

ETF WILLOW ICAV

(An umbrella fund constituted as an Irish Collective Asset-management Vehicle under the laws of Ireland with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

PROSPECTUS

16 April 2026

ETF Willow ICAV (the “**ICAV**”) is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C521118 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and as a UCITS may be offered for sale in EU Member States (subject to registration in countries other than Ireland). In addition, applications to register the ICAV may be made in other countries.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), or under the securities laws of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (the “**United States**”). The ICAV has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other US federal laws. Accordingly, except as provided for below, no Shares are being offered to US Persons (as defined in the “*Purchase and Sale Information – US Persons/ERISA Plans*” section below). Shares will only be offered to a US Person at the sole discretion of either the Directors or the Manager.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus, the Relevant Supplements and the documents referred to herein.

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

Prospective investors should be aware that it is solely their responsibility to ensure that their investment is compliant with the terms of any regulation applicable to them or their investment. Therefore, they should, accordingly, review this Prospectus carefully and in its entirety and consult with their legal, tax and financial advisers in relation to (i) the legal and regulatory requirements within their own countries for the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the subscribing, purchasing, holding, converting, redeeming or disposing of Shares; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, converting, redeeming or disposing of Shares; and (iv) any other consequences of such activities.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain jurisdictions; persons into whose possession this Prospectus comes are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer by anyone in any jurisdiction in which such offer is not lawful or authorised, or to any person to whom it is unlawful to make such offer.

Investors should note that not all the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

The distribution of this Prospectus in certain jurisdictions may require that it be translated into an appropriate language. Unless contrary to local law in the jurisdiction concerned, in the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English version shall always prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the laws of Ireland.

Any information or representation given or made by any person which is not contained herein or in any other document which may be available for inspection by the public should be regarded as unauthorised and should accordingly not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the ICAV shall under any circumstances constitute a representation that the information given in this Prospectus is correct as at any time subsequent to the date hereof.

The Key Information Document for each of the Sub-Funds provides important information in respect of the Sub-Funds, including the applicable synthetic risk and reward indicator, charges and, where available, the historical performance associated with the Sub-Funds. Before subscribing for Shares, each investor will be required to confirm that they have received the relevant Key Information Document. The Key Information Document and the latest annual and any semi-annual reports of the ICAV are available to download on the Website.

Investors should be aware that the price of Shares may fall as well as rise and investors may not get back any of the amount invested. The difference at any one time between the subscription and redemption price of Shares means that an investment in any Sub-Fund should be viewed as long term. Risk factors for each investor to consider are set out in the “*Risk Information*” section.

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 the Prospectus. The authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.

An initial charge may be applied at the discretion of the ICAV on the subscription of Shares and/or an exit charge on the redemption of Shares and/or an exchange charge on the exchange of Shares may be payable. If an initial charge is applied in relation to any particular Share Class, it will be disclosed in the Relevant Supplement, but in any case in the event that such a charge is applied it will not exceed 5% in the case of a subscription charge and 3% in the case of an exit charge.

Where a Share Class may make distributions out of capital (which may provide for additional amounts to be distributed to Shareholders), investors should note that this will result in the reduction of an investor’s original capital invested in the relevant Sub-Fund. The relevant Sub-Fund’s capital will be eroded and the distribution will be achieved by foregoing the potential for future capital growth and by potentially diminishing the value of future returns; this cycle may continue until all capital is depleted. Accordingly, distributions made out of capital during the life of the relevant Sub-Fund must be understood as a type of capital reimbursement. Distributions out of capital may have different tax implications to distributions of income and recommend that investors seek advice in this regard.

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GENERAL INFORMATION

This section is an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole, including the Relevant Supplements. Capitalised terms used in this Prospectus are defined in Schedule I hereto.

Corporate Information

The ICAV was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 on 14 August 2023 under registration number C521118 and is authorised by the Central Bank as a UCITS. The object of the ICAV is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. The ICAV has been structured as an umbrella fund, with segregated liability between Sub-Funds. The Directors may from time to time, with the prior approval of the Central Bank, create different series of Shares effected in accordance with the requirements of the Central Bank representing separate portfolios of assets, each such series comprising a Sub-Fund. Within each Sub-Fund, the Directors may from time to time create different Share Classes in accordance with the requirements of the Central Bank. Each Sub-Fund will bear its own liabilities and, under Irish law, none of the ICAV, any of the service providers appointed to the ICAV, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund.

The ICAV is incorporated in Ireland and is therefore subject to the Act and is required to comply with the corporate governance requirements of the UCITS Regulations. The Directors have committed to maintain a high standard of corporate governance and will seek to comply with the Act, the UCITS Regulations and the Central Bank's requirements for UCITS.

Sub-Funds

The portfolio of assets maintained for each series of Shares and comprising a Sub-Fund will be invested in accordance with the investment objectives and policies applicable to such Sub-Fund as specified in the Relevant Supplement. Shares may be divided into different Share Classes to accommodate, amongst other things, different dividend policies, charges, fee arrangements (including different total expense ratios), currencies, or to provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time.

Under the Instrument of Incorporation, the Directors are required to establish a separate Sub-Fund, with separate records, in the following manner:

- (a) the ICAV will keep separate books and records of account for each Sub-Fund. The proceeds from the issue of Shares issued in respect of a Sub-Fund will be applied to the Sub-Fund and the assets and liabilities and income and expenditure attributable to that Sub-Fund will be applied to such Sub-Fund;
- (b) any asset derived from another asset in a Sub-Fund will be applied to the same Sub-Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Sub-Fund;
- (c) in the case of any asset which the Directors do not consider as readily attributable to a particular Sub-Fund or Sub-Funds, the Directors have the discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any such asset will be allocated between Sub-Funds and the Directors may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Sub-Fund or Sub-Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Sub-Fund the Directors will have discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any liability will be allocated between Sub-Funds and the Directors may, with the consent of the Depositary, at any time and from time to time vary such basis;
- (e) in the event that assets attributable to a Sub-Fund are taken in execution of a liability not attributable to that Sub-Fund and in so far as such assets or compensation in respect thereof cannot otherwise be restored to that Sub-Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of

the assets lost to the Sub-Fund affected and transfer or pay from the assets of the Sub-Fund or Sub-Funds to which the liability was attributable, in priority to all other claims against such Sub-Fund or Sub-Funds, assets or sums sufficient to restore to the Sub-Fund affected, the value of the assets or sums lost to it;

- (f) where the assets of the ICAV (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors may allocate assets representing such net profits to such Sub-Fund or Sub-Funds as they may deem appropriate, acting in a fair and equitable manner; and
- (g) subject as otherwise provided in the Instrument of Incorporation, the assets held for the account of each Sub-Fund shall be applied solely in respect of the Shares to which such Sub-Fund appertains and shall belong exclusively to the relevant Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for any such purpose.

Each of the Shares (other than the Subscriber Shares) entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Sub-Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and, in certain circumstances, vote at all meetings of the ICAV but do not entitle the holders to participate in the dividends or net assets of any Sub-Fund.

At the date of this Prospectus, the ICAV comprises the following Sub-Funds:

AI-Enhanced Eurozone Equities UCITS ETF
AI-Enhanced US Equities UCITS ETF

Report and Accounts

The ICAV's accounting period will end on 31 December in each year. The ICAV will publish an annual report and audited annual accounts for the ICAV / each Sub-Fund within four months of the end of the financial period to which they relate, i.e. normally in April of each year. The unaudited half-yearly reports of the ICAV / each Sub-Fund will be made up to 30 June in each year. The unaudited half yearly reports will be published within two months of the end of the half year period to which they relate, i.e. normally in August of each year. The initial annual report and audited annual accounts of the ICAV will be made up to 31 December 2024 and the initial unaudited half-yearly reports of the ICAV will be made up to 30 June 2025. The annual report and the half-yearly report will be made available on the Website and hard copy reports may be sent to Shareholders and prospective investors, on request.

Annual General Meeting

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

Voting Rights

Voting rights are attached to Shares in the ICAV and may be exercised at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders. No persons other than Shareholders or their proxies have the right to vote at Shareholder meetings.

Instrument of Incorporation

Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Instrument of Incorporation, copies of which are available as described below under "*Further Information*".

Share Capital

The authorised share capital of the ICAV is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The Directors are empowered to issue up to all of the Shares of the ICAV on such terms as they think fit. The Subscriber Shares entitle the holders to attend at any general meetings of the ICAV and to vote at any general meeting where there are no other Shares in issue at that time, but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the ICAV and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different Share Classes. The ICAV may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each Share held by such Shareholder.

Listing.

The Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s), which may be, among others, CBOE Europe, Xetra, Borsa Italiana, LSE, SIX Swiss Exchange and/or Euronext Dublin).

Collection Account

The ICAV will operate one or more subscription and redemption accounts in its own name (each a “**Collection Account**”). Monies in a Collection Account, including subscription and redemption monies or cash component of an in-kind subscription received in respect of the relevant Sub-Fund prior to the allotment of Shares, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers. All subscription and redemption monies and dividends or cash distributions payable to or from a Sub-Fund will be channelled and managed through a Collection Account.

Subscriptions monies, including the cash component of an in-kind subscription, received in respect of a Sub-Fund in advance of the issue of Shares will be held in a Collection Account. Investors will be unsecured creditors of the Sub-Fund with respect to any cash amount subscribed and held in a Collection Account until such time as the Shares subscribed are issued and will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of the ICAV, there is no guarantee that the ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by the ICAV of redemption proceeds and dividends is subject to receipt by the Manager or its delegate, the Administrator, of all subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Manager or its delegate, the Administrator. Redemption and distribution amounts, including blocked redemption or distribution amounts, will, pending payment to the relevant investor or Shareholder, be held in a Collection Account. For as long as such amounts are held in a Collection Account, the investors / Shareholders entitled to such payments from the ICAV will be unsecured creditors of the ICAV with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund or any other shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of the ICAV, there is no guarantee that the ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Manager or its delegate, the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Sub-Fund, recovery of any amounts to which other Sub-Funds are entitled, but which may have transferred to the insolvent Sub-Fund as a result of the operation of a Collection Account, will be subject to the

principles of Irish trust law and the terms of the operational procedures for the relevant Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay amounts due to other Sub-Funds.

Winding Up

In accordance with the Act, if the ICAV is wound up, a liquidator will be appointed to settle outstanding claims and distribute the remaining assets of the ICAV. The liquidator will use the assets of the ICAV in order to satisfy claims of creditors. Thereafter, the liquidator will distribute the remaining assets among the Shareholders. The Instrument of Incorporation contains provisions that will require, firstly, the distribution of assets to the Shareholders of each Sub-Fund after settlement of the liabilities of that Sub-Fund and, thereafter, distribution to the holders of Subscriber Shares of the nominal amount paid in respect of those Subscriber Shares. Where distributions in specie are effected on a winding up, any Shareholder may request that all or a portion of the assets attributable to his/her shareholding be sold at his/her expense and determine to receive the cash proceeds instead of that sale.

Data Privacy

If you are, or are associated with, a Shareholder or prospective Shareholder of a Sub-Fund, the ICAV as data controller will use, process and share your personal data in accordance with the General Data Protection Regulation (EU) 2016/679, as amended from time to time, and the related privacy notice which can be viewed at <https://funds.carnegroup.com/ETF-Willow-ICAV>.

Further Information

The following documents are available for inspection free of charge during normal business hours on weekdays (public holidays excepted) at the registered office of the ICAV:

- (a) the Instrument of Incorporation;
- (b) the UCITS Regulations and the Central Bank UCITS Regulations;
- (c) the Prospectus and Supplements;
- (d) the Key Information Document; and
- (e) the latest available yearly or half-yearly reports.

Copies of the Instrument of Incorporation and the latest yearly and half-yearly reports of the ICAV, as appropriate, will be sent to Shareholders and prospective investors, free of charge, upon request.

No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of each Sub-Fund's Shares and, if given or made, the information or representations must not be relied upon as having been authorised by the ICAV. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.

INVESTMENT OBJECTIVES AND POLICIES

Investment Objective and Strategy of a Sub-Fund

The ICAV has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The specific investment objectives, strategies and policies for each Sub-Fund will be set out in the Relevant Supplement.

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised in the “*Investment Restrictions*” section and such additional investment restrictions, if any, as may be adopted by the Directors for any Sub-Fund and specified in the Relevant Supplement. The Directors may establish Sub-Funds that will seek to track an Index (“**Index Tracking Sub-Funds**”) or will be managed actively by the Investment Manager to seek to achieve a specific investment objective, which may include outperforming an Index (“**Actively Managed Sub-Funds**”). Information in relation to the investment objectives and types of instruments or securities in which the relevant Sub-Fund will invest will be set out in the Relevant Supplement.

Index Tracking Sub-Funds

These Sub-Funds will seek to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of its applicable Index. Such Sub-Funds will seek to achieve this objective by using a replication strategy, an optimisation strategy, or a representative sampling strategy, depending on which the Investment Manager considers to be the most appropriate strategy for the particular Sub-Fund at the relevant time. The Relevant Supplement will specify and describe the strategy the applicable Sub-Fund intends to use and provide details of where information on the Index tracked by that Sub-Fund may be obtained.

- **Replicating Sub-Funds.** Replicating Sub-Funds seek to replicate, to the extent possible, the composition of the Index by physically holding all the Index Securities in the exact proportion to their weighting in the Index, or through the use of swaps or other derivatives to achieve an accurate replication, to the extent possible, of the composition of the Index.
- **Non-Replicating Sub-Funds.** In certain situations it may not be practicable for a Sub-Fund to gain exposure to all of the Index Securities of its respective Index in their proportionate weightings or to purchase them at all due to various factors, including the costs and expenses involved and the concentration limits set out in this Prospectus. In these circumstances, the Investment Manager may, in tracking an Index, decide to hold a representative sample of the securities contained in an Index.

Non-Replicating Sub-Funds

The Investment Manager may employ a range of techniques designed to select those Index Securities which will create the representative sample that tracks the performance of the Index as closely as possible, including optimisation and representative sampling techniques.

Optimisation seeks to minimise tracking error through proprietary quantitative portfolio analysis. This analysis may include consideration of matters such as how a securities price changes in relation to another over time, scenario analysis (which involves estimating the change in an investment portfolio's value given a change in key risk factors) and stress testing. The optimisation process analyses portfolio holdings, benchmark weights and risk model data and then computes an optimal portfolio. Investment constraints typically include a number of holdings (for large benchmark universes) and maximum weightings across security, sector and country. The use of optimisation may not always result in tracking error being minimised as intended.

Representative sampling is an indexing strategy in which the Investment Manager invests in a representative sample of constituent securities that has a collective investment profile similar to that of the Index. The securities selected for investment by the Investment Manager are expected to have, in the aggregate, investment characteristics (for example including but not limited to quality and maturity duration), fundamental characteristics (for example including but not limited to currencies, countries and sectors) and liquidity measures similar to those of the Index. The Sub-Fund may or may not hold all of the securities in the Index. This strategy seeks to build a representative portfolio that matches the risk and return characteristics of the Index in an efficient way.

The extent of sampling used in any Sub-Fund will be determined by the nature of the Index Securities, taking into account such factors as correlation, diversification and market weighting. Some Sub-Funds may use sampling more extensively than other Sub-Funds. Regardless of the amount of sampling, investors will be exposed to the performance of the underlying securities comprised in an Index. Sub-Funds may also hold some securities which provide similar performance and risk characteristics to certain securities in the Index, even if such securities are not themselves Index Securities, where the Investment Manager believes this to be appropriate in light of the investment objective and investment restrictions of the Sub-Fund or other factors. The potential for any such proposed investment by a Sub-Fund will be disclosed in the Relevant Supplement.

In addition, the replication methodology used in respect of a Sub-Fund may vary over time. For example, a newly launched Sub-Fund may not have adequate assets under management to efficiently employ the replication strategy and so may seek to employ either the optimisation or representative sampling strategy initially, before gradually switching to full replication over time. Similarly a Sub-Fund employing the replication strategy may no longer be able to acquire all of the components of an Index because of changes in the Index or underlying market with the result that it can no longer fully replicate the Index, or can no longer do so efficiently and is obliged to switch to either the optimisation or representative sampling technique.

Changes to the composition and/or weighting of Index Securities will ordinarily require that Sub-Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Sub-Fund or to which a Sub-Fund is exposed from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of the Index. In the event that the weighting of any particular component within the Index exceeds the permitted investment restrictions, the ICAV shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Sub-Fund and the performance of the Index. For further details on the factors which may limit the ability of the Sub-Fund to track the performance of an Index exactly, investors should also read the “*Index Tracking Risk*” risk warning in the “*Risk Information*” section. Information on the anticipated level of tracking error in respect of a Sub-Fund can be found in the Relevant Supplement and information on the level of tracking error experienced by a Sub-Fund will be contained in the most recent financial statements published by the ICAV.

