governmental trade, fiscal, monetary and exchange control programs and policies, national and international political and economic events, climate, changes in interest rates, and the inherent volatility of the market place. Volatility may also be due to the fluctuations in the exchange rate of currencies. Therefore, it is a probability measure of the threat that an exchange rate movement poses to an investor's portfolio in a foreign currency. During periods of uncertain

market conditions the combination of price volatility and the less liquid nature of securities markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

## 2.28 Concentration Risk

The investments of certain Funds may be concentrated in a single market or country. A Fund which pursues a concentrated investment strategy may be subject to a greater degree of volatility and risk than a Fund following a more diversified strategy. To the extent that a Fund concentrates its investments in a particular market or country, its investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions in that market or country. As a consequence, the aggregate return of the Fund may be adversely affected by the unfavourable developments in that particular market or country in which the Fund invests.

## 2.29 Risks Relating to REITs and other Property-Related Companies

The prices of equity REITs and other property-related companies are affected by changes in the value of the underlying property owned by the REITs/property-related companies and changes in capital markets and interest rates. The prices of mortgage REITs and other property-related companies are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Under certain tax legislation, REITs and other property-related companies may avoid tax on the income they distribute if certain conditions are made. For example, under the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), a U.S. REITs is not taxed in the U.S. on income it distributes to its shareholders if it complies with several requirements relating to its organisation, ownership, assets and income and a requirement that it generally distribute to its shareholders at least 90 per cent. of its taxable income (other than net capital gains) for each taxable year. However the REITs/property-related company could fail to qualify for tax-free pass-through of income under, for example, the Code. Such a failure would result in the taxation of income of a disqualified REITs/property-related company's distributed income at the REITs/property-related company level.

While the Funds will not invest in real property directly, the Funds may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) because of its policy of concentrating its investments in the real estate industry.

In addition to these risks, equity REITs and other property-related companies may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs and other property-related companies may be affected by the quality of any credit they extend. Further, REITs and other property-related companies are dependent upon management skills and generally may not be diversified. REITs and other property-related companies are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs/property-related company or lessees of a property that a REITs/property-related company owns may be unable to meet their obligations to the REITs/property-related company. In the event of a default by a borrower or lessee, the REITs/property-related company may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. In addition to the foregoing risks, certain "special purpose" REITs/property-related companies in which a Fund may invest may have their assets in specific real property sectors, such as hotel REITs/property-related companies, nursing home REITs/property-related companies or warehouse REITs/property-related companies, and are therefore subject to the risks associated with adverse developments in these sectors.

## 2.30 Depositary Risk

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

to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### 3 Accounting, Legal, Operational, Valuation and Tax Risks

#### 3.1 Accounting, Auditing and Financial Reporting Standards

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

#### 3.2 Operational Risks (including Cyber and Data Security)

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Investment Manager, the Administrator or the Depositary. While the ICAV seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

As part of its management services, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Funds and personally identifiable information of the Shareholders. Similarly, service providers of the Investment Manager and of the ICAV, especially the Administrator, may process, store and transmit such information. The Manager, Investment Manager, Administrator and Depositary (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Shareholders may also be susceptible to compromise.

The service providers of the Investment Manager and the ICAV are subject to the same electronic information security threats as the Investment Manager. If the Investment Manager or



the service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the ICAV and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the ICAV and its delegates, the loss or improper access, use or disclosure of proprietary information may cause the Investment Manager or a Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Fund and the Shareholders' investments therein.

It should be noted that investors in the ICAV will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

### 3.3 Dependence on Key Personnel

The investment performance of the Funds will be dependent on the services of certain key employees of the Investment Manager and its appointees. While contingency measures may be put in place, in the event of the death, incapacity or departure of any of these individuals, the performance of the Funds may be adversely affected.

### 3.4 Investment Manager Valuation Risk

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds (particularly as the Investment Manager's fees may increase as the value of assets increases), the Investment Manager has in place pricing procedures which follows industry standard procedures for valuing unlisted investments.

### 3.5 Lack of Operating History

The ICAV is a newly-formed entity and has no prior operating history. The past performance of any investments or investment funds managed by the Investment Manager or any of its affiliates cannot be construed as any indication of the future results of an investment in the ICAV or any of the Funds.

### 3.6 Paying Agent Risk

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the ICAV or the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the ICAV or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

### 3.7 Custody Risks

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the Fund.

### 3.8 Subscription, Repurchase and Conversion Currency Risks

Shares in any Fund may be subscribed for or repurchased in any freely convertible currency not being the Base Currency of the Fund. Similarly, Shareholders may convert Shares in one Fund to Shares in another Fund and the Shares in the two Funds may be denominated in different currencies. The costs of foreign currency exchange transactions and any related gains or losses in connection with any subscription, repurchase or conversion will be borne by the investor.

### 3.9 Subscriptions/Repurchase Account

The ICAV operates a Subscriptions/Repurchase Account for all of the Funds. Monies in the Subscriptions/Repurchase Account are deemed assets of the respective Funds and shall not

have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the ICAV in the Subscriptions/Repurchase Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Repurchase Account, the investor shall rank as an unsecured creditor of the ICAV.

### 3.10 Status of Redeeming Investors

Shareholders will be removed from the share register upon the repurchase proceeds being paid. Insofar as investors remain as Shareholders until such time as the relevant Net Asset Value has been calculated and the register updated, investors will be treated as creditors for the repurchase proceeds, rather than Shareholders from the relevant Dealing Day, and will rank accordingly in the priority of the relevant Fund's creditors. Furthermore, during this period, investors will have no rights as Shareholders under the Instrument of Incorporation, except the right to receive their repurchase proceeds and any dividend which has been declared in respect of their Shares prior to the relevant Dealing Day, and in particular, will not have the right to receive notice of, attend or vote at any class or general meetings.

### 3.11 Segregated Liability

The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the ICAV will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the ICAV, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

Due to the lack of asset segregation between Share Classes, the derivatives used in the currency hedging of a given Share Class become part of the common pool of assets which introduces potential counterparty and operational risk for all investors in the Fund. This could lead to a risk of contagion (also known as spill-over) to other Share Classes, some of which might not have any currency hedging in place. Whilst all measures will be taken to mitigate this contagion risk, it cannot be fully eliminated i.e. through the default of a derivative counterparty or through the losses relating to Share Class specific assets exceeding the value of the respective Share Class.

### 3.12 Valuation Risk

A Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments will be valued at their probable realisation value estimated with care and good faith by the Manager or a competent person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

### 3.13 Settlement Risks

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. The Manager or the Investment Manager may instruct the Depositary to settle transactions on a delivery free of payment basis where it believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depositary will not be liable to the Fund or to the Shareholders for such a loss, provided the Depositary has acted in good faith in making any such delivery or payment.

### 3.14 Political Risks

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

### 3.15 Tax Risks

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The attention of potential investors is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section of this Prospectus entitled "Taxation".

### 3.16 FATCA

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "**IGA**"). Under the IGA, an entity classified as a Foreign Financial Institution (an "**FFI**") that is treated as resident in Ireland is expected to provide the Irish Tax Authorities with certain information in respect of its "account" holders (i.e. Shareholders). The IGA provides for the automatic reporting and exchange of information between the Irish Tax Authorities and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the ICAV complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be required to withhold on payments which it makes.

Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the ICAV will require certain information from investors in respect of their FATCA status. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the ICAV.

### 3.17 CRS

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**").

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The ICAV is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the ICAV will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The ICAV, or a person appointed by the ICAV, will report the information required to Irish Tax Authorities by 30 June in the year following the year of assessment for which a return is due. The Irish Tax Authorities will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the ICAV.

## 4 Risk Factors Not Exhaustive

The risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Fund may be exposed to risks of an exceptional nature from time to time.



## Appendix IV

### Current List of Depositary Sub-Delegates

In the event that the details listed below have changed and have not yet been reflected in a revised version of this Prospectus, up-to-date information can be obtained at <https://www.bbh.com/resource/blob/36438/7932a2ce2df529bf7a14f9774a9c12c4/master-gcni--sept-2019---bbh-dublin-data.pdf>

### BROWN BROTHERS HARRIMAN GLOBAL CUSTODY NETWORK LISTING

Brown Brothers Harriman Trustee Services (Ireland) Limited has delegated safekeeping duties to Brown Brothers Harriman & Co. ("**BBH&Co.**") with its principal place of business at 140 Broadway, New York, NY 10005, whom it has appointed as its global sub-custodian. BBH&Co. has further appointed the entities listed below as its local sub-custodians in the specified markets.

The below list includes multiple sub-custodians/correspondents in certain markets. Confirmation of which sub-custodian/correspondent is holding assets in each of those markets with respect to a client is available upon request. The list does not include prime brokers, third party collateral agents or other third parties who may be appointed from time to time as a delegate pursuant to the request of one or more clients (subject to BBH's approval). Confirmations of such appointments are also available upon request.

<b>Country</b>	<b>Sub-custodian</b>
Argentina	Citibank, N.A. Buenos Aires Branch
Australia	Citigroup Pty Limited For Citibank, N.A
Australia	HSBC Bank Australia Limited For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Australia	National Australia Bank
Austria	Deutsche Bank Ag
Austria	Unicredit Bank Austria Ag
Bahrain	HSBC Bank Middle East Limited, Bahrain Branch For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Bangladesh	Standard Chartered Bank, Bangladesh Branch
Belgium	BNP Paribas Securities Services
Belgium	Deutsche Bank Ag, Amsterdam Branch
Bermuda	HSBC Bank Bermuda Limited For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Bosnia	Unicredit Bank D.D. For Unicredit Bank Austria Ag
Botswana	Standard Chartered Bank Botswana Limited For Standard Chartered Bank
Brazil	Citibank, N.A. São Paulo
Brazil	Itaú Unibanco S.A.
Bulgaria	Citibank Europe Plc, Bulgaria Branch For Citibank N.A.
Canada	CIBC Mellon Trust Company For CIBC Mellon Trust Company, Canadian Imperial Bank Of Commerce And Bank Of New York Mellon
Canada	RBC Investor Services Trust For Royal Bank Of Canada (RBC)
Chile	Banco De Chile For Citibank, N.A.
China	China Construction Bank Corporation
China	Citibank (China) Co., Ltd. For Citibank N.A.
China	Deutsche Bank (China) Co., Ltd., Shanghai Branch ** Use Of This Subcustodian Is Restricted. **
China	HSBC Bank (China) Company Limited For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
China	Industrial And Commercial Bank Of China Limited
China	Standard Chartered Bank (China) Limited For Standard Chartered Bank
Colombia	Cititrust Colombia S.A., Sociedad Fiduciaria For Citibank, N.A
Croatia	Zagrebacka Banka D.D. For Unicredit Bank Austria Ag
Cyprus	BNP Paribas Securities Services
Czech Republic	Citibank Europe Plc, Organizacni Slozka for Citibank, N.A.
Denmark	Nordea Danmark, Filial Af Nordea Bank Abp, Finland
Denmark	Skandinaviska Enskilda Banken Ab (Publ), Danmark Branch
Egypt	Citibank, N.A. - Cairo Branch