There may be circumstances in which the holding of Index Securities may be prohibited by regulation, or may not otherwise be in the interests of investors and as a result, the Sub-Fund may hold securities which provide similar performance and a similar risk profile to that of the Index Securities. These include but are not limited to, where:

- (i) restrictions on the proportion of each Sub-Fund’s value which may be held in individual securities arise from compliance with the UCITS Regulations;
- (ii) changes to the Index Securities cause the Investment Manager to determine that it would be preferable to implement different investment methods, in accordance with the terms of the Relevant Supplement, to provide similar performance and a similar risk profile to that of the Index;
- (iii) Index Securities are unavailable or no market exists for such security, in which case, a Sub-Fund may instead hold depository receipts relating to such securities (e.g. ADRs and GDRs) or may hold FDI giving exposure to the performance of such securities;
- (iv) corporate actions occur in respect of Index Securities, in which case the Investment Manager has discretion to manage these events in the most efficient manner;
- (v) a Sub-Fund holds ancillary liquid assets and/or has receivables in which case the Investment Manager may purchase FDI, for direct investment purposes, to produce a return similar to the return on the Index;
- (vi) Index Securities held by a Sub-Fund Index become illiquid or are otherwise unobtainable at fair value, in which circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;

- (vii) following consideration of the costs of any proposed portfolio transaction, the Investment Manager believes that that it is not efficient to execute transactions to bring the Sub-Fund perfectly into line with the Index at all times; and
- (viii) a Sub-Fund sells Index Securities in anticipation of their removal from the Index, or purchases securities which are not currently represented in the relevant Index, in anticipation of their becoming Index Securities.
- (ix) a Sub-Fund may be required to deviate its investments from the securities and relative weightings of the Index to meet the issuer diversification requirements applicable to regulated investment companies, local market restrictions, or other legal reasons, including regulatory limits or other restrictions on securities that may be purchased by the Investment Manager and its affiliates.

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

Changes of Index. The Directors may in their absolute discretion decide, if they consider it to be in the interests of any Sub-Fund, to change or substitute the relevant Index for a Sub-Fund. The Directors may, for instance, decide to substitute an Index in the following circumstances:

- (a) the transferable securities or other techniques or instruments described in the “*Investment Restrictions*” section which are necessary for the implementation of the relevant Sub-Fund’s investment objective cease to be sufficiently liquid or otherwise be available for investment in a manner which is regarded as acceptable by the Directors;
- (b) the quality, accuracy and availability of data of a particular Index has deteriorated;
- (c) the components of the applicable Index would cause the Sub-Fund to be in breach of the limits contained in the “*Investment Restrictions*” section and/or materially affect the taxation or fiscal treatment of the ICAV or any of its investors;
- (d) the particular Index ceases to exist or, in the determination of the Directors, there is, or is expected to be, a material change in the formula for, or the method of, calculating the Index or a component of the Index or there is, or is expected to be, a material modification of the Index or a component of the Index;
- (e) there is a change of ownership of the relevant Index Provider to an entity not considered acceptable by the Directors and/or a change of name of the relevant Index; or
- (f) a new index becomes available which is regarded as being of greater benefit to the investors than the existing Index.

The above list is indicative only and cannot be understood as being exhaustive in respect of the ability of the Directors to change the Index in any other circumstances as they consider appropriate. The Prospectus and any of the Relevant Supplements will be updated in the case of substitution or change of the existing Index of a Sub-Fund for another Index.

Any proposal by the Directors to change an Index shall be subject to the prior approval of the Shareholders of the relevant Sub-Fund by ordinary resolution only if it is deemed to be a change of investment objective or a material change of investment policy of the Sub-Fund. Otherwise, in accordance with the requirements of the Central Bank, Shareholders will be notified of the proposed change.

The Directors may change the name of a Sub-Fund if its Index is changed and the Index is referred to in the name of the Sub-Fund. Any change to the name of a Sub-Fund will be approved in advance by the Central Bank and the relevant documentation will be updated.

Actively Managed Sub-Funds

An Actively Managed Sub-Fund's investments will be managed actively by the Investment Manager to seek to achieve its investment objective, for example, to seek to outperform an Index, rather than just to track it. Where a Sub-Fund is actively managed, the Investment Manager will have greater discretion in relation to the composition of the Sub-Fund's portfolio, subject to the investment objectives and policies stated in the Relevant Supplement.

Cash Management

A Sub-Fund may, for cash management purposes, hold cash, certificates of deposit, term deposits, commercial paper (i.e. short term paper issued by credit institutions), short term government paper (i.e. short term debt issued by governments), money market funds and supranational bonds.

Investment in other Collective Investment Schemes

Where so disclosed in the Relevant Supplement, Sub-Funds may invest in other, UCITS eligible collective investment schemes, including exchange traded funds. However, unless otherwise specified in the Relevant Supplement, any such Sub-Fund's investment in such other, UCITS eligible collective investment schemes will be limited to 10% of their Net Asset Value in aggregate.

Currency Hedging at Portfolio Level

A Sub-Fund may enter into transactions for the purposes of hedging the currency exposure of its underlying exposures into its relevant Base Currency to match the relevant Index exposure. FDI such as currency futures may be utilised if the Sub-Fund engages in such hedging.

Currency Hedging at Share Class Level

A Sub-Fund may use FDI on behalf of a specific Currency Hedged Share Class in order to hedge some or all of the foreign exchange risk for such Currency Hedged Share Classes.

There are two methods used for Share Class currency hedging:

- **NAV Hedge.** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the Base Currency and the class currency of the Currency Hedged Share Class. It is typically used when most portfolio holdings are either denominated in, or hedged back to, the Base Currency. Where such hedging is undertaken, the class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency. Where the NAV Hedge is applied successfully in respect of a Currency Hedged Share Class, the performance of the Currency Hedged Share Class is likely to move in line with the performance of the Share Classes denominated in the Base Currency. The use of the NAV Hedge may substantially limit the holders of the relevant Currency Hedged Share Class from benefiting if the currency of the Currency Hedged Share Class decreases in value relative to the Base Currency.
- **Portfolio Hedge.** This type of hedging seeks to minimise the effect of exchange rate fluctuations between the currency exposures of the portfolio holdings and the class currency of the Currency Hedged Share Class. For example, it may be used when most of the portfolio holdings are neither denominated in, nor hedged back to, the Base Currency. Where such hedging is undertaken, the currency exposures of the assets of the Sub-Fund are hedged back to the class currency of the Currency Hedged Share Class in proportion to the Currency Hedged Share Class' share of the Net Asset Value of the Sub-Fund, unless for specific currencies, it is impractical or not cost effective to apply the Portfolio Hedge (*please see Section 1.2 "Investment Risks" in the Prospectus*).

In respect of the use of this type of hedging for the Index Tracking Sub-Funds, Shareholders should note that the Currency Hedged Shares Classes which seek to hedge currency exposure will seek to hedge only the currency exposures in the Sub-Fund's Index to the Currency Hedged Share Class. Given the difference between the Index and the Sub-Fund at any given time, some currency exposures may remain. For example, a USD-Currency Hedged Share Class will seek to hedge EUR, GBP, CHF and any other currency exposure of the Index into USD, but there may be residual currency exposures that remain unhedged as a result of the different currency exposures between the Index and the Sub-Fund at any given time. Investors should be aware that even if a Sub-Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly and there is no assurance or guarantee that such

hedging will be effective. The use of the Portfolio Hedge may substantially limit the holders of the relevant Currency Hedged Share Class from benefiting if the class currency of the Currency Hedged Share Class decreases in value relative to the currencies in which the underlying assets of the Sub-Fund being hedged are denominated.

Where a Sub-Fund offers Currency Hedged Share Classes, the hedging method used by the Sub-Fund is indicated in the Relevant Supplement.

Where currency hedging transactions are entered into to hedge any relevant currency exposure in respect of a Currency Hedged Share Class, each such transaction will be clearly attributable to the specific Currency Hedged Share Class and any costs shall be for the account of that Currency Hedged Share Class only. Accordingly, all such costs and related liabilities and/or benefits will accrue solely to and be reflected in the Net Asset Value per Share of such Currency Hedged Share Class. To the extent that hedging is successful, the performance of the relevant class is likely to move in line with the performance of the underlying asset or assets. In addition, investors in such classes will not benefit if the class currency falls against the Base Currency or against the currency in which the assets of the Sub-Fund are denominated.

Over-hedged or under-hedged positions may arise unintentionally due to factors outside the control of the Investment Manager, however, hedged positions will be kept under review to seek that: (i) over-hedged positions do not exceed 105% of the Net Asset Value of the Currency Hedged Share Class and (ii) under-hedged positions do not fall below 95% of the portion of the Net Asset Value of the Currency Hedged Share Class. The hedged positions will be kept under review to ensure that under-hedged positions do not fall below the levels set out above and are not carried forward from month to month and that over-hedged positions materially in excess of 100% and any under-hedged positions falling short of the level above will not be carried forward from month to month.

A Sub-Fund that hedges foreign exchange risk for any Currency Hedged Share Class may enter into currency futures in order to hedge some or all of the foreign exchange risk for the relevant Currency Hedged Share Class.

Unhedged Classes

In the case of unhedged Shares Classes, a currency conversion will take place on subscription, redemption, switching and distribution at prevailing exchange rates and the investor is subject to currency risk in the form of potential capital losses resulting from movements of the exchange rate between the investor's currency and the currency of the Share Class in which such investor invests.

Changes to Investment Objective and Policies of a Sub-Fund

The Directors shall not make any change in the investment objectives or any material change in the investment policies of a Sub-Fund, as disclosed in the Relevant Supplement, without the prior approval of the Shareholders in that Sub-Fund by ordinary resolution at a general meeting or by the prior written approval of all Shareholders of the Sub-Fund in accordance with the Instrument of Incorporation. The Directors shall provide all Shareholders with reasonable notice of any such changes. A non-material change in the investment policy will not require Shareholder approval, however a reasonable notification period will be provided by the Sub-Fund to enable Shareholders to redeem their Shares prior to implementation of the change.

Repurchase Agreements, Reverse Repurchase Agreements and Securities Lending

A Sub-Fund may enter into repurchase agreements, reverse repurchase agreements and securities lending agreements, subject to the conditions and limits set out in the Central Bank UCITS Regulations. Any such repurchase agreements, reverse repurchase agreements or securities lending agreements may only be used for efficient portfolio management purposes.

Under a repurchase agreement, the Sub-Fund acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the securities at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the relevant Sub-Fund during the term of the repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. A Sub-Fund may also enter into reverse repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price.

Under a securities lending transaction, the Sub-Fund makes a loan of securities which it holds to a borrower upon terms that require the borrower to return equivalent securities to the Sub-Fund within a specified period and to pay the Sub-Fund a fee for the use of the securities during the period that they are on loan. The Investment Manager will 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.

The Sub-Fund may lend its portfolio securities via a securities lending program through an appointed securities lending agent to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Pursuant to the terms of the relevant securities lending agreement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover the fees and costs associated with the securities lending activity, including the delivery of loans, the management of collateral and the provision of any securities lending indemnity and such fees paid will be at normal commercial rates.

In the case that a Sub-Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Sub-Fund.

Fixed term reverse repurchase agreements which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Sub-Fund.

The Investment Manager shall ensure that all revenues from reverse repurchase agreements and securities lending, net of direct and indirect operational costs, are returned to the Sub-Fund. Securities lending agents appointed may be an affiliate of the Depositary or the Manager. Details of the exposures obtained through efficient portfolio management techniques, the counterparties used, the type and amount of collateral received to reduce such exposures and any income and expenses, whether direct or indirect, generated by reverse repurchase agreements and securities lending will be disclosed in the annual reports of the ICAV.

A Sub-Fund may only enter into reverse repurchase agreements and stock lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Counterparties will not have discretion over the assets of a Sub-Fund, unless otherwise specified in the Relevant Supplement. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A-2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay. Investors should also read the “*Securities Lending Risk*” and “*Reverse Repurchase Agreements Risk*” risk warnings in the “*Risk Information*” section.

Use of Financial Derivative Instruments

The use of FDI by any Sub-Fund for investment purposes or for efficient portfolio management will be described in the Relevant Supplement. In this context, efficient portfolio management means the reduction of risks, including the risk of tracking error between the performance of a Sub-Fund and the performance of the Index tracked by the relevant Sub-Fund, the reduction of costs to the ICAV, the generation of additional capital or income for the ICAV and hedging against market movements, currency exchange or interest rate risks, subject to the general restrictions outlined in the “*Investment Restrictions*” section. To the extent that a Sub-Fund uses FDI, there may be a risk that the volatility of the Sub-Fund’s Net Asset Value may increase. Please refer to the “*Risk Information*” section for further details about the risks associated with the use of FDI.

The following is a summary description of the type of FDI which may be used for investment purposes or for efficient portfolio management by a Sub-Fund. More information on the type of FDI used by each Sub-Fund (if any) is contained in the Relevant Supplement, as appropriate.

- **Futures.** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

The details of this FDI will be outlined, as appropriate in the Relevant Supplement.

Collateral

All assets received in respect of a Sub-Fund in the context of reverse repurchase agreements or securities lending transactions will be considered as collateral for the purposes of the Central Bank UCITS Regulations and will comply with the criteria above. The ICAV seeks to identify and mitigate risks linked to the management of collateral, including operational and legal risks, by risk management procedures employed by the ICAV. Any collateral received by a Sub-Fund will meet, at all times, the following criteria:

- **Liquidity.** Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of the Central Bank UCITS Regulations and shall be used in accordance with the requirements of this Prospectus and the UCITS Regulations.
- **Valuation.** Collateral should be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements.
- **Issuer Credit Quality.** Collateral should be of high quality. The Investment Manager must ensure that where one or more credit rating agencies registered and supervised by ESMA have provided a rating of the issuer, the credit quality assessment process employed on behalf of the Sub-Fund has regard inter alia to those ratings. While there will be no mechanistic reliance on such external ratings, the Investment Manager must ensure that where there is a downgrade below the two highest short-term credit rating by any rating agency registered and supervised by ESMA that has rated the issuer, such downgrading must lead to a new assessment of the credit quality of the issuer to ensure the collateral continues to be of high quality.
- **Correlation.** Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- **Diversification.** Subject to the below, collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the relevant Sub-Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Sub-Fund's Net Asset Value. When the Sub-Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of Net Asset Value.

A Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Any such Sub-Fund shall receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. A Sub-Fund may be fully collateralised in securities issued or guaranteed by any of the issuers listed in the "*Investment Restrictions*" section.

- **Immediately Available.** Collateral must be capable of being fully enforced by the ICAV at any time without reference to or approval from the counterparty.

It is proposed that each Sub-Fund may only accept the following types of collateral:

- cash;
- government or other public securities;
- certificates of deposit issued by Relevant Institutions;
- letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; and

- bonds/commercial paper issued by Relevant Institutions or by non-bank issuers.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the Investment Manager for each asset class based on the haircut policy that it has implemented in respect of the ICAV for each class of assets to be received as collateral, as above. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. Collateral obtained under such agreement: (a) must be marked to market daily; and (b) must equal or exceed, in value, at all times the value of the exposure to the relevant counterparty, taking into account the relevant counterparty exposure limits under the UCITS Regulations.

The Investment Manager will ensure that any Sub-Fund receiving collateral for at least 30% of its assets will undergo regular stress testing in accordance with the ICAV's liquidity stress-testing policy to assess the liquidity risk attached to the collateral it has received.

Reinvestment of Collateral. Non-cash collateral received cannot be sold, pledged or reinvested by the ICAV. Cash received as collateral may not be invested or used other than as set out below:

- placed on deposit, or invested in certificates of deposit issued by Relevant Institutions;
- invested in high-quality government bonds;
- reverse repurchase transactions; or
- invested in a Short Term Money Market Fund, as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref: CESR/10-049).

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity. There is a risk that re-invested cash collateral could result in a reduction of the value of the collateral (because investments made may decline in value). This, in turn may cause losses to the ICAV and the relevant Sub-Fund because it is obliged to return collateral equivalent to the value of the returned security. In order to manage this risk, the cash collateral is re-invested in accordance with the guidelines set out above.

Reporting and Transparency of Securities Financing Transactions

The Manager is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (the “**SFTR**”). The SFTR sets out certain disclosure requirements regarding the use of securities financing transactions (“**SFTs**”), as set out below.

The Sub-Funds may use reverse repurchase transactions and securities lending, which are SFTs. The Sub-Funds' use of SFTs is consistent with their respective investment objectives and policies, and accordingly SFTs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the relevant Sub-Fund.