Egypt	HSBC Bank Egypt S.A.E. For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Estonia	Swedbank As For Nordea Bank Abp
Finland	Nordea Bank Abp
Finland	Skandinaviska Enskilda Banken Ab (Publ), Helsinki Branch
France	BNP Paribas Securities Services
France	Caceis Bank
France	Deutsche Bank Ag, Amsterdam Branch
Germany	BNP Paribas Securities Services - Frankfurt Branch
Germany	Deutsche Bank Ag
Ghana	Standard Chartered Bank Ghana Limited For Standard Chartered Bank
Greece	HSBC France, Athens Branch For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Hong Kong	Standard Chartered Bank (Hongkong) Limited For Standard Chartered Bank
Hong Kong	The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Hong Kong – Bond Connect	Standard Chartered Bank (Hongkong) Limited For Standard Chartered Bank
Hong Kong – Bond Connect	The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Hong Kong – Stock Connect	The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Hungary	Citibank Europe Plc, Hungarian Branch Office For Citibank, N.A.
Hungary	Unicredit Bank Hungary Zrt For Unicredit Bank Hungary Zrt And Unicredit S.P.A.
Iceland	Landsbankinn Hf.
India	Citibank, N.A. - Mumbai Branch
India	Deutsche Bank Ag - Mumbai Branch
India	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - India Branch
Indonesia	Citibank, N.A. - Jakarta Branch
Indonesia	Standard Chartered Bank, Indonesia Branch
Ireland	Citibank, N.A. - London Branch
Israel	Bank Hapoalim Bm
Israel	Citibank, N.A., Israel Branch
Italy	BNP Paribas Securities Services - Milan Branch
Italy	Société Générale Securities Services S.P.A. (Sgss S.P.A.)
Ivory Coast	Standard Chartered Bank Cote D'Ivoire For Standard Chartered Bank
Japan	Mizuho Bank Ltd
Japan	MUFG Bank, Ltd.
Japan	Sumitomo Mitsui Banking Corporation
Jordan	Standard Chartered Bank, Jordan Branch
Kazakhstan	JSC Citibank Kazakhstan For Citibank, N.A.
Kenya	Standard Chartered Bank Kenya Limited For Standard Chartered Bank
Kuwait	HSBC Bank Middle East Limited - Kuwait Branch For The Hongkong And Shanghai Banking Corporation Ltd. (HSBC)
Latvia	"Swedbank" As For Nordea Bank Abp
Lithuania	"Swedbank" Ab For Nordea Bank Abp
Luxembourg	BNP Paribas Securities Services, Luxembourg Branch *** Utilized For Mutual Funds Holdings Only. ***
Luxembourg	KBL European Private Bankers S.A.
Malaysia	HSBC Bank Malaysia Berhad (HBMB) For The Hongkong And Shanghai Banking Corporation Ltd. (HSBC)
Malaysia	Standard Chartered Bank Malaysia Berhad For Standard Chartered Bank
Mauritius	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - Mauritius Branch
Mexico	Banco Nacional De Mexico, Sa (Banamex) For Citibank, N.A.
Mexico	Banco S3 Mexico, S.A. Institucion De Banca Multiple For Banco Santander, S.A. And Banco S3 Mexico, S.A. Institucion De Banca Multiple
Morocco	Citibank Maghreb S.A. For Citibank, N.A.
Namibia	Standard Bank Namibia Ltd. For Standard Bank Of South Africa Limited
Netherlands	BNP Paribas Securities Services

Netherlands	Deutsche Bank Ag, Amsterdam Branch
New Zealand	The Hongkong And Shanghai Banking Corporaton Limited (HSBC) - New Zealand Branch
Nigeria	Stanbic Ibtc Bank Plc For Standard Bank Of South Africa Limited
Norway	Nordea Bank Abp, Filial I Norge
Norway	Skandinaviska Enskilda Banken Ab (Publ), Oslo
Oman	HSBC Bank Oman Saog For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Pakistan	Standard Chartered Bank (Pakistan) Limited For Standard Chartered Bank
Peru	Citibank Del Perú S.A. For Citibank, N.A.
Philippines	Standard Chartered Bank - Philippines Branch
Philippines	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - Philippine Branch
Poland	Bank Handlowy W Warszawie Sa (Bhw) For Citibank Na
Poland	Bank Polska Kasa Opieki Sa
Poland	Ing Bank Slaski S.A. For Ing Bank N.V.
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Ltd - Qatar Branch For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Romania	Citibank Europe Plc, Dublin - Sucursala Romania For Citibank, N.A.
Russia	Ao Citibank For Citibank, N.A.
Saudi Arabia	HSBC Saudi Arabia And The Saudi British Bank (Sabb) For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Serbia	Unicredit Bank Serbia JSC For Unicredit Bank Austria Ag
Singapore	DBS Bank Ltd (DBS)
Singapore	Standard Chartered Bank (Singapore) Limited For Standard Chartered Bank
Singapore	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - Singapore Branch
Slovakia	Citibank, N.A.
Slovenia	Unicredit Banka Slovenija Dd For Unicredit Banka Slovenija Dd And Unicredit S.P.A.
South Africa	Société Générale Johannesburg Branch
South Africa	Standard Chartered Bank, Johannesburg Branch
South Korea	Citibank Korea Inc. For Citibank, N.A.
South Korea	Keb Hana Bank
South Korea	The Hongkong And Shanghai Banking Corporation Limited - Korea Branc
Spain	Banco Bilbao Vizcaya Argentaria Sa
Spain	BNP Paribas Securities Services, Sucursal En España
Spain	Société Générale Sucursal En España
Sri Lanka	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - Sri Lanka Branch
Swaziland	Standard Bank Swaziland Ltd. For Standard Bank Of South Africa Limited
Sweden	Nordea Bank Abp, Filial I Sverige
Sweden	Skandinaviska Enskilda Banken Ab (Publ)
Switzerland	Credit Suisse (Switzerland) Ltd.
Switzerland	UBS Switzerland Ag
Taiwan	Bank Of Taiwan
Taiwan	HSBC Bank (Taiwan) Limited For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Taiwan	JP Morgan Chase Bank, N.A., Taipei Branch ** Use Of This Subcustodian Is Restricted. **
Taiwan	Standard Chartered Bank (Taiwan) Ltd For Standard Chartered Bank
Tanzania	Standard Chartered Bank Tanzania Limited And Standard Chartered Bank (Mauritius) Limited For Standard Chartered Bank
Thailand	The Hongkong And Shanghai Banking Corporation Limited (HSBC) - Thailand Branch
Thailand	Standard Chartered Bank (Thai) Public Company Limited For Standard Chartered Bank
Transnational (Clearstream)	Brown Brothers Harriman & Co. (BBH&Co.)
Transnational	Brown Brothers Harriman & Co. (BBH&Co.)