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

A Sub-Fund which is permitted to enter into reverse repurchase transactions in accordance with its investment policy but does not actually engage in such transactions as of the date of this Prospectus may nevertheless engage in reverse repurchase transactions provided that the maximum proportion of its assets under management subject to these instruments does not exceed 100% and that the Relevant Supplement is updated accordingly at the next available opportunity.

The types of acceptable counterparty, acceptable collateral, as well as the diversification requirements, are explained above. The acceptable counterparties (which may or may not be related to the Manager, Depositary or their delegates) will be entities with legal personality and located in OECD jurisdictions. They will be subject to ongoing supervision by a public authority, be financially sound and have the necessary organisational structure and resources for the relevant type of

transaction. Any collateral obtained by a Sub-Fund pursuant to an SFT and total return swap will be valued in accordance with the Investment Manager's valuation and haircut policy.

The "*Risk Information*" section of this Prospectus provides a description of the risks associated with the use of derivatives, securities lending, reverse repurchase agreements, and other investment techniques which are likely to fall within the definition of SFT.

The assets of a Sub-Fund that are subject to SFTs and any collateral received are safe-kept by the Depositary (or a sub-custodian on behalf of the Depositary). This is not applicable in the event that there is no title transfer, in which case the collateral can be held by a third party custodian which is subject to prudential supervision and unrelated to the provider of the collateral.

Risk Management

The use of the other efficient portfolio management techniques described above to the risk profile of a Sub-Fund will be disclosed in its investment policies. Any use of efficient portfolio management techniques by a Sub-Fund shall not result in a change to the ICAV's investment objective nor substantially increase the risk profile of the Sub-Fund.

The global exposure relating to FDI may be calculated through the commitment approach or Value-at-Risk (VaR) methodology.

Unless otherwise stated in the Relevant Supplement, each Sub-Fund's global exposure and leverage will be calculated using the commitment approach and the Sub-Funds' global exposure will not exceed 100% of Net Asset Value. The commitment approach converts each Sub-Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated.

Certain Sub-Funds may apply a VaR approach to calculate their global exposure, and this will be specified for each applicable Sub-Fund in the Relevant Supplement. A global exposure calculation using the VaR approach should consider all the positions of the relevant Sub-Fund.

VaR is a means of measuring the potential loss to a Sub-Fund due to market risk and is expressed as the maximum potential loss measured daily at a 99% one-tailed confidence level over a one month time horizon. The holding period for the purpose of calculating global exposure, is one month.

Sub-Funds using the VaR approach are required to disclose their expected level of leverage which is stated in the Relevant Supplement. The expected level of leverage disclosed for each Sub-Fund is an indicative level and is not a regulatory limit. The Sub-Fund's actual level of leverage might significantly exceed the expected level from time to time however the use of FDI will remain consistent with the Sub-Fund's investment objective and risk profile and comply with its VaR limit. In this context leverage is a measure of the aggregate derivative usage and is calculated as the sum of the notional exposure of the FDI used, without the use of netting arrangements. As the calculation neither takes into account whether a particular FDI increases or decreases investment risk, nor takes into account the varying sensitivities of the notional exposure of the FDI to market movements, this may not be representative of the level of investment risk within a Sub-Fund.

VaR is calculated using an absolute or relative approach.

Relative VaR

The relative VaR approach is used for Sub-Funds where a derivative free benchmark or reference portfolio is defined reflecting the investment strategy which the Sub-Fund is pursuing. The relative VaR of a Sub-Fund (including derivatives) is expressed as a multiple of the VaR of a benchmark or reference portfolio and is limited to no more than twice the VaR on the comparable benchmark or reference portfolio. The reference portfolio for VaR purposes, as amended from time to time, may be different from the benchmark as stated in the Relevant Supplement.

Absolute VaR

The absolute VaR approach calculates a Sub-Fund's VaR as a percentage of the Net Asset Value of the Sub-Fund as defined by the ESMA Guidelines 10-788. Absolute VaR is generally an appropriate approach in the absence of an identifiable reference portfolio or benchmark, for instance for funds using an absolute return target. Where indicated in the Relevant Supplement that a Sub-Fund uses absolute VAR, the absolute VaR of the Sub-Fund will not exceed 20% of the Net Asset Value of the Sub-Fund, using a one-tailed confidence interval of 99%, a holding period of one month (20 business days) and a historical observation period of at least one year (250 business days).

Where a Sub-Fund uses FDI, the Manager has a risk management process, submitted to the Central Bank, which enables it to accurately measure, monitor and manage the various risks associated with FDI, the use of efficient portfolio management techniques and the management of collateral. The Manager, or its delegate the Investment Manager, will only employ FDI that are covered by the risk management process, as amended from time to time. A Sub-Fund will not utilise FDI until such time as a RMP providing for such FDI has been submitted to the Central Bank. In the event of a Sub-Fund proposing to use additional types of FDI, the risk management process and the Relevant Supplement will be amended to reflect this intention and the Sub-Fund will not utilise such FDI until such time as the risk management process providing for its use has been prepared and submitted to the Central Bank in accordance with the Central Bank requirements. The Manager, or its delegate the Investment Manager 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 investment.

The creation of leveraged exposure to an index via FDI, for the inclusion of a leverage feature in an index, shall be taken into account in assessing compliance with the Prospectus disclosure requirements of Regulation 53(4) of the Central Bank UCITS Regulations.

Borrowing Money

A Sub-Fund may not grant loans or act as guarantor on behalf of third parties. A Sub-Fund may borrow up to 10% of its Net Asset Value on a temporary basis. The Manager shall ensure that, where a Sub-Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the excess is treated as borrowing for the purpose of the UCITS Regulations. Reverse repurchase agreements and stock lending are not treated as borrowings for these purposes.

INVESTMENT RESTRICTIONS

The assets of each Sub-Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors, the details of such additional investment restrictions will be set out below and/or in the Relevant Supplement.

1	Permitted Investments
1.1	Investments of a UCITS are confined to: Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of alternative investment funds.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	Investment Restrictions
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Recently Issued Transferable Securities (1) Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. (2) Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that; (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) may be raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments across all issuers may not exceed 80% of the Net Asset Value of the UCITS.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
2.8	The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in a third country deemed equivalent pursuant to Article 107(4) of the Capital Requirements Regulation (EU) No. 575/2013 or any other entity permitted by the Central Bank.
2.9	Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets: - investments in transferable securities or money market instruments; - deposits, and/or - counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined and consequently exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Saudi Arabia (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC. The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
3	Investment in Collective Investment Schemes ("CIS")
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.

3.5	Where by virtue of investment in the units of another CIS, the responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
4	Index Tracking UCITS
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
5	General Provisions
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A UCITS may acquire no more than: (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to: (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed. (v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: - transferable securities; - money market instruments*; - units of CIS; or - financial derivative instruments.
5.8	A UCITS may hold ancillary liquid assets.
6	Financial Derivative Instruments ('FDIs')
6.1	A UCITS' global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

The ICAV shall not acquire commodities, precious metals or certificates representing them.

The Directors may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interests of investors, in order to comply with the laws and regulations of the countries where investors are located.

The investment restrictions referred to above are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

* Any short selling of money market instruments by UCITS is prohibited

RISK INFORMATION

1 RISK CONSIDERATIONS

1.1 General

In general, each Sub-Fund is intended for long-term investors who can accept the risks associated with investing in a particular Sub-Fund. There can be no assurance that the investment objective of a Sub-Fund will be achieved. No guarantee or representation is made that the investment program of a Sub-Fund will be successful, and investment results of the Sub-Fund may vary substantially over time. The possibility of total or partial loss of capital exists, and prospective investors should not subscribe for Shares unless they can readily bear the consequences of such loss.

An investment in Shares of a Sub-Fund does not constitute a complete investment programme. Investors may wish to complement an investment in a Sub-Fund with other types of investments. Investors should be aware that the value of the Shares may fall as well as rise. Investors may not get back the amount initially invested, and income, if any, may fluctuate. The value of investments of a fund may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events.

Whilst some risks will be more relevant to certain Sub-Funds, investors should ensure that they understand all the risks discussed in this Prospectus and the Relevant Supplement, insofar as they may relate to that Sub-Fund.

The difference at any one time between the sale and redemption price of Shares in a Sub-Fund means that the investment should be viewed as medium to long term.

The following risk considerations detail particular risks associated with an investment in the ICAV, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in the ICAV.

1.2 Investment Risks

1.2.1 *Investment and trading risks*

An investment in a Sub-Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. A Sub-Fund may, depending on its investment policy, invest in and actively trades commodity indices through derivatives, securities, currencies and other financial instruments using strategies and investment techniques with significant risk characteristics, including, without limitation, risks arising from the volatility of commodity, equity, fixed income, currency and other financial markets, risks arising from the potential illiquidity of derivative instruments, the risk of loss from counterparty defaults and the risks of borrowing, including for purposes of making investments and to meet redemption requests, and risks associated with making investments in different country markets. These risks may be amplified by the use of leverage.

A Sub-Fund's investment program may utilise, directly or indirectly, such investment techniques as option transactions, leverage, derivatives transactions, futures contracts, margin transactions, short sales, repurchase agreements and reverse repurchase agreements, and other transactions involving hedging or other strategies, which practices involve substantial volatility and can substantially increase the adverse impact to which the Sub-Fund may be subject. All investments made by a Sub-Fund risk the loss of capital. No assurance can be given that a Sub-Fund will be able to locate suitable investment opportunities in which to deploy all its capital. A reduction in the volatility and pricing inefficiency of the markets in which a Sub-Fund seeks to invest, as well as other market factors, may reduce the number and scope of available opportunities for the Sub-Fund's investment strategies.

1.2.2 *Expedited transactions*

Investment analyses and decisions by the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Investment Manager at the time of making an investment decision may be limited. Therefore, no assurance can be given that the Investment Manager will have knowledge of all circumstances that may adversely affect an investment. In addition, the

Investment Manager may obtain information from independent consultants in connection with its evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to a ICAV's right of recourse against them in the event errors or omissions do occur.

1.2.3 *Settlement Risk*

Different markets have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Sub-Fund is not invested and no return is earned thereon or the Sub-Fund could miss attractive investment opportunities. Inability to dispose of securities due to settlement problems could result either in losses to the Sub-Fund due to subsequent declines in value of the security or, if the Sub-Fund has entered into a contract to sell the security, could result in possible liability to the purchaser. Certain markets may require payment for securities to be made before delivery, subjecting the Sub-Fund concerned with the accompanying credit risk.

A Sub-Fund may also invest in markets (see “--*Emerging markets*” below) or investments which have different settlement cycles from the Sub-Fund or have settlement cycles that are effectively shorter because of a requirement to pre-pay settlement proceeds or post margin. As a result, a Sub-Fund may incur borrowing costs in transacting in such markets and investments.

1.2.4 *Market Risk*

A Sub-Fund may be adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. Governments from time to time intervene, directly and by regulation, in certain markets. Such intervention often is intended directly to influence prices and may, together with other factors, cause some or all of such markets to move rapidly in the same direction.

Deterioration of market conditions or uncertainty regarding economic markets generally can result in declines in the market values of actual or potential investments, or increased illiquidity of investments. Such declines or illiquidity could lead to losses and diminished investment opportunities for the Sub-Fund, could prevent the Sub-Fund from successfully meeting its investment objectives or could require the Sub-Fund to dispose of investments at a loss while such unfavourable market conditions prevail.

To the extent that any such disruptions occur, the consequences described above (including declines in market values and illiquidity of investments) may affect any or all of the markets with which the Sub-Funds invest simultaneously, which could have a material adverse effect on the Sub-Fund and its investments. In addition, any such further market disruptions may also result in further changes to regulatory requirements or other government intervention. Such regulations may be implemented on an “emergency” basis, which may suddenly prevent the Sub-Funds from implementing certain investment strategies or from managing the risk of its outstanding positions.

In addition, global economies and financial markets are becoming increasingly interconnected, and political, economic and other conditions and events in one country, region, or financial market may adversely impact issuers in a different country, region or financial market. Furthermore, the occurrence of, among other events, natural or man-made disasters, severe weather or geological events, fires, floods, earthquakes, outbreaks of disease (such as COVID-19, avian influenza or H1N1/09), epidemics, pandemics, malicious acts, cyber-attacks, terrorist acts or the occurrence of climate change, may also adversely impact the performance of a Sub-Fund. Such events may result in, among other things, closing borders, exchange closures, health screenings, healthcare service delays, quarantines, cancellations, supply chain disruptions, lower consumer demand, market volatility and general uncertainty. Such events could adversely impact issuers, markets and economies over the short- and long-term, including in ways that cannot necessarily be foreseen. A Sub-Fund could be negatively impacted if the value of a portfolio holding were harmed by such political or economic conditions or events. Moreover, such negative political and economic conditions and events could disrupt the processes necessary for a Sub-Fund's operations.

1.2.5 *Concentration of investments and strategies*

The ICAV may at certain times hold large positions in a relatively limited number of investments, sectors or regions and will therefore be subject to the risks associated with such concentration. The ICAV could be subject to significant losses if it holds a relatively large position in a single strategy, currency, issuer, industry, market or a particular type of investment that

declines in value, and the losses could increase even further if the investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances. Such risks may impact all Sub-Funds which invest in particular sectors even in cases where the investment objective is more generic.

1.2.6 *Geo-political risks*

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

Issuers are generally subject to different accounting, auditing and financial reporting standards, practices and requirements in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world.

1.2.7 *Emerging markets*

Securities traded in certain markets may be subject to additional risks due to, among other factors, the inexperience of financial intermediaries, weaker custody frameworks, a lack of modern technology, the possibility of temporary or permanent termination of trading, and social, political and economic instability generally. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened.

Unanticipated political or social developments may affect the values of a ICAV's investments in a country and the availability to the ICAV of additional investments in that country.

Additional factors that may affect the value of a Sub-Fund's investments are: interest rates, inflation, import and export growth, commodity prices, the ability to service foreign debt, the size of the external debt relative to the gross domestic product, and the level of support from external sources such as the International Monetary Fund or the World Bank. As a result, the risks relating to investments in securities described above, including the possibility of nationalisation or expropriation, may be heightened.

The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make a Sub-Fund's investments illiquid and more volatile than investments in more established markets, and a Sub-Fund may be required to establish special custodial or other arrangements before making certain investments. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of an investment. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests, which may affect the market price, liquidity and rights of securities that may be purchased by a Sub-Fund.

Settlement mechanisms in some securities markets may be less efficient and reliable than in other markets, which could impede a Sub-Fund's ability to effect portfolio transactions and may result in investments being settled through a more limited range of counterparties with an accompanying enhanced credit risk. Moreover, the payment of redemptions proceeds in Sub-Funds that invest in emerging markets may be delayed. Certain countries may also operate margining or pre-payment systems whereby margin or the entire settlement proceeds for a transaction need to be posted prior to the settlement date which can give rise to credit and operational risks as well as potentially borrowing costs for the Sub-Fund.

Some countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates and corresponding currency devaluations and fluctuations in the rate of exchange between currencies and costs associated with currency conversion have had and may continue to have negative

effects on the economies and securities markets of certain countries.

Sovereign debt of issuers in some countries can be deemed to be the equivalent, in terms of quality, to securities rated below investment grade. A Sub-Fund may have difficulty disposing of certain sovereign debt obligations because there may be a limited trading market for such securities.

A number of countries restrict, to varying degrees, foreign investment in stocks. Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval in some countries. New repatriation restrictions might be imposed subsequent to a Sub-Fund's investment. If such restrictions were imposed subsequent to a Sub-Fund's investment in the securities of a particular country, the Sub-Fund's response might include, among other things, applying to the appropriate authorities for waiver of the restrictions or engaging in transactions in other markets designed to offset the risks of decline in that country. Such restrictions will be considered in relation to such Sub-Fund's liquidity needs and all other acceptable positive and negative factors. Further, some attractive equity securities may not be available to a Sub-Fund because foreign shareholders hold the maximum amount permissible under current laws.

Government involvement in the private sector varies in degree between countries in which a Sub-Fund may invest. Such involvement may, in some cases, include government ownership of companies in certain sectors, wage and price controls or imposition of trade barriers and other protectionist measures. With respect to any particular country, there is no assurance that some future economic or political crisis will not lead to price controls, forced mergers of companies, expropriation, or creation of government monopolies, to the possible detriment of a Sub-Fund's investments.

In addition, in certain markets, local regulations may limit investment into local securities to certain qualifying foreign institutions and investors through licensing requirements and may also limit investment through quotas granted by local authorities. Potential investors should note that there is no guarantee that a Sub-Fund will benefit from quotas granted to such qualifying institutions and investors nor that, if it does, that it will always be available to the Sub-Fund. Withdrawal or failure to obtain a renewal of any such quota may have material adverse consequences to the Sub-Fund. A further consequence of investing via such quota may be that there is a limit on the amount that the Sub-Fund, and/or foreign investors as a whole, can own of the equity capital of a particular company. The actions of other foreign investors independent of the Sub-Fund can therefore impact the position of the Sub-Fund. Use of quotas often requires the transmission of funds through government designated service providers and accounts. Mandatory use of such providers may not provide the Sub-Fund with terms as advantageous as those which would be available if the selections were made on an open market basis.

1.2.8 *Publicly traded securities*

In the event that a Sub-Fund acquires fixed income securities and / or equity securities that are publicly traded, the Sub-Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Sub-Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, a Sub-Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Sub-Fund may be limited in its ability to make investments, and to sell existing investments, in public securities if the Investment Manager or its affiliate (if any) has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Sub-Fund.

1.2.9 *Short sales*

In accordance with the section of the Prospectus titled "*Investment Restrictions*", no short sales of securities will be undertaken; short positions may only be achieved using securitised and non-securitised financial derivative instruments. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Securities may be synthetically sold short by a Sub-Fund in a long / short strategy to hedge a long position, or to enable the Sub-Fund to express a view as to the relative value between the long and short positions.

There is no assurance that the objectives of this strategy will be achieved, or specifically that the long positions will not decrease in value and the short positions will not increase in value, causing the Sub-Fund losses on both components of the transaction. A Sub-Fund may make “short sales against-the-box,” in which it will sell short securities it owns or has the right to obtain without payment of additional consideration. If the ICAV makes a short sale against-the-box, it will be required to set aside securities equivalent in kind and amount to the securities sold short (or securities convertible or exchangeable into those securities) and will be required to hold those securities while the short sale is outstanding.

Securities regulators may ban, via temporary measures, any legal or natural person from entering into transactions which might constitute or increase a net short position on derivative instruments (“**Short-Selling Ban**”). The purpose of such action is to closely monitor the functioning of those markets. Short-Selling Bans may directly or indirectly impact the performance of the Sub-Fund, as implementation of its investment objective by alternative methods may reveal to be economically less efficient. These restrictions and reporting requirements may prevent a Sub-Fund from successfully implementing its investment strategies, including, without limitation, as part of any long / short strategy or in connection with hedging its investments, and to achieving its investment objective. In addition, reporting requirements relating to short selling may provide transparency to a Sub-Fund’s competitors as to its short positions, thereby having a detrimental impact on the Sub-Fund’s returns.

1.2.10 Market risks of spread transactions

Where a Sub-Fund enters into spread transactions, it is subject to the risk that the prices of the securities underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Sub-Fund could sustain losses on one security or both positions of the spread transaction.

1.2.11 Small capitalisation companies

Investing in the securities of smaller, lesser-known companies may involve greater risk and the possibility of greater price volatility than investing in larger, more mature better known companies or in a more diverse portfolio of equity securities. The securities of small capitalisation and recently organised companies pose greater investment risks because such companies may have limited product lines, distribution channels and financial and managerial resources. Further, there is often less publicly available information concerning such companies than for larger, more established businesses. The securities of small capitalisation companies are often traded over-the-counter or on regional exchanges and may not be traded in the volumes typical on a national securities exchange. Investments in small capitalisation companies may also be more difficult to value than other types of securities because of the foregoing considerations as well as lower trading volumes. Additionally, transaction costs for these types of investments are often higher than those of larger capitalisation companies.

1.2.12 Companies with limited operating history

Investments in companies with limited operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

1.2.13 No reliance on past performance

The past investment performance of the Investment Manager and the ICAV should not be construed as an indication of the future results of the Investment Manager or the ICAV. A Sub-Fund may have a limited operating history upon which prospective investors can reliably evaluate performance. The results of other investment funds formed and accounts managed by the Investment Manager and its affiliates, currently or in the past, which have or have had investment programs that are different from or similar to the investment program of a Sub-Fund, or which may have a longer operating history are also not indicative of the results that the Sub-Fund may achieve. The Sub-Fund makes investments in a different portfolio of securities. Accordingly, the Sub-Funds’ results may differ from and are independent of the results previously obtained by its Investment Manager and those investment funds and accounts.

1.2.14 Off-exchange transactions

While some off-exchange markets are highly liquid, transactions in off-exchange, or non-transferable, derivatives may

involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

1.2.15 *Margin transactions*

Instead of paying the whole purchase price immediately, certain transactions which are margined require a Sub-Fund to make a series of payments against the purchase price instead (known as contingent liability transactions).

If the Sub-Fund trades in futures, contracts for difference or sells options, the Sub-Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Sub-Fund, the Sub-Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Sub-Fund fails to do so within the time required, its position may be liquidated at a loss and the Sub-Fund will be liable for any resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose the Sub-Fund to substantially greater risks.

1.2.16 *Trading liquidity*

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted or where trading is restricted due to a corporate action. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

1.2.17 *Clearing house protections*

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on a Sub-Fund's behalf) is "guaranteed" by the exchange or its clearing house. However, this guarantee is unlikely in most circumstances to cover the Sub-Fund in its relationship with the broker, and may not protect the Sub-Fund if the broker or another party defaults on its obligations to the Sub-Fund. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange. Please refer to "*Particular risks of financial derivative instruments*" for more information on clearing requirements for over-the-counter financial derivative instruments.

1.2.18 *Investments which are not readily realisable*

Certain investments may be liquid when purchased but may subsequently suffer from illiquidity as market circumstances change, which can happen without warning and very suddenly.

Such illiquid securities and financial instruments may not be readily disposable and, in some cases, may be subject to contractual, statutory or regulatory prohibitions on disposition for a specified period of time. The market value of a Sub-Fund's investments may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in any particular industry and the financial condition of the issuers of the securities in which the Sub-Fund invests. There may be no readily available market for such investments and from time to time there may be difficulty in obtaining reliable information about the value and extent of risks associated with such investments. During periods of limited liquidity and higher price volatility, a Sub-Fund's ability to acquire or dispose of investments at a price and time that the Investment Manager deems advantageous may be impaired. As a result, in periods of rising market prices, a Sub-Fund may be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; conversely, the Sub-Fund's inability to dispose fully and promptly of positions in declining markets will cause its Net Asset Value to decline as the value of unsold positions is marked to lower

prices.

The above circumstances could prevent a Sub-Fund from liquidating positions promptly and could subject the Sub-Fund to substantial losses. As, when it receives redemption requests, a Sub-Fund is not obliged to realise its assets pro rata across its portfolio, redemption requests by investors in a Sub-Fund that require the Sub-Fund to liquidate underlying positions may lead to:

- the Sub-Fund realising a greater portion of more liquid securities resulting in the Sub-Fund then holding a greater concentration of such relatively less liquid interests than was previously the case and the Sub-Fund's investment mix may thereby become more biased towards relatively less liquid securities which could increase the risk for remaining Shareholders; and/or
- the Sub-Fund realising less liquid assets at an unfavourable time and/or unfavourable conditions which may adversely impact the value that is realised for those assets and/or the Sub-Fund's ability to settle redemption requests on its normal settlement cycle.

The Net Asset Value of a Sub-Fund as of a particular date may be materially less than or greater than the Net Asset Value the Sub-Fund that would be determined if the Sub-Fund's assets were to be liquidated as of such date. For example, if a Sub-Fund were required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that the Sub-Fund would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the Net Asset Value of the Sub-Fund. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the Net Asset Value of a Sub-Fund.

A Sub-Fund may invest in assets that lack a readily ascertainable market value, or assets held by a Sub-Fund may not have readily ascertainable market value in the future. A Sub-Fund's Net Asset Value will be affected by the valuations of any such assets (including, without limitation, in connection with calculation of any investment management and performance fees). In determining the probable realization value or fair value of assets that lack a readily ascertainable market value, the ICAV (or an affiliated or independent agent thereof) may use one or more of a variety of valuation methodologies (depending on factors including the asset type). The assets may be valued using dealer supplied quotations or pricing models developed by third parties, the Manager, the Investment Manager and/or affiliates of the Manager and the Investment Manager. Such methodologies may be based upon assumptions and estimates that are subject to error.

Given the uncertainty inherent in the valuation of assets that lack a readily ascertainable market value, the value of such assets as reflected in a Sub-Fund's Net Asset Value may differ materially from the prices at which the Sub-Fund would be able to liquidate such assets. The value of assets that lack a readily ascertainable market value may be subject to later adjustment based on valuation information available to the ICAV at that time including, for example, as a result of year-end audits.

If the Manager, or any other party, is involved in the valuation of the ICAV's assets, including assets that lack a readily ascertainable market value, the Manager or such other party may face a conflict of interest in valuing such assets, as their value may affect the compensation owed to the Manager or such other party. Please refer to section of the Prospectus titled "*Determination of Net Asset Value*" for more information on how positions will be valued and the Net Asset Value calculated.

1.2.19 *Credit Default Risk*

An issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its obligation to pay interest and repay principal. In addition, this risk may include the risk of default on foreign letters of credit, guarantees or insurance policies that back municipal securities.

The credit quality of a Sub-Fund's portfolio securities may meet the Sub-Fund's credit quality requirements at the time of purchase but then deteriorate thereafter, and such deterioration can occur rapidly. In certain instances, the downgrading or default of a single holding or guarantor of a Sub-Fund's holding may impair the Sub-Fund's liquidity and have the potential to cause significant Net Asset Value deterioration.

1.2.20 *Asia Risk*

Investing in certain Asian issuers may involve a higher degree of risk and special considerations not typically associated with investing in issuers from more established economies or securities markets. Many Asian countries can be characterized as either developing or newly industrialized economies and tend to experience more volatile economic cycles than developed countries. Some countries in the region have in the past experienced currency devaluations that resulted in high interest rate levels, sharp reductions in economic activity and significant drops in securities prices. Some countries in the region have in the past imposed restrictions on converting local currency which prevented foreign firms from selling assets and repatriating funds. Many countries in the region have historically faced political uncertainty, corruption, military intervention and social unrest. Examples include ethnic and sectarian violence in Indonesia and India, armed conflict between India and Pakistan, and insurgencies in the Philippines.

1.2.21 *Direct investment in India*

The Investment Manager may invest directly in Indian securities on behalf of a Sub-Fund as a foreign portfolio investor ("FPI"). Direct access to the Indian market can be obtained by receiving approval from the Securities and Exchange Board of India ("SEBI") under one of three categories details for which are set out at https://www.nseindia.com/int_invest/content/getting_started.html. If a Sub-Fund intends to make such direct investment, the Investment Manager may seek to receive approval as a "Category II" or "Category III" foreign portfolio investor. Category II generally covers regulated funds and other regulated entities such as banks and asset management companies while Category III is utilised for those investors who do not receive approval from SEBI as a "Category I" or "Category II" investor.

A Sub-Fund may also invest in depositary receipts for the purpose of obtaining exposure to Indian securities.

The amount which FPIs can invest in Indian companies is subject to quota limitations at the level of individual FPIs and of FPIs in aggregate, which may impact the ability of the Sub-Fund to invest directly in such companies. FPIs' Indian investments may also be subject to local capital gains tax, securities transaction tax and other forms of taxation, which may impact on the performance of a Sub-Fund.

1.2.22 *India Risk*

For Sub-Funds that invest in or are exposed to investment in India, potential investors should also consider the following risk warnings which are specific to investing in or exposure to India:

- India is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanoes and tsunamis and India is economically sensitive to environmental events. In addition, the agricultural sector is an important component of the Indian economy and adverse weather may have a significant negative effect on the Indian economy.
- India has experienced a process of privatisation of certain entities and industries. If the newly privatised companies are unable to adjust quickly to a competitive environment or to changing regulatory and legal standards, investors in such newly privatised entities could suffer losses and this could adversely affect the performance of the Indian market.
- The Indian economy is dependent on commodity prices and the economies of Asia, mainly Japan and China, and the United States as key trading partners. Reduction in spending on Indian products and services by any of these trading partners or a slowdown or recession in any of these economies could adversely affect the Indian economy.
- India has experienced acts of terrorism and has strained international relations with Pakistan, Bangladesh, China, Sri Lanka and other neighbours due to territorial disputes, historical animosities, terrorism and other defence concerns. These situations may cause uncertainty in the Indian market and may adversely affect performance of the Indian economy.
- Disparities of wealth, the pace of economic liberalisation and ethnic, religious and racial disaffection may lead to social turmoil, violence and labour unrest in India. In addition, India continues to experience religious and border disputes as well as separatist movements in certain Indian states. Unanticipated political or social developments may result in investment losses.
- The Indian government has experienced chronic structural public sector deficits. High amounts of debt and public spending may stifle Indian economic growth, cause prolonged periods of recession or lower India's sovereign debt rating.

1.2.23 *Industrial Industry Group Risk*

Industrial companies can be impacted by supply and demand for their specific product or service and for industrial industry group products in general. Government regulation, world events, exchange rates and economic conditions, technological developments and liabilities for environmental damage and general civil liabilities may affect the performance of these companies.

1.2.24 Financial Services Industry Group Risk

An adverse development in the financial services industry group, including U.S. and foreign banks, broker-dealers, insurance companies, finance companies (e.g., automobile finance) and related asset-backed securities, may affect the value of a Sub-Fund's investments more than if the Sub-Fund were not invested to such a degree in this industry group. Companies in the financial services industry group may be particularly susceptible to certain economic factors such as interest rate changes, fiscal, regulatory and monetary policy and general economic cycles.

1.2.25 Utilities Industry Group Risk

Securities in the utilities industry group can be very volatile and can be impacted significantly by supply and demand for services or fuel, government regulation, conservation programs, commodity price fluctuations and other factors. Government regulation of utility companies may limit those companies' profits or the dividends they can pay to investors. In addition, utility companies may face regulatory restrictions with respect to expansion to new markets, limiting their growth potential. Technological developments may lead to increased competition, which could impact a company's performance.

1.3 Legal issues relating to investments

1.3.1 Government investment restrictions

Government regulations and restrictions in some countries may limit the amount and type of securities that may be purchased by a Sub-Fund or the sale of such securities once purchased. The ability of a Sub-Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of a Sub-Fund's assets may be invested in those countries where such limitations do not exist. Such restrictions may also affect the market price, liquidity and policies established by the governments of certain countries may adversely affect each Sub-Fund's investments and the ability of a Sub-Fund to achieve its investment objective.

In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation or, in certain countries, the inadequacy of the U.S. dollar currency or any other major currency available to non-governmental entities, may affect certain aspects of the operation of a Sub-Fund. In countries that have an inadequate supply of U.S. dollar currency or any other major currency, issuers that have an obligation to pay a Sub-Fund in U.S. dollars or that other currency may experience difficulty and delay in exchanging local currency to U.S. dollar currency or that other currency and thus hinder the Sub-Fund's repatriation of investment income and capital. Moreover, such difficulty may be exacerbated in instances where governmental entities in such countries are given priority in obtaining such scarce currency. Furthermore, a Sub-Fund's ability to invest in the securities markets of several countries is restricted or controlled to varying degrees by laws restricting foreign investment and these restrictions may, in certain circumstances, prohibit a Sub-Fund from making direct investments. In addition, certain jurisdictions have recently imposed restrictions and reporting requirements on short selling. See "*— Short sales*" above. Further, regulators and exchanges are authorised to regulate trading or other activity with respect to certain markets and may impose other restrictions which could have significant adverse effects on a Sub-Fund's portfolio and the ability of the Sub-Fund to pursue its investment strategies and achieve its investment objective.

1.3.2 No investment guarantee

Investment in a Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account or any guarantee at all.

1.3.3 Regulatory interpretation of UCITS restrictions

Each Sub-Fund is subject to the investment restrictions set out in the section of the Prospectus titled "*UCITS Investment*

Restrictions". Ordinarily, such investment restrictions apply at the level of each Sub-Fund rather than at the level of the ICAV as a whole. However, certain restrictions have been interpreted by the relevant regulatory authorities (such as ESMA or the Central Bank) to apply at the level of the ICAV. This means that the holdings of the various Sub-Funds would be combined for the purposes of determining compliance with the relevant restriction. This may render the application of a given restriction more prohibitive for a given Sub-Fund than it would have been had the restriction applied at the level of the Sub-Fund rather than the ICAV as a whole. As a result, the relevant Sub-Fund may have to dispose of, or refrain from purchasing, assets that it otherwise would have held, which may hinder the Sub-Fund's ability to achieve its investment objective.

1.4 Investment in debt securities

1.4.1 Fixed income securities

A Sub-Fund may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and / or interest on future dates, and include, among other securities: bonds, notes, and debentures issued by corporations; debt securities issued or guaranteed by governments or their agencies or instrumentalities; municipal securities; and mortgage-backed and asset backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations. Fixed-income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the issuer, and general market liquidity (i.e., market risk).