(Euroclear)	
Tunisia	Union Interationale De Banques (UIB)
Turkey	Citibank Anonim Sirketi For Citibank, N.A.
Turkey	Deutsche Bank A.S. For Deutsche Bank A.S. And Deutsche Bank Ag
Uganda	Standard Chartered Bank Uganda Limited For Standard Chartered Bank
Ukraine	Joint Stock Company "Citibank" (JSC "Citibank") For Citibank, N.A.
United Arab Emirates	HSBC Bank Middle East Limited For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
United Kingdom	Citibank, N.A., London Branch
United Kingdom	HSBC Bank Plc
United States	BBH&Co.
Uruguay	Banco Itaú Uruguay S.A. For Banco Itaú Uruguay S.A. And Itaú Unibanco S.A.
Vietnam	HSBC Bank (Vietnam) Ltd. For The Hongkong And Shanghai Banking Corporation Limited (HSBC)
Zambia	Standard Chartered Bank Zambia Plc For Standard Chartered Bank
Zimbabwe	Standard Chartered Bank Zimbabwe Limited For Standard Chartered Bank



**Appendix V – Addendum to the Prospectus**  
**(the "Addendum") dated 03 June 2020**

List of Funds

1. CSIF (IE) MSCI USA Blue UCITS ETF;
2. CSIF (IE) MSCI USA ESG Leaders Blue UCITS ETF;
3. CSIF (IE) MSCI World ESG Leaders Blue UCITS ETF;
4. CSIF (IE) MSCI World ESG Leaders Minimum Volatility Blue UCITS ETF;
5. CSIF (IE) MSCI USA Small Cap ESG Leaders Blue UCITS ETF; and
6. CSIF (IE) FTSE EPRA Nareit Developed Green Blue UCITS ETF.

## **CREDIT SUISSE INDEX FUND (IE) ETF ICAV**

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

(the **ICAV**)

## **ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA**

**Information contained herein is selective, containing specific information in relation to the ICAV. This document (the Austrian Country Supplement) forms part of and should be read in conjunction with the Prospectus for the ICAV dated 11 February 2020, as amended (together the "Prospectus"). This document is for distribution in Austria only.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.

Dated: 4 June 2020

## 1 The ICAV

The ICAV is an open-ended umbrella investment company with variable capital and segregated liability between its sub-funds. The ICAV is authorised in Ireland by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the "**UCITS Regulations**").

The ICAV has notified the Austrian Financial Market Authority of its intention to sell shares in its Sub-Funds in the Republic of Austria in accordance with Section 140 para 1 Investment Fund Act 2011 ("**InvFG**") whereby shares in the following sub-funds are admitted to public distribution in Austria:

CSIF (IE) MSCI USA Blue UCITS ETF  
CSIF (IE) MSCI USA ESG Leaders Blue UCITS ETF  
CSIF (IE) MSCI World ESG Leaders Blue UCITS ETF  
CSIF (IE) MSCI World ESG Leaders Minimum Volatility Blue UCITS ETF  
CSIF (IE) FTSE EPRA Nareit Developed Green Blue UCITS ETF  
CSIF (IE) MSCI USA Small Cap ESG Leaders Blue UCITS ETF  
(the **Sub-Funds**)

## 2 Paying and Information Agent

In accordance with Section 141 para 1 InvFG, the ICAV has appointed UniCredit Bank Austria AG, Rothschildplatz 1, A-1020 Vienna, Austria, as its paying and information agent (the "**Paying and Information Agent**"). Any Austrian investors may therefore turn to the Paying and Information Agent and require that any payments made to them from the ICAV or any payments made by them to the ICAV be conducted through the Paying and Information Agent. Austrian Shareholders may also turn to the Paying and Information Agent to require the redemption of their shares.

## 3 Information

Information and documents regarding the ICAV and the Sub-Funds can be obtained free of charge in hard copy from the registered office of the ICAV in Ireland during normal business hours, on any Business Day:

- 3.1 the current valid version of the Instrument of Incorporation;
- 3.2 the current valid version of the Prospectus in English;
- 3.3 the current valid version of the Key Investor Information Document (the **KIIDs**) in English and German; and
- 3.4 the latest published annual and semi-annual report in English;

## 4 Publication of Prices

The sale and purchase prices of shares for the ICAV are available from the office of the Administrator, the Paying and Information Agent and at the webpage [www.cs.com](http://www.cs.com).

## 5 Distribution

Shares of the Sub-Funds will be distributed through licensed banks and/or licensed investment firms

## 6 Taxation

The taxation of income for Austrian investors from foreign investment funds under Austrian law follows a complex system. Investors are therefore advised to carefully consider their tax position and contact their personal tax advisors.

Investors should note that the Company has appointed Ernst & Young Steuerberatungsgesellschaft m.b.H.as its fiscal representative in accordance with the Section 188 together with Section 186 para 2 item 2 InvFG.