A Sub-Fund's investments in debt securities may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Sub-Fund earlier than expected. This may happen when there is a decline in interest rates, or when the issuer's performance allows the refinancing of debt with lower cost debt. Early repayments of investments may have a material adverse effect on the Sub-Fund's investment objective and the profits on invested capital.

A Sub-Fund may invest in Rule 144A securities, which are privately offered securities that can be resold only to certain qualified institutional buyers (as such terms are defined in the 1933 Act). As such securities are traded among a limited number of investors, certain Rule 144A securities may become illiquid and involve the risk that a Sub-Fund may not be able to dispose of these securities quickly or in adverse market conditions.

1.4.2 Tranched instruments

A Sub-Fund may, in the sole discretion of the Investment Manager, directly or indirectly invest in investment grade or other debt instruments of companies or other entities not affiliated with countries or governments. Certain of such securities may be fixed pools or may be "market value" or managed pools of collateral which are typically separated into tranches representing different degrees of credit quality, with lower rated tranches being subordinate to senior tranches. The returns on the junior tranches of such pools are especially sensitive to the rate of defaults in the collateral pool. In addition, the exercise of redemption rights, if any, by more senior tranches of such pools and certain other events could result in an elimination, deferral or reduction in the Sub-Funds available to make interest or principal payments to the junior tranches of such pools.

As with other investments made by a Sub-Fund, from time to time the relevant market for these debt instruments may become illiquid, which may limit the Sub-Fund's ability to sell these debt instruments or to obtain the desired price. Futures and options on futures on debt and other fixed income securities are subject to all the foregoing risks, in addition to the risks particularly associated with futures and derivative contracts generally.

1.4.3 Investment in fixed income securities and risks of interest and exchange rate fluctuations

The Net Asset Value of the Shares of a Sub-Fund invested in fixed income securities will change in response to fluctuations in interest rates and currency exchange rates which can be caused by a wide variety of market factors, including central bank monetary policy, inflation levels and changes in general economic conditions. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income

securities generally can be expected to rise and vice versa. The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. As the Net Asset Value of each Sub-Fund will be calculated in its Base Currency, the performance of the Sub-Fund's investments not denominated in the Base Currency will also depend on the strength of such currency against the Base Currency and the interest rate environment in the country issuing the currency. Absent other events that could otherwise affect the value of non-Base Currency investments (such as a change in the political climate or an issuer's credit quality), appreciation in the value of the non-Base Currency generally can be expected to increase the value of a Sub-Fund's corresponding non-Base Currency investments in terms of the Base Currency. A rise in interest rates or decline in the value of currencies other than the Base Currency relative to the Base Currency generally can be expected to depress the value of a Sub-Fund's non-Base Currency investments.

1.4.4 Insolvency considerations with respect to issuers of indebtedness

Indebtedness consisting of obligations of different issuers may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations and the levels of protection provided will differ depending on the country in which each issuer is located or domiciled and may differ depending on whether the issuer is a non-sovereign or a sovereign entity.

Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness in which a Sub-Fund invested or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of indebtedness in which the Sub-Fund invests, payments made on such indebtedness could be subject to avoidance as a "preference" if made within a certain period of time before insolvency. This means that if such payment is viewed as a "preference" it may be subject to repayment. In general, if payments on indebtedness are held to be void, whether as fraudulent conveyances or preferences, such payments can be recaptured from the Sub-Fund.

It is not anticipated that any Sub-Fund will engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which a Sub-Fund may acquire such indebtedness engaged in any such conduct (or any other conduct that would subject such indebtedness and the Sub-Fund to insolvency laws) and, if it did, as to whether such creditor claims could be asserted in a court against the Sub-Fund.

1.4.5 Credit ratings

The Investment Manager may, but is not required to, use credit ratings to evaluate securities. Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated securities. They do not, however, evaluate the market value risk of lower-quality securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the condition of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in lower-quality and comparable unrated obligations will be more dependent on the Investment Manager's credit analysis than would be the case with investments in investment-grade debt obligations. Generally, a credit rating agency will not, as a matter of policy, assign a rating to a corporate issuer of debt which is higher than the rating assigned to the country in which the corporation is domiciled. Thus, ratings for emerging market corporate issuers are generally capped by the sovereign ratings.

1.4.6 Risks of investing in non-investment grade fixed-income securities

Non-investment grade fixed-income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed-income securities and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the junk bond markets generally and less secondary market liquidity.

Non-investment grade fixed-income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of non-investment grade fixed-income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Sub-Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Manager's judgement concerning the creditworthiness of issuers than in the case of investment in higher-rated securities. Issuers of non-investment grade fixed-income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the junk bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder's risk of loss from default is significantly greater for non-investment grade fixed-income securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Sub-Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Sub-Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade fixed-income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield fixed-income securities is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Sub-Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Sub-Fund to obtain precise valuations of the high yield securities in its portfolio.

Credit ratings do not evaluate the market value risk of non-investment grade securities and, therefore, may not fully reflect the true risks of an investment. See "—Credit Ratings" above. The Investment Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings. The Investment Manager continually monitors the investments in a Sub-Fund and evaluates whether to dispose of or to retain non-investment grade and comparable un-rated securities whose credit ratings or credit quality may have changed.

As a result of a Sub-Fund's investment in non-investment grade investments and as a consequence of credit problems with such investment and the possibility that such Sub-Fund may participate in restructuring activities, it is possible that this Sub-Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaim against the Sub-Fund and ultimately judgments may be rendered against this Sub-Fund for which the ICAV may not carry insurance.

1.4.7 Competition for investment opportunities

A Sub-Fund may invest in certain securities and instruments in which markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds, business development companies or BDCs, and other private investors, as well as more traditional lending institutions and competitors. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Sub-Fund, and thus these competitors may have advantages not shared by a Sub-Fund. In addition, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. A Sub-Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisers.

1.4.8 *US Treasury Obligations Risk*

A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity, but the market prices for such securities are not guaranteed and will fluctuate. Because U.S. Treasury Obligations trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. In addition, changes in the credit rating or financial condition of the U.S. government may cause the value of U.S. Treasury Obligations to decline.

1.4.9 *Environmental, Social and Governance Considerations*

Currently, there is no globally accepted framework or definition (legal, regulatory or otherwise) nor market consensus as to what constitutes, an “ESG”, “sustainable”, “impact”, “climate” or an equivalently-labelled product, or regarding what precise attributes are required for a particular investment, product or asset to be defined as such. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “EU Taxonomy Regulation”) provides a common taxonomy for identifying economic activities as environmentally sustainable within the European Economic Area. However, the scope of the EU Taxonomy Regulation is limited to six environmental objectives initially (and so will not cover the entire universe of ESG objectives) and is not currently expected to be used universally, outside of the European Economic Area. For further information regarding investments underlying the Sub-Funds, Shareholders should refer to each relevant Sub-Fund’s Supplement.

The current lack of common standards may result in different approaches to setting and achieving environmental, social and governance or “ESG” objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgemental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. It may consequently be difficult to compare strategies integrating ESG criteria.

Additionally, even where international standards or relevant regulatory standards such as the EU Taxonomy Regulation seek to provide common criteria for determining sustainable economic activities and investments, the application of such criteria will involve the exercise of judgement and may also give discretion on the methodologies and assessments that should be undertaken. Different sustainability, ESG and impact measurement methodologies exist in the market and/or are being developed and implemented by other persons (including data providers, asset managers, industry coalitions or regulators), which are evolving and changing on an ongoing basis. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from that of a Sub-Fund. Applying ESG-related considerations and goals to investment decisions is therefore often qualitative and subjective by nature and may exclude securities of certain issuers for non-financial reasons and, therefore, may forgo some market opportunities available to other funds that do not use ESG or sustainability criteria.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable, which may adversely impact a Sub-Fund placing reliance on such data for the purposes of assessing the appropriate inclusion or exclusion of a security. Different persons (including third-party ESG data or ratings providers, investors and other managers) may arrive at different conclusions regarding the sustainability or impact of a Sub-Fund or its investments.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments.

The regulation of sustainability and ESG matters is a rapidly evolving area, with different ESG product categorisation, labelling and disclosures regimes emerging across the world. The Sub-Funds or their investments are, or could be, subject to such ESG regimes, which may impact on how a Sub-Fund is categorised from an ESG or sustainability perspective in different jurisdictions, how a Sub-Fund operates and/or how a Sub-Fund deploys its capital or selects investments. Regulatory scrutiny of ESG matters has increased and ESG regulations (even if well established) and/or their interpretations are changing on an ongoing basis, particularly as the underlying science and general understanding of ESG matters evolves. A Sub-Fund or its advisors may accordingly become subject to increased or more onerous ESG requirements

(including with retroactive effect) which may impact on the Sub-Fund's eligibility, or continued eligibility, for specific ESG categorisations or labels, its investments or investment processes (among others). In particular, further changes are expected to the EU SFDR regime, which could impact on a Sub-Fund's disclosures or how it is classified under EU SFDR.

1.4.10 *Sustainability-related disclosures*

On 27 November 2019, SFDR was published. The SFDR seeks to provide greater transparency, in the disclosures made to investors, on (i) how sustainability risks are integrated within the management of the fund; and (ii) any environmental/social characteristics or sustainable investment objectives promoted by a fund.

Therefore disclosures have been added in this Prospectus and Relevant Supplements in order to reflect the disclosure requirements resulting from the EU Sustainable Finance Disclosure Regulation.

Information on the investment process implemented by the Investment Manager with respect to ESG criteria may be found where applicable in the investment objective and investment policies sections of the relevant Sub-Funds. In addition, potential sustainability risks associated with the investments of the Sub-Funds are described under section 1.4.10 "Environmental, Social and Governance Considerations" and where applicable in the investment policies sections of the relevant Sub-Funds.

1.5 **Investment in Equity Securities**

1.5.1 *Equity securities*

A Sub-Fund may take long and short positions in common stocks of issuers traded on a national securities exchanges and over-the-counter markets in any country. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. Stock which a Sub-Fund has sold short synthetically may be favourably impacted (to the detriment of the Sub-Fund) by the same factors (e.g., decreased competition or costs or a decrease in interest rates). In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which the Sub-Fund invests and can result in significant losses.

1.5.2 *Preferred stock, convertible securities and warrants*

A Sub-Fund may also invest, directly or indirectly in equity-related securities and instruments such as preferred stock, convertible securities and warrants. The value of preferred stocks, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Sub-Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached). See "*Convertible securities*" above.

1.5.3 *Real estate companies*

Subject to the terms of the Prospectus, a Sub-Fund may invest in transferable securities of companies principally engaged in the real estate industry. There are special risk considerations associated with investing in the securities of such companies. These risks include: the cyclical nature of real estate values, risks related to general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, demographic trends and variations in rental income, changes in zoning laws, casualty or condemnations losses, environmental risks,

regulatory limitations on rents, changes in neighbourhood values, related party risks, changes in the appeal of properties to tenants, increases in interest rates and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of a Sub-Fund's investments in the securities of real estate companies.

1.6 Investment in Derivatives

1.6.1 *Derivative instruments*

An investment in derivatives may involve additional risks for investors. These additional risks may arise as a result of any or all of the following: (i) leverage factors associated with transactions in the Sub-Fund; and/or (ii) the creditworthiness of the counterparties to such derivative transactions; and/or (iii) the potential illiquidity of the markets for derivative instruments. To the extent that derivative instruments are utilised for speculative purposes, the overall risk of loss to the Sub-Fund may be increased. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

However, where a derivative transaction is entered into by the Sub-Fund in respect of a specific Share Class, any losses sustained in respect of such transaction will be internally attributed by the Administrator to the relevant Share Class. In addition certain hedged Share Classes may, in certain circumstances, exhibit higher levels of risk than the unhedged Share Classes of the same Sub-Fund.

Certain derivatives may require collateral to be transferred to another party and where additional collateral is called by such other party the Investment Manager may be required to realise assets comprised in a Sub-Fund which it would not have sought to realise had there not been a requirement to transfer or pledge additional collateral. Where the Sub-Fund receives collateral, such collateral may be held directly by the Sub-Fund but is not counted within the investment restrictions under the UCITS Directive and, accordingly, may increase exposure to certain counterparties to these financial derivative instruments.

1.6.2 *Counterparty risk*

The Sub-Funds will be subject to the risk of the inability of any counterparty to perform its obligations with respect to transactions with the Sub-Fund, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons.

Some of the markets in which a Sub-Fund may effect transactions are "over-the-counter" (or "interdealer") markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such "over-the-counter" transactions. This exposes the relevant Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Sub-Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Sub-Fund has concentrated its transactions with a small group of counterparties.

1.6.3 *Use of Sub-Fund assets*

Financial derivative instruments transactions will generally require the use of a portion of a Sub-Fund's assets, as applicable, for margin or settlement payments or other purposes. For example, a Sub-Fund may from time to time be required to make margin, settlement or other payments in connection with the use of certain financial derivative instruments. Counterparties to any financial derivative instrument may demand payments on short notice. As a result, the Investment Manager may liquidate Sub-Fund assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. The Investment Manager generally expects a Sub-Fund to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment objective of a Sub-Fund, which may materially adversely affect the performance of the

Sub-Fund. Moreover, due to market volatility and changing market circumstances, the Investment Manager may not be able to accurately predict future margin requirements, which may result in a Sub-Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Sub-Fund does not have cash or assets available for such purposes, it may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Sub-Fund defaults on any of its contractual obligations, it and its Shareholders may be materially adversely affected. Although a Sub-Fund may enter into a financial derivative instrument in respect of a specific Share Class, for example for hedging purposes in respect of certain hedged Share Classes, any adverse effect described above in respect of such financial derivative instrument transaction will affect the Sub-Fund and its Shareholders as a whole, including holders of Share Classes in respect of which the financial derivative instrument was not entered.

1.6.4 *Futures*

The Investment Manager may use futures as part of the investment program. Futures positions may be illiquid because certain commodity 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 particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange or the CFTC may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, implement retroactive speculative position limits, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Sub-Fund to substantial losses. These circumstances could also impair the Sub-Fund’s ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Sub-Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Sub-Fund’s normal redemption dates.

A Sub-Fund may not be afforded certain of the protections which apply to futures transactions on certain markets, including the right to use alternative dispute resolution procedures. In particular, funds received from customers to margin futures transactions in certain jurisdictions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of certain futures or option contracts and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the time the futures contract is liquidated or the option contract is liquidated or exercised.

1.7 **Other Investments**

1.7.1 *Investment in collective investment schemes*

Where permitted by its investment policies, a Sub-Fund may invest in the securities of other collective investment schemes including exchange trade funds, unit trusts, open-ended mutual funds and AIFs in accordance with the “Investment Restrictions” section in the Prospectus (“**Permitted Funds**”). Where the Investment Manager believes such investment provides access to a specialised investment area or economic sector which a Sub-Fund would not necessarily be able to access on its own accord, such Permitted Fund and/or its investment adviser will be entitled to remuneration in accordance with the offering documents of the Permitted Fund in which the Sub-Fund invests. The Investment Manager will only make such investments if it determines in its discretion that to do so is consistent with the best interests of a Sub-Fund’s Shareholders. These arrangements will be conducted in accordance with any relevant regulations relating to the need to conduct any connected party transactions on an arm’s length basis.

Given a Sub-Fund’s ability to invest in Permitted Funds, Shareholders are subject to risks associated with exposure to such funds. In addition, the value of an investment represented by such Permitted Funds in which a Sub-Fund invests may be affected by fluctuations in the currency of the country where such a fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

1.7.2 *Investments in Permitted Funds operated by third parties*

A Sub-Fund may invest in Permitted Funds operated by third parties. Such third parties are not subject to the oversight or

control of the Investment Manager and the Investment Manager may not have the opportunity to verify the compliance of such Permitted Funds with the laws and regulations applicable to them.

1.7.3 General risk considerations relating to certain Permitted Funds

There is no assurance that an investment in any Permitted Fund may be successful and a Sub-Fund may lose all or part of the total amount invested. The following risk considerations detail general risks relating to a Sub-Fund's investments in Permitted Funds.

Inadvertent concentration: It is possible that a number of Permitted Funds might take substantial positions in the same security at the same time. This inadvertent concentration would interfere with a Sub-Fund's goal of diversification. The Investment Manager will attempt to alleviate such inadvertent concentration as part of its regular monitoring and reallocation process. Conversely the Investment Manager may at any given time, hold opposite positions, such position being taken by different Permitted Funds. Each such position shall result in transaction fees for the Sub-Fund without necessarily resulting in either a loss or a gain. Moreover, the Investment Manager may proceed to a reallocation of assets between Permitted Funds and liquidate investments made in one or several of them. Finally, the Investment Manager may also, at any time, select additional Permitted Funds. Such asset reallocations may impact negatively the performance of one or several of the Permitted Funds.