**Supplement**

**CSIF (IE) MSCI USA Small Cap ESG Leaders Blue UCITS ETF**

**A Fund of Credit Suisse Index Fund (IE) ETF ICAV**

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

**Dated 03 June 2020**

## 1 Important Information

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 11 February 2020 (the "Prospectus").**

This Supplement contains information relating specifically to CSIF (IE) MSCI USA Small Cap ESG Leaders Blue UCITS ETF (the "**Fund**"), a fund of Credit Suisse Index Fund (IE) ETF ICAV (the "**ICAV**"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations. There are currently five other Funds of the ICAV in existence, details of which are set out in Appendix V to the Prospectus. Additional Funds of the ICAV may be added in the future with the prior approval of the Central Bank.

As the price of Shares in each Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment. The Fund is suitable for investors with high risk tolerance and a long-term view who wish to invest in a broadly diversified portfolio of US equity securities. This is not a guide to the future volatility of the Fund and may move over time. Investors may also refer to the KIID for the most up-to-date SRRRI measurement.

In addition to investing in equities and equity related securities, transferable securities and other eligible assets (as further defined below), the Fund may invest in FDI for efficient portfolio management purposes.

**It should be noted that, in certain circumstances, dividends may be declared out of the capital of the Fund in order to preserve cash flow to Shareholders. Please refer to "Dividend Policy" below for further details. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved by foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.**

## 2 Definitions

**Base Currency** means U.S. Dollar;

**Business Day** means any day (other than a Saturday or Sunday) on which (i) the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) system is open; (ii) the markets on which 75% of the components of the Reference Index are traded are open; (iii) the Reference Index is calculated by the Index Provider; (iv) the clearing agent is open for business; and (v) foreign exchange markets are open and settle payments (including dealings in foreign exchange and foreign currency deposits), or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders. For the avoidance of doubt, all Business Days will be set out on the Website and there shall be at least one Dealing Day per fortnight;

**Dealing Day** means any Business Day (other than 2 January, Easter Monday, 24 December, 26 December and 31 December) or such other days as the Directors may determine and notify to Shareholders in advance;

**Dealing Deadline** means 3:00 p.m. (Dublin time) on the relevant Dealing Day, or such other time for the relevant Dealing Day as may be determined by Directors (or their duly appointed delegates) and notified in advance to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point;

**Equity and Equity Related Securities** includes but is not limited to common stock, depositary receipts, preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants (not more than 5% of the Fund's Net Asset Value) and convertible securities (such as convertible preference shares, share purchase rights and bonds convertible into common or preferred shares);

**Hedged Share Classes** means Class AH EUR Shares, Class BH EUR Shares, Class AH CHF Shares and Class BH CHF Shares;

**Minimum Fund Size** means, at any point during the duration of the Fund, USD20 million (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;

**Settlement Date** means up to 2 Business Days after the relevant Dealing Day;

**Unhedged Share Classes** means Class A USD Shares, Class B USD Shares, Class A EUR Shares and Class B EUR Shares;

**Valuation Point** means 10.30 p.m. (Dublin time) on the relevant Dealing Day; and

**Website** means [www.credit-suisse.com](http://www.credit-suisse.com).

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

### 3 Information on the Fund

#### 3.1 Investment Objective, Investment Policies and Investment Strategy

##### Investment Objective

The investment objective of the ETF is to track the MSCI USA Small Cap ESG Leaders Index (the "**Reference Index**"), in order provide the Shareholders with a return in line with the performance of the Reference Index, less the fees and expenses of the Fund.

##### Reference Index

The Reference Index is a capitalisation weighted index that provides exposure to companies with high environmental, social and governance (ESG) performance relative to their sector peers.

The Reference Index consists of small cap companies in the US market.

The Reference Index is rebalanced on a quarterly basis and may also be rebalanced at other times, e.g. in order to reflect corporate activity such as mergers and acquisitions, as provided for in the Reference Index rules and as will be published on the index provider's website detailed below.

The Reference Index is a sub-index of the MSCI USA ESG Leaders Index which provides exposure to companies with high environmental, social and governance (ESG) performance relative to their sector peers. The selection universe of the MSCI USA ESG Leaders Index is the constituents of the MSCI Global Investable Market Indexes.

The Reference Index targets sector and region weights consistent with those of the underlying indexes to limit the systematic risk introduced by the ESG selection process.

The methodology of the Reference Index aims to include securities of companies with the highest ESG ratings representing 50% of the market capitalisation in each sector and region of the MSCI USA ESG Leaders Index.

Companies that are not existing constituents of the MSCI USA ESG Leaders Index must have an MSCI ESG Rating of "BB" or above and an MSCI ESG Controversies Score of 3 or above to be eligible. In addition, companies showing involvement in alcohol, gambling, tobacco, nuclear power and weapons are excluded from the MSCI USA ESG Leaders Index.

Additional information in relation to the Reference Index performance, characteristics, constituents, sector and country weights, methodology of construction and maintenance, rebalancing dates and other general information is available on the Index Provider's website <https://www.msci.com/constituents>.

Where the Investment Manager becomes aware that the weighting of any particular component in the Reference Index exceeds the permitted investment restrictions, the Investment Manager will seek to amend the Fund's investment exposure to ensure the Fund operates within the permitted investment restrictions, while keeping the best interests of the Shareholders in consideration.

The Reference Index is provided by MSCI Limited (the "**Index Provider**"), an authorised benchmark administrator included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to article 36 of the Benchmark Regulation.

##### Investment Policy

As detailed above, the Fund is passively managed (i.e. its objective is to track the Reference Index, in order to provide the Shareholders with a return in line with the performance of the Reference Index, less the fees and expenses of the Fund).



In order to achieve the investment objective, the Fund intends to invest all or substantially all of the net proceeds of any issue of Shares in the following manner:

- (i) The Fund will invest in such Equities and Equity-Related Securities contained in the Reference Index in order to replicate the components of the Reference Index and in order to provide as close as possible a return to Shareholders of the performance of the Reference Index. Consequently, the prime criterion for selecting the individual Equities and Equity-Related Securities is not their perceived attractiveness or potential growth or value but rather their suitability in terms of attaining the investment objective by replicating the composition of the Reference Index. When the Fund uses this index replicating strategy the Fund may invest up to 20% of its Net Asset Value in such Equities and Equity-Related Securities issued by the same body in order to replicate the Reference Index. The limit may be raised to 35% for a single issuer where exceptional market conditions apply. The Fund may use derivatives in order to gain exposure to such Equities and Equity-Related Securities where deemed appropriate by the Investment Manager (for example, when the securities are not available in the market).
- (ii) The Fund may invest temporarily in Equities and Equity-Related Securities and rights of companies which are not contained in the Reference Index but where there is a high probability that such Equity and Equity-Related Securities will be able to join the Reference Index on the basis of its acceptance criteria. In order to keep aligned with the investment objective of the Fund (i.e. to deliver a return in line with the performance of the Reference Index), the expected maximum of such temporary investment is 5% of Net Asset Value. In such instances, the remaining portfolio of the Fund will comprise of Equities and Equity-Related Securities which replicate the components of the Reference Index. The Investment Manager may seek to achieve a representative portfolio that provides a return comparable to that of the Reference Index and will be used for tracking the performance of certain indices which are too broad to replicate (i.e. if the Reference Index contains too many securities for the Fund to be able to purchase them all efficiently) and/or which contain securities which are difficult to purchase in the open markets. For the avoidance of doubt, where the Fund replicates in this manner (i.e. it does not adopt an exact replication strategy of the Reference Index), it will not be permitted to avail of the increased limits of 20%/35% of its Net Asset Value in a single issuer.
- (iii) Where considered appropriate by the Investment Manager, the Fund may invest in units of passively managed collective investment schemes, both domestic and foreign and listed and unlisted, that are consistent with the investment objective and meet with the requirements of the UCITS Regulations.
- (iv) Equities and Equity-Related Securities (including derivatives on these securities) which are dropped from the Reference Index must be sold within an appropriate period (usually within 10 business days) while safeguarding the interests of the investors.

The Equities, Equity-Related Securities, other eligible assets (or derivatives thereon) listed above and any ancillary cash (held for the purposes of efficient portfolio management and currency hedging) held by the Fund shall constitute the "Fund Assets" for the purposes of the Prospectus.

Irrespective of the investment policy pursued, the Fund will be managed so that it is not leveraged for investment purposes (i.e. a 1:1 exposure). In this regard, any use of derivatives will not result in incremental exposure at the level of the Fund.

Further information relevant to the Fund's investment policy is contained in the main part of the Prospectus under "Investment Objectives and Policies" and under "Investment Restrictions".

### Investment Strategy

As described above, in order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest primarily in the Equities and Equity-Related Securities of the Reference Index in the approximate weightings of the Reference Index subject to the Investment Restrictions set forth in the Prospectus. These securities (which may include depositary receipts) shall be listed and/or traded on the exchanges and markets set out in Appendix II of the Prospectus. This strategy seeks to hold all of the securities of the Reference Index, with the approximate weightings as in that Reference Index, so that essentially, the portfolio of the Fund will be a near mirror image of the components of the Reference Index.

In normal market conditions the Fund will not pursue a synthetic replication strategy. However, to the extent that the Fund invests in derivatives, there will be a corresponding increase in counterparty risk exposure.

#### German Investment Tax Act

For German tax reasons, more than 50% of the Fund's assets will be invested in Equity Investments.

Equity Investments are:

- (i) shares in corporations which are admitted to official trading on a stock exchange or admitted to, or included in, another organised market;
- (ii) shares in corporations which are resident in a Member State of the European Union or in another contracting state to the agreement on the European Economic Area and are subject to income taxation for corporations in their country of residence and are not exempt from such taxation;
- (iii) shares in corporations, which are resident outside the European Union and the European Economic Area and are subject in their country of residence to income tax for corporations of at least 15% and which are not exempt from such tax; and
- (iv) units in other investment funds which, according to their investment terms, invest more than 50% of their value or their assets in the aforementioned shares of corporations, with 51% of their value and units in other investment funds which, according to their investment policies, invest at least 25% of their value or their assets in the aforementioned shares of corporations, with 25% of their value.

In the case of units in other investment funds, the following applies in deviation of the above mentioned 51% or 25% if applicable:

- (a) if an equity fund provides in its investment terms for a percentage higher than 51% of its value or assets, or if a mixed fund provides in its investment terms for a percentage higher than 25% of its value or assets, the investment unit is considered as an equity participation to the extent of this higher percentage, or
- (b) in the case of units in other investment funds which are valued at least once a week, the equity participation shall be taken into account to the extent of the quota of such investment funds published on each valuation day at which they actually invest in the aforementioned Equity Investments.

### 3.2 Investment Restrictions

The ICAV and the Fund adheres to the restrictions and requirements set out under the Regulations, as may be amended from time to time. These are set out in Appendix I to the Prospectus.

In addition, the following investment restrictions apply to the Fund:

- The Fund shall not invest more than 10% of its net assets in other UCITS or other collective investment schemes which meet with the criteria outlined in Regulation 68(e) of the Regulations.

In accordance with the Central Bank Rules, the Fund will apply for a derogation from some of the investment restrictions for six months following the date of approval of the Fund pursuant to the Regulations but will observe the principle of risk-spreading.

If the investment limits of the Fund are exceeded for reasons beyond the control of the Directors, 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 the Shareholders.