Future returns: No assurance can be given that the strategies employed by the Permitted Funds in the past to achieve attractive returns will continue to be successful or that the return on the Sub-Fund's investments will be similar to that achieved by the Sub-Fund or such Permitted Funds in the past.

Risks of special techniques used by Permitted Funds: Some Permitted Funds in which the Investment Manager may invest will use special investment techniques that may subject a Sub-Fund's investments to risks different from those posed by investments in Permitted Funds that are equity or fixed income funds. A Sub-Fund in any event is not designed to correlate to the broad equity market, and should not be viewed as a substitute for equity or fixed income investments.

Risks of leverage: The investment strategies adopted by Permitted Funds may employ leverage. A Sub-Fund may not pre-determine any maximum leverage used by Permitted Funds, as certain investment strategies such as pure arbitrage based strategies by default utilise more leverage than other strategies without necessarily incurring higher risk. The Sub-Fund will, therefore, view leverage at the Permitted Fund level on an individual basis, based on investment strategy and event risk.

Risks of borrowing: The Permitted Funds may borrow funds for the purpose of a leveraged trading technique. A particular Permitted Fund that is not a UCITS may not be subject to any limitations on the amount of its borrowings, and the amount of borrowings that such Permitted Fund may have outstanding at any time may be large in comparison to its capital. Borrowing money to purchase securities may provide a Permitted Fund with the opportunity for greater capital appreciation, but, at the same time, will increase the Permitted Fund's, and indirectly the Sub-Fund's, exposure to capital risk and higher current expenses. Moreover, if the Permitted Fund's assets are not sufficient to pay the principal of, and interest on, the Permitted Fund's debt when due, the Sub-Fund could sustain a total loss of its investment in the Permitted Fund.

Accumulation of fees: An investment by the Sub-Fund in Permitted Funds, may result in the Shareholders incurring a duplication of fees and commissions (such as management fees, performance fees, custody and transaction fees, central administration fees and audit fees). To the extent these Permitted Funds, in turn, invest in other funds, Shareholders may incur additional fees to those mentioned above. The Sub-Fund will also bear its proportionate share of any other fees and expenses paid by that Permitted Fund, in addition to all fees and expenses payable by the Sub-Fund.

Currency risk: The value of an investment represented by a Permitted Fund in which the Sub-Fund invests may be affected by fluctuations in the currency of the country where such Permitted Fund invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries (including withholding taxes), government changes or variations of the monetary and economic policy of the relevant countries.

Volatility/Concentration: Investments by the Sub-Fund may be made in Permitted Funds that are set up in the form of a limited partnership, corporation or unit trust. Many of these Permitted Funds can be highly leveraged and sometimes take large positions with high volatility. Permitted Funds may concentrate in only one geographic area or asset investment category, thereby taking on the risk of the market and of rapid changes to the relevant geographic area or investment

category. These investments may be speculative. As Permitted Funds can be highly leveraged, even a small investment in them by the Sub-Fund may result in all or the majority of the Sub-Fund's risk exposure being to these Permitted Fund(s).

Valuation of Permitted Funds: The method by which the Net Asset Value per Share will be calculated, presumes the Administrator's ability to value the holdings in Permitted Funds. In valuing those holdings, the Administrator will need to rely on financial information provided by the Permitted Funds themselves. Independent valuation sources such as exchange listing may not be available for certain Permitted Funds. In addition, in respect of certain closed-ended Permitted Funds, the price of such unit or share may diverge from its Net Asset Value for prolonged periods of time.

Reliance on service providers: Shareholders will have no right or power to participate in the day to day management or control of an underlying Permitted Fund or its investment manager or other service providers which the Permitted Fund relies on. While the Investment Manager will select and monitor the investment manager of a Permitted Fund to which the ICAV allocates assets, the Investment Manager relies to a great extent on information provided by such investment managers in relation to its operations and that of other service providers to the Permitted Fund.

Furthermore, the legal infrastructure and accounting, 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.

1.7.4 Exchange traded funds

The performance of an exchange traded fund is dependent upon company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy of the underlying companies that comprise the index underlying the exchange traded fund as well as macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors. The net asset value of the shares in the exchange traded fund is calculated by reference to the levels of the underlying investments comprising the exchange traded fund.

The investment manager or investment administrator of an exchange traded fund will have no involvement in the offer and sale of the shares and will have no obligation to any purchaser of such shares. The investment manager or investment administrator of an exchange traded fund may take any actions in respect of such exchange traded fund without regard to the interests of the purchasers of the shares, and any of these actions could adversely affect the market value of a Sub-Fund.

1.7.5 Depositary Receipts

American depositary receipts ("**ADRs**") are instruments issued in the U.S. in the form of share certificates in a portfolio of shares held outside the U.S. in the country of domicile of the issuer of the underlying shares. Global depositary receipts ("**GDRs**") are also instruments in the form of share certificates in a portfolio of shares held in the country of domicile of the issuer of the underlying shares. As a rule they are distinguished from share certificates referred to as ADRs in that they are normally publicly offered and/or issued outside the U.S. European depositary receipts ("**EDRs**") are receipts evidencing an arrangement with a European bank similar to that for ADRs and are designed for use in the European securities markets.

The value of Shares of a Sub-Fund composed of ADRs and/or GDRs and/or EDRs (together, "**Depositary Receipts**") may not reflect the return a purchaser would realise if he or she actually owned the relevant shares underlying the Depositary Receipts and received the dividends paid on those shares because the price of the Depositary Receipts on any specified valuation dates may not take into consideration the value of dividends paid on the underlying shares. Accordingly, purchasers of Shares that reference Depositary Receipts within the Sub-Fund may receive a lower payment upon sale or transfer of such Shares than such purchaser would have received if he or she had invested in the shares of the Depositary Receipts directly.

EDRs and GDRs are not necessarily denominated in the currency of the underlying security. Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted and there may therefore be a currency risk on conversion.

The legal owner of shares underlying the Depositary Receipts is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and

the jurisdiction to which the custodian agreement is subject, it cannot be ruled out that the corresponding jurisdiction does not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the underlying shares. Particularly in the event that the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting free disposition is issued with respect to the shares underlying the Depositary Receipts or that these shares are realised within the framework of an enforcement measure against the custodian. If this is the case, the purchaser of the Depositary Receipt loses the rights under the underlying shares securitised by the Depositary Receipt.

Depositary Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities trade in the form of depositary receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the depositary receipts.

The issuer of the underlying shares may make distributions in respect of their shares that are not passed on to the purchasers of its Depositary Receipts, which can affect the value of the Depositary Receipts and a Sub-Fund.

1.7.6 Money market funds and instruments

A Sub-Fund may generally invest, for defensive purposes or otherwise, some or all of its assets in fixed-income securities, money market instruments, and money market Permitted Funds, or hold cash or cash equivalents in such amounts as the Investment Manager deems appropriate under the circumstances. Money market instruments are short-term fixed-income obligations, which generally have remaining maturities of one year or less, and may include US or non-US government securities, commercial paper, certificates of deposit, bankers' acceptances issued by domestic branches of US banks that are members of the Federal Deposit Insurance Corporation, and repurchase agreements. A Sub-Fund may be prevented from achieving its objective during any period in which its assets are not substantially invested in accordance with its principal investment strategies as a result of being invested in such money market funds or instruments.

1.7.7 Risks associated with Efficient Portfolio Management Techniques

The principal risk when engaging in securities lending, repurchase or reverse repurchase transactions is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations to return securities or cash to the ICAV as required by the terms of the transaction. Counterparty risk is mitigated by the transfer or pledge of collateral in favour of the ICAV. However, securities lending, repurchase or reverse repurchase transactions may not be fully collateralised. Fees and returns due to the ICAV under securities lending, repurchase or reverse repurchase transactions may not be collateralised. In addition, the value of collateral may decline in between collateral rebalancing dates or may be incorrectly determined or monitored. In such a case, if a counterparty defaults, the ICAV may need to sell non-cash collateral received at prevailing market prices, thereby resulting in a loss to the ICAV.

A Sub-Fund may also incur a loss in reinvesting cash collateral received. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the ICAV to the counterparty as required by the terms of the transaction. The ICAV would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the ICAV.

In respect of a reverse repurchase agreement which typically involves the sale of a security by a party to a bank or securities dealer and the selling party's simultaneous agreement to repurchase that security for a fixed price (reflecting a rate of interest) on a specific date, such transaction may be considered a form of borrowing for some purposes. Reverse repurchase agreements are a form of leverage that may also increase the volatility of the investment portfolio of a Sub-Fund.

Securities lending, repurchase or reverse repurchase transactions also entail operational risks such as the non-settlement or delay in settlement of instructions and legal risks related to the documentation used in respect of such transactions. The use of securities lending, repurchase or reverse repurchase transactions is also subject to the custodial risk described below under "Depositary and sub-custodian risk".

A Sub-Fund may enter into securities lending, repurchase or reverse repurchase transactions with other companies in the same group of companies as the Manager or the Investment Manager. Affiliated counterparties, if any, will perform their obligations under any securities lending, repurchase or reverse repurchase transactions concluded with the Sub-Fund in a commercially reasonable manner. In addition, the Investment Manager will select counterparties and enter into transactions in accordance with best execution and at all times in the best interests of the Sub-Fund and its Shareholders. However, Shareholders should be aware that the Manager or the Investment Manager may face conflicts between its role and its own interests or that of affiliated counterparties.

Further information on Efficient Portfolio Management Techniques can be found in “*Investment Objectives and Policies*” section of the Prospectus.

1.8 Trading, Counterparty and Custody

1.8.1 Counterparty risks

Each Sub-Fund is currently exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Sub-Fund deals, whether it engages in exchange-traded or off-exchange transactions. Each Sub-Fund may also bear the risk of settlement default. This may include exposure to the risk of the credit default of issuers of commercial paper and similar instruments. In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks.

A derivative broker's insolvency or default, or that of any other brokers involved with a Sub-Fund's transactions, may lead to positions being liquidated or closed out without the ICAV's consent. In certain circumstances, the Sub-Fund may not get back the actual assets which it lodged as collateral and the Sub-Fund may have to accept any available payment in cash.

1.8.2 Depositary and sub-custodian risk

In respect of those assets of the ICAV which are required to be held in custody by the Depositary and identified as belonging to the ICAV in the Depositary's books, the assets of each Sub-Fund are segregated from other assets of the Depositary. This mitigates but does not prevent the risk of non-return in the event of bankruptcy of the Depositary. On the other hand, cash deposits placed with the Depositary are no different in legal characteristics than any other bank deposit and are therefore exposed to increased risk in the event of bankruptcy with the ICAV being a general creditor of the Depositary.

The Depositary may appoint sub-custodians to hold the assets in countries where the ICAV invests and, notwithstanding compliance by the Depositary with its legal obligations, are therefore exposed to the risk of bankruptcy of those sub-custodians. In jurisdictions where legal and regulatory protections covering the holding of assets in such jurisdictions may be weaker there may be a risk to the ICAV's assets or because the Depositary may not have an established sub-custodian in such market the Sub-Fund may not be able to invest in that market at all.

Where the ICAV or the Depositary entrusts all or part of the assets of a Sub-Fund to a sub-custodian and assets are held by the sub-custodian in an omnibus account, a number of considerations must be taken into account in addition to the requirement that the property is identified as that of the Sub-Fund and the ICAV including the operating model of the sub-custodian, settlement efficiencies, cost aspects for the Depositary and/or the ICAV, complexity of account set-ups, instruction flows, reconciliation aspects and subject to local laws, regulations and market practice.

1.8.3 Failure of brokers, counterparties and exchanges

For operational, cost or other reasons the ICAV may choose to select a segregation model which may not be the most protective option available in the case of a default by a broker or counterparty. A Sub-Fund's brokers or other parties may hold the Sub-Fund's assets, including certain assets held as collateral for margin loans or other financing provided to the Sub-Fund. Under the terms of such arrangements and under applicable law, a secured party may be permitted to rehypothecate such assets in connection with securities lending or other transactions entered into by the secured party. A Sub-Fund may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Sub-Fund, or

the bankruptcy of an exchange clearing house. In addition, although regulations in certain jurisdictions may require a broker to segregate the Sub-Funds of its customers, if a broker fails to properly segregate customer funds, the Sub-Fund may be subject to a risk of loss of its funds on deposit with such broker in the event of such broker's bankruptcy or insolvency. A Sub-Fund may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Sub-Fund may be required to post margin for its foreign exchange transactions either with the Investment Manager or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Sub-Fund). Under certain circumstances, such as the inability of another customer of the commodity broker or non-U.S. exchange dealer or the commodity broker or non-U.S. exchange dealer itself to satisfy substantial deficiencies in such other customer's account, a Sub-Fund may be subject to a risk of loss of its funds on deposit with such broker or dealer, even if such funds are properly segregated.

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Sub-Fund deals, or a customer loss as described in the foregoing paragraph, the Sub-Fund might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Sub-Fund, and, to the extent such assets or amounts are recoverable, the Sub-Fund might only be able to recover a portion of such amounts. Further, even if the Sub-Fund is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Sub-Fund's property, the Sub-Fund may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Sub-Fund. This could result in significant losses to the Sub-Fund.

A Sub-Fund may effect transactions on "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Sub-Fund to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Sub-Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Sub-Fund.

A Sub-Fund may engage in direct or indirect trading of securities, currencies, financial derivative instruments (including swaps, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment program) on a principal basis. As such, a Sub-Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Sub-Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Sub-Fund; (ii) possible decline in the value of any collateral during the period in which the Sub-Fund seeks to enforce its rights with respect to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Sub-Fund to substantial losses. A Sub-Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

1.8.4 *Tri-party collateral management services*

A Sub-Fund may enter into repurchase agreements. Collateral obtained under such agreements must be transferred to the Depositary or its agent however this requirement does not apply where there is no title transfer of the collateral in which case the collateral can be held by a third party custodian which is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral. In addition, in either event, the Sub-Fund may use tri-party collateral management services of international central securities depositories and credit institutions which are generally recognised as specialists in this type of transaction. In such circumstances, the tri-party collateral agent will not be a delegate of the

Depository. Where collateral is held pursuant to such a tri-party collateral arrangement, the Sub-Fund may be subject to similar risks in the event of a failure of the international central securities depositories or other relevant institution as those outlined above with respect to brokers, counterparties and exchanges.

1.8.5 Necessity for counterparty trading relationships

Participants in the over-the-counter markets 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. A Sub-Fund is only able to enter into transactions on the basis of credit facilities established on its own behalf. While it is anticipated that a Sub-Fund will be able to establish the necessary counterparty business relationships to permit the Sub-Fund to effect transactions in the over-the-counter, commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does, that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Sub-Fund's activities and would require the Sub-Fund to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Sub-Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Sub-Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

1.8.6 Trading on exchanges

A Sub-Fund may trade, directly or indirectly, futures and securities on exchanges located anywhere. Some exchanges, in contrast to those based in the United States, for example, are "principals' markets" in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Sub-Fund will be subject to the risk of the inability of, or refusal by, a counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States, a Sub-Fund is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

1.8.7 Electronic trading

A Sub-Fund may trade on electronic trading and order routing systems, which differ from traditional open outcry trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system or listing the instrument. Characteristics of electronic trading and order routing systems vary widely among the different electronic systems with respect to order matching procedures, opening and closing procedures and prices, trade error policies and trading limitations or requirements. There are also differences regarding qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risks with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times and security. In the case of internet-based systems, there may be additional risks related to service providers and the receipt and monitoring of electronic mail.

Trading through an electronic trading or order routing system is also subject to risks associated with system or component failure. In the event of system or component failure, it is possible that for a certain time period, it might not be possible to enter new orders, execute existing orders or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some investments offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. Exchanges offering an electronic trading or order routing system and listing the instrument may have adopted rules to limit their liability, the liability of brokers and software and communication system vendors and the amount that may be collected for system failures and delays. The limitation of liability provisions vary among the exchanges.

1.8.8 Frequent trading and turnover

Additional transaction costs have an adverse effect on a Sub-Fund's performance. Such transaction costs will be incurred where the Investment Manager makes frequent trades in futures, options on futures, swaps, currencies, securities and other investments because more frequent trading typically results in higher transaction costs. In addition, a Sub-Fund may invest

on the basis of short-term market considerations resulting in a turnover rate within the Sub-Fund which may be significant and potentially involve substantial brokerage commissions, fees and other transaction costs.

1.8.9 *IBOR/LIBOR*

Inter-bank Offered Rates ("IBORs"), including the London Inter-bank Offered Rate ("LIBOR"), are averages of interest rates estimated by leading banks, of what they would be charged to borrow from other banks.

The Sub-Funds may use IBOR benchmarks, undertake transactions in instruments that are valued using IBOR rates or enter into contracts which determine payment obligations by reference to an IBOR. Many IBORs have ceased publication in the past few years and, in connection with those rates, the Sub-Funds have transitioned to successor or alternative reference rates as necessary. Other IBORs may cease publication at dates announced or to be announced in the future. In some instances, regulators may restrict new use of these IBORs prior to the actual cessation date. Until then, Sub-Funds may continue to invest in instruments that reference the IBOR due to favourable liquidity or pricing. In advance of the expected future transition dates, regulators and market participants have worked to identify or develop successor reference rates and spreads (if any) to be utilized in existing contracts or instruments as part of the transition away from IBORs. Nonetheless, the termination of any IBOR presents risks to the Sub-Funds. It is not possible to identify exhaustively those risks, but they include the risk that a suitable transition mechanism may not be found or may not be suitable for the Sub-Funds. In addition, any substitute reference rate and any pricing adjustments imposed unilaterally, by a regulator or by counterparties, may not be suitable for the Sub-Funds, resulting in costs incurred to close out positions and place replacement trades and the reduced effectiveness of any hedges.

1.9 **Leverage and Hedging**

1.9.1 *Leverage; interest rates; margin*

The ICAV is authorised to borrow on a temporary basis within the limits set forth under the section of the Prospectus titled "*Investment Restrictions*". The ICAV may choose to only borrow from a single entity which may be an affiliate of the Depositary, and the borrowing rate imposed by such entity may change due to market conditions. As a consequence thereof, the borrowing rates imposed by such entity may not be the most competitive.

In lieu of, or in addition to, obtaining a revolving credit line, a Sub-Fund may determine from time to time to attempt to borrow funds as and when needed, as opposed to relying on committed facilities, with respect to all or a portion of its borrowing needs. Such borrowings would therefore generally not involve the payment of any commitment fees, but may result in a higher interest rate when borrowings are made than would have been the case had a committed facility been in place, and could leave the ICAV at risk in situations where no such financing is available, or is only available at high rates. In addition, the terms of any such borrowings may provide that such borrowings may be subject to repayment at any time upon demand by the lender, which could occur at a time when complying with such demand could have a material adverse effect on the ICAV.

Depending upon the form of leverage utilised by a Sub-Fund, the applicable lender may impose certain restrictions or requirements on the operations of the Sub-Fund including, without limitation, restrictions relating to the permitted investments of the Sub-Fund and redemptions from the Sub-Fund, and requirements with respect to the valuation procedures of the Sub-Fund, the liquidity of the Sub-Fund and the performance or other reports or notices to be provided to the lender by the Sub-Fund.

As a result of a default, to avoid a default or to raise cash to meet a repayment requirement, a Sub-Fund may be required to liquidate assets in its portfolio that it otherwise would not liquidate, or at a time that is not the optimal time to sell such assets. In addition, a Sub-Fund may be required to deliver its portfolio. Any such event could have a material adverse effect on the Sub-Fund's portfolio and could result in the Sub-Fund being unable to achieve its investment objective or employ its investment strategies.

In addition, in connection with any borrowings by a Sub-Fund secured in whole or in part by interests in the Sub-Fund, the level of leverage incurred by the Sub-Fund may limit the amount that lenders to the Sub-Fund will loan against interests in the Sub-Fund, and the borrowing terms may include covenants pursuant to which defaults or other consequences with respect to borrowings by the Sub-Fund could be triggered as a result of the Sub-Fund exceeding certain leverage thresholds

or ratios on an absolute or relative basis. The rights of lenders to a Sub-Fund to receive payments of interest or repayments of principal will generally be senior to those of the investors in the Sub-Fund and the terms of any such borrowings may restrict certain activities of the Sub-Fund, including its ability to make distributions.

1.9.2 Hedging transactions

A Sub-Fund may or may not employ hedging techniques. These techniques could involve a variety of derivative transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices and various interest rate transactions (collectively, "Hedging Instruments"). Hedging techniques involve risks different than those of underlying investments. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Sub-Fund's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, a Sub-Fund may not be able to close out a transaction in certain of these instruments without incurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments is intended to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of a Sub-Fund to hedge successfully will depend on the ability of the Investment Manager to predict pertinent market movements, which cannot be assured.

The Investment Manager may also utilise hedging techniques in other circumstances, including to seek to minimise the risk of loss due to a decline in the value of the securities and other instruments in which a Sub-Fund directly or indirectly invests. There can be no assurance that such hedging techniques will be successful, and such hedging techniques will tend to limit any potential gain which might result from an increase in the value of a hedged position.

1.10 Currency Risks

1.10.1 General currency risks

As a result of investment in multinational issuers usually involving currencies of various countries, the value of the assets of a Sub-Fund as measured in a Sub-Fund's Base Currency will be affected by changes in currency exchange rates, which may affect a Sub-Fund's performance independent of the performance of its securities investments.

A Sub-Fund may or may not seek to hedge all or any portion of its foreign currency exposure relative to its Base Currency. However, even if a Sub-Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-Base Currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

1.10.2 Currency exchange rate fluctuation

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Sub-Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Sub-Fund's total assets, adjusted to reflect a Sub-Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Sub-Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

1.10.3 Sovereign currency risk

Certain Sub-Funds may operate in euro and/ or may hold euro and/or euro denominated bonds and other obligations directly or as collateral. The euro requires participation of multiple sovereign states forming the Euro zone and is therefore sensitive to the credit, general economic and political position of each such state including each state's actual and intended ongoing engagement with and/or support for the other sovereign states then forming the EU, in particular those within the Euro zone. Changes in these factors might materially adversely impact the value of securities that a Sub-Fund has invested in.

In particular, any default by a sovereign state on its euro debts could have a material impact on any number of counterparties and any Sub-Fund that are exposed to such counterparties. In the event of one or more countries leaving the Euro zone, Shareholders should be aware of the redenomination risk to a Sub-Fund's assets and obligations denominated in euro being redenominated into either new national currencies or a new European currency unit. Redenomination risk may be affected by a number of factors including the governing law of the financial instrument in question, the method by which one or more countries leave the Euro zone, the mechanism and framework imposed by national governments and regulators as well as supranational organisations and interpretation by different courts of law. Any such redenomination might also be coupled with payment and/or capital controls and may have a material impact on the ability and/or willingness of entities to continue to make payments in euro even where they may be contractually bound to do so, and enforcement of such debts may in practice become problematic even where legal terms appear to be favourable.

1.10.4 *Investment in currencies other than Base Currency*

The Investment Manager may invest a significant portion of the ICAV's assets in currencies other than the Base Currency, or in instruments denominated in currencies other than the Base Currency, the prices of which will be determined with reference to currencies other than the Base Currency. The ICAV, however, values its securities and other assets in the Base Currency. The value of the ICAV's assets will fluctuate with Base Currency exchange rates as well as the price changes of its investments in the various local markets and currencies. Thus, an increase in the value of the Base Currency compared to the other currencies in which the ICAV makes its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the ICAV's investment securities in their local markets. Conversely, a decrease in the value of the Base Currency will have the opposite effect on the ICAV's non-Base Currency investment securities.

1.11 *Currency Hedging*

1.11.1 *Share currency designation risk*

The Investment Manager may seek to hedge all or any portion of the foreign currency exposure of Shares designated in a currency other than the Base Currency through foreign exchange hedging. There can be no assurance that foreign exchange hedging will be effective. For example, it is not anticipated that foreign exchange hedging will take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Sub-Fund allocable to foreign exchange classes in the periods between Dealing Days of the relevant Sub-Fund. In addition, foreign exchange hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant class currency because, among other reasons, the valuations of the underlying assets of the Sub-Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Sub-Fund may lack a readily ascertainable market value. Moreover, while holding Shares of a foreign exchange class should protect investors from a decline in the value of the Base Currency against the relevant class currency, investors in a foreign exchange class will not generally benefit when the Base Currency appreciates against the relevant class currency. The value of Shares of any foreign exchange class will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

1.11.2 *Impact of foreign exchange hedging on different Share Classes*

Any foreign exchange hedging utilised by a Sub-Fund for a foreign exchange class will be solely for the benefit of the applicable foreign exchange class, and the profits, losses, and costs related thereto will be for the account of such foreign exchange class only. Notwithstanding the foregoing, the techniques and instruments used to implement any foreign exchange hedging will constitute assets and liabilities of the Sub-Fund as a whole.

While the Investment Manager will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilised by a Sub-Fund exceed the assets of the applicable class of interests on behalf of which such hedging activities were undertaken, it could adversely impact the Net Asset Value of other classes of interests in a Sub-Fund. In addition, foreign exchange hedging will generally require the use of a portion of a Sub-Fund's assets for margin or settlement payments or other purposes. For example, a Sub-Fund may from time to time be required to make margin, settlement or other payments, including in between Dealing Days of the relevant Sub-Fund, in connection with the use of certain hedging instruments. Counterparties to any foreign exchange hedging may demand payments on short notice, including intra-day. As a result, a Sub-Fund may liquidate assets sooner than it otherwise would have and/or maintain a

greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. A Sub-Fund generally expects to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment program of the Sub-Fund, which may materially adversely affect the performance of the Sub-Fund (including Base Currency denominated Shares). Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Manager may not be able to accurately predict future margin requirements, which may result in a Sub-Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Sub-Fund does not have cash or assets available for such purposes, the Sub-Fund may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Sub-Fund defaults on any of its contractual obligations, the Sub-Fund and its Shareholders (including holders of Base Currency denominated Shares) may be materially adversely affected.

1.11.3 Risk relating to no or partial hedging

There may be circumstances in which the Investment Manager may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Manager determines that foreign exchange hedging is not practicable or possible or may materially affect the Sub-Fund or any direct or indirect investors therein, including the holders of Base Currency denominated Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time and performance may be strongly influenced by movements in FX rates because currency positions held by the Sub-Fund may not correspond with the securities positions held. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged.

A Sub-Fund may or may not utilise foreign exchange hedging during the period when the Sub-Fund's assets are being liquidated or the Sub-Fund is being wound up in the Investment Manager's sole discretion. The Investment Manager may, subject to applicable law, delegate the management of all or a portion of the foreign exchange hedging to one or more of its affiliates.

1.11.4 Currency classes of shares

Certain classes of Shares of the Sub-Funds are denominated in a class currency other than the Base Currency of the Sub-Fund. Investors in such classes should note that the Net Asset Value of the Sub-Funds will be calculated in the Base Currency and will be stated in the class currency at the current exchange rate between the Base Currency and such class currency. Fluctuations in that exchange rate may affect the performance of the Shares of that class independent of the performance of the Sub-Fund's investments. The costs of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that class will be borne by the relevant Share Class and will be reflected in the Net Asset Value of that class. Investors should note that inflows and outflows from non-Base Currency denominated Share Classes may have a greater potential to impact the price of such Shares due to the fluctuations in the relevant currency exchange rate.

1.12 Structure and Operation of the ICAV

1.12.1 Operation of the Subscription and Redemption Collection Account

Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Shares will be held in one or more umbrella cash Collection Accounts in the name of the ICAV (each an "Umbrella Cash Collection Account") and will be an asset of the relevant Sub-Fund. Investors will be unsecured creditors of such Sub-Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Sub-Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Sub-Fund or the ICAV, there is no guarantee that the Sub-Fund or ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by the Sub-Fund of redemption proceeds and dividends is subject to receipt by the Administrator of all subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Units, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the Sub-Fund, and will not benefit from any appreciation in the NAV of the Sub-Fund or any other Shareholder

rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Sub-Fund or the ICAV during this period, there is no guarantee that the Sub-Fund or ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another sub-fund of the ICAV, recovery of any amounts to which a Sub-Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of an Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the relevant Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the relevant Sub-Fund. Accordingly, there is no guarantee that such Sub-Fund or the ICAV will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Sub-Fund or the ICAV would have sufficient funds to repay any unsecured creditors.

1.12.2 Amendments to the Instrument of Incorporation bind all Shareholders

The Instrument of Incorporation may be amended with the required consent of a defined majority of Shareholders. The Instrument of Incorporation contains provisions for Shareholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all Shareholders, including Shareholders who did not attend and vote at the relevant meeting and purchasers who voted in a manner contrary to the majority.

1.12.3 Amendments to the Shares bind all holders of Shares

The terms and conditions of the Shares may be amended with (i) the required consent of a defined majority of Shareholders and/or (ii) with providing the Shareholders with a prior notice of such changes with a right to redeem their Shares free of charge for a certain period of time. The terms and conditions of the Shares contain provisions for Shareholders to call and attend meetings to consider and vote upon matters affecting their interests generally. Resolutions passed at such meetings can bind all Shareholders, including Shareholders who did not attend and vote at the relevant meeting and Shareholders who voted in a manner contrary to the majority.

1.12.4 Cross contamination

Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Sub-Funds. Therefore, as a matter of Irish law, each Sub-Fund is "ring fenced" and considered to constitute a single pool of assets and liabilities, so that the rights of Shareholders and creditors in relation to each Sub-Fund should be limited to the assets of that Sub-Fund. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of a Sub-Fund will necessarily be upheld.

There is no legal segregation between the assets and liabilities attributable to the various Share Classes of a Sub-Fund. The assets and liabilities of the respective Share Class will be internally attributed by the Administrator to the respective Share Class. This internal segregation may not be recognised by third party creditors whether or not such claim is brought under Irish law. While certain costs and expenses of certain transactions, for example as described above in relation to foreign exchange hedging, will be allocated to the relevant class with regard to third parties, and in particular, with respect to creditors, such a Sub-Fund will be considered as a single pool of assets. Such Sub-Funds as a whole could be responsible for all such obligations notwithstanding that such obligations may be attributable to a specific Share Class of the Sub-Fund, except in such cases where other terms have been agreed upon with specific counterparties.

1.12.5 Errors, error correction policies and Shareholder notification

The Directors, in consultation with the Depositary, will consider any breaches of investment objective, policies or restrictions and any errors in the calculation of the Net Asset Value of the Sub-Funds or the processing of subscriptions and redemptions in order to determine whether corrective action is necessary or compensation is payable to the ICAV or the Shareholders.

The Directors may authorise the correction of errors, which may impact the processing of subscriptions for and redemptions

of Shares. The Directors may follow materiality policies with respect to the resolution of errors that may limit or restrict when corrective action would be taken or when compensation to the ICAV or Shareholders will be paid. In addition, subject to policies approved by the Directors consistent with applicable law, not all mistakes will result in compensable errors. Accordingly, Shareholders who purchase or redeem Shares during periods in which compensable errors or other mistakes accrue or occur may not be compensated in connection with the resolution of a compensable error or other mistake.

Shareholders may not be notified of the occurrence of any error or mistake or the resolution thereof unless the correction of the error requires an adjustment to the number of Shares they hold or the Net Asset Value at which such Shares were issued, or to the redemption monies paid to such Shareholder.

Additional information about the Investment Manager's error and error correction policies may be set forth in Part 2A of the Investment Manager's Form ADV. A copy of Part 2A of the Investment Manager's Form ADV is available on the SEC's website (www.adviserinfo.sec.gov). The Investment Manager may at any time, in its sole discretion and without notice to Shareholders, amend or supplement its error and error correction policies.

1.12.6 Adjustments to Net Asset Value

If at any time the ICAV determines that an incorrect number of Shares was issued to a Shareholder because the Net Asset Value in effect on the Dealing Day was incorrect, the ICAV will implement such arrangements as it determines are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct Net Asset Value. A determination that the Net Asset Value was incorrect in respect of a Dealing Day may arise where the Directors subsequently determine, based on professional advice, that the Net Asset Value reflected an under-accrual or over-accrual for tax or other liabilities. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption by a Shareholder) the ICAV determine that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the Net Asset Value at which the Shareholder or former Shareholder purchased such Shares or at which the redemption was effected was materially incorrect), the ICAV will pay to such Shareholder or former Shareholder any additional amount that the ICAV determines such Shareholder or former Shareholder would have been entitled to receive had the redemption been effected at the correct Net Asset Value, or, in the ICAV's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder shall be required to pay) the amount of any excess payment that the ICAV determines such Shareholder or former Shareholder received, in each case without interest. Further, the ICAV may, although it is under no obligation to, make the foregoing adjustments in the event that the amount paid was incorrect (but not to a material extent). In the event that the ICAV elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the Net Asset Value will be less than it would have been had such amounts been collected.