### 3.3 Use of Derivatives and Efficient Portfolio Management Techniques

The Fund may engage in transactions in FDI for the purposes of efficient portfolio management and/or to protect against currency and market exchange risks within the conditions and limits laid down by the Central Bank from time to time. Such FDI include warrants, FX forwards and futures. Futures will only be used for the purposes of cash management. FX forwards will be used for the FX hedging in respect of the Hedged Share Classes.

The futures will be on (i) financial indices that the Investment Manager believes to be highly correlated to the Reference Index and/or (ii) indices of individual countries and regions that are reflected in the Reference Index and/or (iii) indices which are primarily based on the same markets as the Fund's Reference Index which will be used to manage any small cash balances held by the Fund and/or dividend payments which are received by the Fund in respect of the underlying Investments that are held by the Fund. In such circumstances, the underlying of the futures will be consistent with the Investment Policy of the Fund.

Please refer to the section of the Prospectus entitled "Efficient Portfolio Management" for further details.

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Please refer to the section of the Prospectus entitled "Collateral Policy" for further details.

The use of FDI for the purposes outlined above will expose the Fund to the risks disclosed in Appendix III to the Prospectus (entitled "Risk Factors").

Furthermore, as a result of currency hedging, hedged Share Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "Credit Risk and Counterparty Risk".

### 3.4 Borrowing, Securities Lending and Risk Management

#### Borrowing

In accordance with the general provisions set out in the Prospectus under the heading "Borrowing Powers", the ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Such borrowings may only be used for short term liquidity purposes to cover the repurchase of Shares.

## Securities Lending

The Fund shall not engage in securities lending arrangements and accordingly includes the reference "Blue" in its name.

## Risk Management

The Fund may utilise FDI as referred to in the section headed "Use of Derivatives and Efficient Portfolio Management Techniques" above.

The Fund uses the commitment approach to calculate its global exposure as a result of the use of derivatives. Accordingly, global exposure and leverage as a result of its investment in FDI as described above shall not exceed 100% of the Net Asset Value of the Fund.

## Cross Investing

Subject to the Central Bank Rules, where more than one Fund is established within the ICAV, and if this is considered appropriate to the investment objective and policies of the Fund, the Fund may invest in the other Funds of the ICAV. Any commission received by the Investment Manager in respect of such investment will be paid into the assets of the Fund. In addition, no Subscription Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing Fund's investment. In order to avoid double-charging of management and/or performance fees, the Fund may not be charged an Investment Management Fee or performance fee in respect of that part of its assets invested in other Funds of the ICAV unless such investment in another Fund is made into a Class of Shares that does not attract any Investment Management Fee or performance fee. Investment may not be made by the Fund in a Fund which itself cross-invests in another Fund within the ICAV.

Please also refer to the section of the Prospectus entitled "Cross-Investment".

### 3.5 Tracking Error

Under normal market conditions, it is anticipated that the level of tracking error will be less than 0.80%.

### 3.6 Risk Factors

Certain risks relating to the Shares are set out under the heading "Risk Factors" in the Prospectus. In addition, Shareholders must also note that:

- (a) The Funds are segregated as a matter of Irish law and as such, in Ireland, the assets of one Fund will not be available to satisfy the liabilities of another Fund. However, it should be noted that 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 can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.
- (b) Upon the occurrence of a Disruption Event or an Index Disruption and Adjustment Event (and without limitation to the Directors' personal powers as further described in the Prospectus); (i) adjustments may be made to account for any such event (including adjustment to the Reference Index, the calculation of the Reference Index level and/or changes to the terms of the derivative contracts) which may have a significant impact on the Net Asset Value of the Fund; (ii) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, repurchase and exchange of Shares and payment of repurchase proceeds in accordance with the provisions of the Prospectus under the section "Suspension of Calculation of Net Asset Value"; and/or (iii) the Directors may, in certain circumstances as set out in the Prospectus, terminate the Fund.

- (c) The value of investments and the income from them, and therefore the value of and income from the Shares can go down as well as up and an investor may not get back the amount invested. The Fund's exposure is linked to the performance of the components of the Reference Index which, in turn, is exposed to general market movements (negative as well as positive).

Investors should also refer to the Prospectus for additional disclosure of risks.

### 3.7 Key Information for Buying and Selling Shares

#### Share Classes

Share Class	"A USD"†	"B USD"†	"A EUR"†	"B EUR"†	"AH EUR"‡	"BH EUR"‡	"AH CHF"‡	"BH CHF"‡
<b>Initial Offer Period*</b>	The Initial Offer Period of the Shares, will start at 9.00 a.m. (Dublin time) on 4 June 2020 until 5.00 p.m. (Dublin time) on 3 December 2020 or such earlier or later date as the Directors may determine.							
<b>Initial Issue Price</b>	USD 100	USD 100	EUR 100	EUR 100	EUR 100	EUR 100	CHF 100	CHF 100
<b>Share Class Currency</b>	USD	USD	EUR	EUR	EUR	EUR	CHF	CHF
<b>Minimum Initial Investment Amount**</b>	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares
<b>Minimum Additional Investment Amount**</b>	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares
<b>Minimum Repurchase Amount**</b>	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares
<b>Minimum Shareholding**</b>	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares	25,000 Shares

†Unhedged Share Classes

‡Hedged Share Classes. The ICAV shall enter into certain currency related transactions (through the use of FDI as disclosed above in Section 3.3 entitled "Use of Derivatives and Efficient Portfolio Management Techniques") in order to hedge the currency exposure of the Classes denominated in a currency other than the Base Currency, as described under the heading "Currency Hedged Classes" in the Prospectus.

\*The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise shall be notified subsequently, on an annual basis.

\*\*Subject to the discretion of the Directors (or their delegate) in each case to allow lesser amounts.

Applications for subscriptions and repurchase requests received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline, save in exceptional circumstances where the Directors may in their absolute discretion (reasons to be documented) determine, and provided the applications are received before the Valuation Point for the relevant Dealing Day.

### 3.8 Listing

Application will be made to the Deutsche Börse, the Borsa Italiana, the SIX Swiss Exchange and/or such other exchanges as the Directors may determine from time to time (the "**Relevant Stock Exchanges**") for the listing of the Shares issued and available to be issued and to be admitted to listing on the official list and trading on each of the Relevant Stock Exchanges on or about the launch date. This Supplement and the Prospectus together comprise listing particulars for the purposes of listing the Shares on the official list and trading on the main market of each of the Relevant Stock Exchanges.

### 3.9 Dividend Policy

It is not the current intention of the Directors to declare a dividend in relation to the Class B USD Shares, the Class B EUR Shares, the Class BH EUR Shares or the Class BH CHF Shares. The net income attributable to the Class B USD Shares, the Class B EUR Shares, the Class BH EUR Shares and the Class BH CHF Shares shall be retained within the Fund and the value of the Class B USD Shares, the Class B EUR Shares, Class the BH EUR Shares and the Class BH CHF Shares shall rise accordingly.

The Board of Directors is entitled to determine the payment of dividends and to decide to what extent distributions are to be made from the net investment income attributable to the Class A USD Shares, the Class A EUR Shares, the Class AH EUR Shares and the Class AH CHF Shares. In addition, gains made on the sale of assets belonging to the Fund may be distributed to investors. Further distributions may be made from the Fund's assets in order to achieve an appropriate distribution ratio.

Distributions may be declared on an annual basis or at any intervals to be specified by the Board of Directors.

Appropriation of the annual result as well as other distributions are proposed by the Board of Directors to the Annual General Meeting and are determined by the latter.

Distributions may on no account cause the ICAV's capital to fall below the minimum amount prescribed by law.

Payment of income distributions shall be made in the manner described in the section of the Prospectus entitled "Dividend Policy".

Claims for distributions which are not made within six years shall lapse and the assets involved shall revert to the respective Fund.

### 3.10 Fees and Expenses

(A) The following fees will be incurred on each Share by Shareholders (and will not be incurred by the ICAV on behalf the Fund, and accordingly will not affect the Net Asset Value of the relevant Share Class of the Fund):

	<b>All Share Classes</b>
<b>Subscription Charge*</b>	Up to 5%
<b>Repurchase Charge**</b>	Up to 3%
<b>Exchange Charge***</b>	Up to 3%

<b>Primary Market Transaction Charge</b>	Up to 1%
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\* The Subscription Charge is deducted from the investment amount received from an investor for subscription for Shares. Such Subscription Charge is payable to the Manager. The Manager shall waive all or part of the Subscription Charge in the event that the Shares purchased by a Shareholder correspond at least to the Minimum Initial Investment Amount/Minimum Additional Investment Amount or a multiple thereof or for any other reason at the Manager's sole discretion. The total Subscription Charge and Primary Market Transaction Charge charged to a subscribing investor will not exceed 5%.

\*\* The Repurchase Charge is deducted from the repurchase proceeds payable to the investor. Such Repurchase Charge is payable to the Manager. The Manager shall waive all or part of the Repurchase Charge in the event that the Shares redeemed by a Shareholder correspond at least to the Minimum Repurchase Amount or a multiple thereof or for any other reason at the Manager's sole discretion. The total Repurchase Charge and Primary Market Transaction Charge charged to a redeeming investor will not exceed 3%.

\*\*\* The Exchange Charge is deducted from the repurchase proceeds which are used to purchase the Shares of the New Class. Such Exchange Charge is payable to the Manager. The Manager shall waive all or part of the Exchange Charge in the event that the Shares redeemed or purchased by a Shareholder correspond at least to the Minimum Repurchase Amount or a multiple thereof or for any other reason at the Manager's sole discretion.

(B) Separate to and distinct from the Subscription Charge, Exchange Charge and the Repurchase Charge, which shall be deducted from the investment amount received from an investor or deducted from the repurchase proceeds payable to the investor or used to purchase the Shares of the New Class (as appropriate), the following fees and expenses will be incurred by the ICAV on behalf of the Fund and will affect the Net Asset Value of the relevant Share Class of the Fund:

<b>Share Class</b>	<b>Unhedged Share Classes</b>	<b>Hedged Share Classes</b>
<b>Total Expense Ratio ("TER")</b>	Up to 0.25% per annum	Up to 0.28% per annum

The TER, which is expressed as a percentage of the Net Asset Value of the relevant Share Class of the Fund, represents the fees and expenses payable by the ICAV on behalf of the relevant Share Class of the Fund (other than any Extraordinary Expenses), including any VAT if applicable, as detailed in the Prospectus. Any Extraordinary Expenses will be charged to the Fund in addition and will reduce the Net Asset Value of the relevant Share Class of the Fund accordingly.

During the life of the Fund, the maximum TER may need to be increased from time to time. Any such increase will be subject to the prior approval of Shareholders in accordance with the provision of the Articles.

This section headed "Fees and Expenses" should be read in conjunction with the sections headed "Fees and Expenses" and "Issue and Repurchase Price/Calculation of Net Asset Value/Valuation of Assets" in the Prospectus.

### 3.11 Other Fees and Expenses

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

## Establishment Expenses

All fees and expenses relating to the establishment and organisation of the Fund as detailed in the section of the Prospectus entitled "Establishment Expenses" shall be borne by the Investment Manager.

### Fees and Expenses out of Capital

Fees and expenses may be paid out of the capital in order to preserve cash flow to Shareholders. There is therefore a greater risk that capital may be eroded foregoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

## Disclaimer

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