Under certain circumstances, the ICAV may be required to make a payment in respect of, or may, subject to any limitations under applicable law, determine to establish an accrual for, a direct or indirect liability (including a tax liability) that is attributable to prior periods and for which no accrual has previously been made. Even though the Net Asset Value of the applicable Shares in effect for prior periods was not necessarily incorrect under the then-current accounting standards, the ICAV may, in the sole discretion of the Directors, subject to any limitations under applicable law, determine that it is appropriate to take measures in an effort to allocate the burden of a direct or indirect liability among Shareholders and former Shareholders such that the direct or indirect liability is borne by the Shareholders and former Shareholders in proportion to their respective interests in the ICAV for the period in which such liability was incurred or existed or in such other manner as the ICAV shall determine is equitable and reasonable. Such measures may include one or more of the arrangements described in the preceding paragraph, including adjustments to the Net Asset Value (including for prior periods), redeeming a portion of a Shareholder's Shares or issuing additional Shares to a Shareholder for no consideration, and seeking repayment of distributed amounts from Shareholders or former Shareholders.

1.12.7 Trading prior to receipt of subscription monies and prior to the effective date of subscriptions

A Sub-Fund may, in the sole discretion of its Investment Manager, begin trading at any time prior to the effective date of subscriptions for Shares on the basis of subscription applications received by a Distributor. In addition, without limiting the generality of the foregoing, a Sub-Fund may, in the sole discretion of its Investment Manager, trade after the effective date

of a subscription on the basis of receiving funds with respect to the subscription even if such funds were not received on such effective date. Pursuant to the subscription application form, an investor or prospective investor will be liable for any losses or costs arising out of or relating to the non-payment or late payment of subscription monies, including any losses or costs incurred as a result of a Sub-Fund trading on the basis of receipt of such monies as of the effective date of a subscription. Please see "Purchase and Sale Information" below. These practices could have an adverse effect on a Sub-Fund. Non-payment or late payment of subscription monies may result in losses and costs to a Sub-Fund, and a Sub-Fund may not ultimately recoup such losses or costs from the applicable investors or prospective investors. In addition, the Investment Manager may make investments or other portfolio decisions for a Sub-Fund in anticipation of subscriptions that would not have been made were it known that the subscriptions would not be made or would be made late, which could have an adverse effect on a Sub-Fund's portfolio.

Furthermore, as a result of extended time periods required to effect trades in certain types of assets, such as loan participations, the settlement of trades made by a Sub-Fund in anticipation of subscriptions or redemptions may fall a substantial time before or after the anticipated Dealing Day. Accordingly, such trades may have the effect of increasing or decreasing the amounts of leverage to which a Sub-Fund is exposed. Investors in the Sub-Fund (and not the subscribing investors) will bear the market risk and return, and the credit risk, in respect of any trades made prior to a Dealing Day in anticipation of subscriptions. Similarly, investors in the Sub-Fund (and not the redeemed Shareholders) will bear the market risk and return, and the credit risk, in respect of any trades made to fund redemptions which are effected after the relevant Dealing Day.

1.12.8 Transfer of assets for settlement and distributions

The Sub-Funds generally expect to pay redemption proceeds in respect of redeemed Shares and other distributions, if any, in cash. However, each Sub-Fund will have the right, at its discretion (although in certain circumstances this discretion will be subject to the consent or approval of relevant Shareholders), to cause any distributions, including, without limitation, distributions in respect of redeemed Shares, to be made wholly or partly by way of transfer of assets to the Shareholders. See "Dealings by way of Transfer of Assets, in Cash and Directed Cash Dealings".

In the event that a Sub-Fund makes such a distribution of securities, Shareholders will bear any risks of the securities received which may not perfectly reflect a pro rata slice of the Sub-Fund, and may be required to pay brokerage commissions or other costs in order to dispose of such securities. Moreover, securities and other assets distributed by a Sub-Fund may not be readily marketable or saleable and may have to be held by Shareholders (or any special purpose vehicle or liquidating trust created to hold such assets) for an indefinite period of time. The risk of loss and delay and any expenses incurred in connection with liquidating such securities (including any expenses involved in the organisation and maintenance of any applicable special purpose vehicle or liquidating trust and any brokerage commissions or other costs) will be borne by the applicable Shareholders, which may result in such Shareholders ultimately receiving less cash than they would have received if such distribution had been made in cash. While assets distributed by way of transfer of assets will ordinarily be valued as of the applicable distribution date, the value of such assets will fluctuate and the value assigned thereto for purposes of such distribution may not reflect the actual amount that will be realised in connection with a disposition (or, on the eventual liquidation) of such assets.

1.12.9 Special considerations applicable to the continuous offering of Shares

Shares acquired following the initial offering of Shares represent interests in an operating Sub-Fund that has significant open positions. Since these Shares will share in a Sub-Fund's open positions which may have been held for some period of time prior to the acquisition of such Shares, the application of the Investment Manager's trading approach to such positions may have a qualitatively different effect on the performance of the additional Shares than it does on the performance of previously issued Shares. For example, a number of trading approaches utilised by a Sub-Fund may become more aggressive in terms of willingness to tolerate losses in a position and increase in the size of a position after an open trade has generated a substantial profit because subsequent losses (up to a certain level) are perceived as being only a partial give-back of prior profits, not an actual loss. As purchasers of Shares in the continuous offering will not have received the benefit of any profits on open positions prior to the date on which they purchase the Shares, subsequent losses will constitute an absolute loss to such holders, not only a partial give-back of profits. In addition, certain trading approaches by a Sub-Fund may follow profit-taking strategies whereby it will liquidate or partially liquidate a position after it has generated a predetermined amount of profit. Since the new Shares will not have had the benefit of any such profit prior to the date on which they were issued, Shareholders holding such Shares may find themselves liquidated out of a position

(which may have continued to generate substantial profits) due to the Investment Manager's "taking profits," none of which had inured to their benefit. Some approaches apply similar analyses based on overall portfolio performance, not just the performance of particular positions, with generally analogous effects.

1.12.10 Risk of mandatory redemption of U.S. Persons

As described in Section "Compulsory Redemption of Shares" below, the Directors have authorized the Distributor to determine from time to time the number of permitted U.S. Persons who may be admitted into the ICAV pursuant to an applicable policy and procedure and accordingly may require the compulsory transfer or redemptions of Shares of a U.S. Person where the continued holding of Shares by such a Shareholder may result in adverse tax, pecuniary, legal, regulatory or material administrative disadvantages to the ICAV (including any Sub-Fund) or its Shareholders as a whole. It should be noted that the number of permitted U.S. Persons that may be admitted in one Sub-Fund may impact the number of Shareholders who are permitted U.S. Persons being admitted to another and a large subscription or redemption in any Sub-Fund may impact the number of permitted U.S. Persons admitted in a different Sub-Fund resulting in the mandatory redemption of Shares of such permitted U.S. Persons or the temporary or permanent prohibition of further permitted U.S. Persons being admitted.

1.12.11 Substantial investor redemptions

Substantial redemption requests by Shareholders in a concentrated period of time could require a Sub-Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. Substantial redemption requests may limit the ability of the Investment Manager to successfully implement the investment program of a Sub-Fund and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Sub-Fund may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Sub-Fund holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Manager to successfully implement the investment program of a Sub-Fund may be impaired and the Sub-Fund's returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the Net Asset Value of a Sub-Fund could make it more difficult for the Sub-Fund to generate profits or recover losses. Shareholders will not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Sub-Fund and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders. Under certain circumstances, a Sub-Fund may be permitted to suspend or postpone redemptions.

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Sub-Fund accepts investments related directly or indirectly to the offering of structured products, including without limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Sub-Fund may or may not accept such investments, as determined by the Sub-Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Sub-Fund's Net Asset Value.

If Shareholders or investors in a Sub-Fund request redemption of a substantial number of Shares in a Sub-Fund, the Directors may determine to gate the Sub-Fund and limit future redemptions or otherwise terminate the Sub-Fund rather than continue it with a significantly smaller asset base. A determination to terminate a Sub-Fund early may adversely affect the returns of the Sub-Fund and, in turn, the Shareholders.

Where Shares of a Sub-Fund are included in an index (or excluded from the index having previously been included in it), investors should be aware that the Net Asset Value of that Sub-Fund may fluctuate due to investors basing their investment decisions on the constitution of such index. Any large inflows or outflows may cause an adverse impact on the underlying costs of the Sub-Fund.

1.12.12 Subsidiary holding companies

Subject to the prior approval of the Central Bank, the ICAV may from time to time establish one or more wholly-owned special purpose subsidiaries in order to facilitate a Sub-Fund's investment programme in certain jurisdictions. The formation

and administration of any such special purpose subsidiaries may result in increased expenses to a Sub-Fund. In addition, the benefits of conducting investment activities through such subsidiaries may be adversely affected by political or legal developments in countries in which a Sub-Fund may invest. In the event that a subsidiary is created by the ICAV, the details of which will be published in the annual financial statements.

1.12.13 Limited pool of assets to invest

At inception, and for some period of time thereafter, a Sub-Fund may have relatively limited assets, which may limit its ability to trade in certain instruments that typically require minimum account balances for investment. As a result, a Sub-Fund may be limited with respect to the investment strategies it is able to employ until such time as it receives additional investments. Similar considerations may apply in respect of other instruments and investment strategies. In addition, if a Sub-Fund has a smaller asset base it may be less able to diversify its portfolio across investment strategies or instruments. The Investment Manager may choose to limit or exclude the use of certain investment strategies and transactions. A Sub-Fund may face similar constraints if its asset size decreases as a result of future redemptions.

1.12.14 Voting rights and share-blocking

From time to time, the issuer of a security held in a Sub-Fund may initiate a corporate action relating to that security. Corporate actions relating to equity securities may include, among others, an offer to purchase new shares, or to tender existing shares, of that security at a certain price. Corporate actions relating to debt securities may include, among others, an offer for early redemption of the debt security, or an offer to convert the debt security into stock. The ICAV may in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to investments held by a Sub-Fund, including shares or units held by a Sub-Fund in another fund. In relation to the exercise of such rights the ICAV may establish guidelines for the exercise of voting or other rights and the ICAV may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

Certain corporate actions are voluntary, meaning that the ICAV may only participate in the corporate action if it elects to do so in a timely fashion. Participation in certain corporate actions may enhance the value of a Sub-Fund.

In cases where the ICAV, the Manager or the Investment Manager receives sufficient advance notice from the Depositary of a voluntary corporate action, the Investment Manager will exercise its discretion, in good faith, to determine whether the ICAV will participate in that corporate action (due to information not being made available in a commercially reasonable manner for access). If the ICAV, the Manager or the Investment Manager does not receive sufficient advance notice of a voluntary corporate action, the ICAV may not be able to timely elect to participate in that corporate action. Participation or lack of participation in a voluntary corporate action may result in a negative impact on the value of a Sub-Fund.

Certain investments may be subject to "share-blocking". This occurs when an investment is "frozen" in the custodian system to facilitate the exercise of voting or other rights by the relevant custodians acting as proxies of the persons beneficially entitled to those affected investments. Share-blocking typically takes place 1 to 20 days before an upcoming meeting of investors in the relevant investment. While the investments are "frozen" they may not be traded. Therefore, in order to mitigate such illiquidity, a Sub-Fund (or its agents) may refrain from exercising its voting rights in respect of those investments which may be subject to "share-blocking".

A summary description of the strategies for the exercise of voting rights relating to the Sub-Fund's assets is available to investors free of charge at their request at the registered office of the Manager. Details of the actions taken on the basis of these strategies are available to the investors free of charge at their request at the registered office of the Manager.

1.12.15 Pricing Error

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of asset valuation data, opinions or advice furnished to it by the Investment Manager or its delegates, the ICAV, the ICAV's agents and delegates including an external valuer, prime broker(s), market makers and/or independent third-party pricing services. The Administrator may accept, use and rely on prices provided to it by the ICAV or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the ICAV, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the asset valuation information

provided by the ICAV, its delegates, an external valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the ICAV or an external valuer in accordance with the ICAV's valuation policy. The ICAV acknowledges that the Administrator has not been retained to act as its external valuer or independent valuation agent.

1.13 Regulatory Issues

1.13.1 *Increasing and evolving regulation*

Since the recent global financial crisis there has been increased political and regulatory scrutiny of financial services, including the asset management industry.

In addition, there is a material risk that regulatory agencies in Europe, the United States or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the asset management industry, or other changes that could adversely affect the ICAV.

Future tax or other legislation and regulation could result in material tax or other costs for the ICAV and the Sub-Funds, or require a significant restructuring of the manner in which the ICAV and the Sub-Funds are organized or operated.

1.13.2 *Regulatory uncertainty*

There is significant uncertainty regarding recently enacted legislation (including the Dodd-Frank Act and the regulations that will need to be developed pursuant to such legislation) and, consequently, the full impact that such legislation will ultimately have on the ICAV, the Sub-Funds and the markets in which they trade and invest is not fully known. Such uncertainty and any resulting confusion may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Further, the ability of a Sub-Fund to pursue its trading strategies may be adversely affected due to additional regulatory requirements or changes to regulatory requirements applicable to a Sub-Fund, such as a result of the investment in a Sub-Fund by certain investors or types of investors. Any changes to current regulations or any new regulations applicable to the ICAV, and/or the Sub-Funds could have a materially adverse effect on the ICAV and/or the Sub-Funds (including, without limitation, by imposing material tax or other costs on a Sub-Fund, by requiring a significant restructuring of the manner in which the Sub-Funds are organized or operated or by otherwise restricting the Sub-Funds).

1.13.3 *Effect of regulation of speculative position limits*

Under US, European or other regulations, some exchanges may have rules limiting the maximum net long or net short positions which any person or group may own, hold or control in any given futures contract or option on such futures contract. Any such limits may prevent a Sub-Fund from acquiring positions that might otherwise have been desirable or profitable. In addition, in applying such limits, some exchanges require aggregation of the positions owned, held or controlled by certain related entities. The activities of the Investment Manager on behalf of a Sub-Fund are, and will continue to be, conducted separately from the activities of the Investment Manager and its affiliates. However, in applying such limits, some exchanges will require aggregation of a Sub-Fund's positions in futures with positions held by other entities managed by the Investment Manager. In addition, it is possible that, in applying such limits, some exchanges will require aggregation of a Sub-Fund's positions in futures with positions held or controlled by other entities affiliated with the Investment Manager.

1.14 Disclosures regarding the Manager / Investment Manager

1.14.1 *Potential Conflicts of Interest*

The Directors, the Manager, the Investment Manager, the Sub-Investment Manager, the Distributor, the Administrator, the Depositary and their respective affiliates and delegates, may each from time to time act as director, management company, investment manager, investment adviser, distributor, administrator, transfer agent or depositary in relation to, or be otherwise involved in, other collective investment schemes which have similar investment objectives to those of the ICAV. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the ICAV or the Shareholders. Each will, at all times, have regard in such event to its obligations to the ICAV and, in particular, to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest

may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager will act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the ICAV.

The Manager, the Investment Manager, the Sub-Investment Manager, the Distributor, the Administrator, the Depositary and their respective affiliates, may each from time to time deal, as principal or agent, with the ICAV, provided that such dealings are negotiated on an arm's length basis and in the best interests of Shareholders. Such dealings are subject to (i) a certified valuation of any such transaction by a person approved by the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary) as independent and competent is obtained; or (ii) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or (iii) where (i) and (ii) are not practical, the transaction is executed on terms which the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary), is satisfied are negotiated at arm's length and in the best interests of Shareholders at the date of the transaction. The Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (i), (ii), or (iii) above. Where transactions are conducted in accordance with (iii), the Depositary (or the Manager in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph.

Each of the Directors and the Manager shall endeavour to ensure that any conflicts of interest are resolved fairly and in the best interests of Shareholders in accordance with the Manager's conflicts of interest policy.

1.15 Disclosures regarding Taxation Issues

1.15.1 *Uncertain tax positions*

Shareholders should be aware that tax laws and regulations change on an ongoing basis and may be changed with retroactive effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. As a result, the Net Asset Value of a Sub-Fund at the time any subscriptions and redemptions of Shares occur may not accurately reflect the Sub-Fund's tax liabilities, including on any historical realized or unrealized gains (including those tax liabilities that are imposed with retroactive effect). In addition, the Net Asset Value of a Sub-Fund on any Dealing Day may reflect an accrual for tax liabilities, including estimates for such tax liabilities, that may ultimately not be paid, or that may be less than what is ultimately required to be paid. Accounting standards may also change, creating an obligation for the ICAV to accrue for a tax liability that was not previously required to be accrued for or in situations where the ICAV does not expect the relevant Sub-Fund to be ultimately subject to such tax liability.

In the event that the ICAV subsequently accrues for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any investments result in tax liabilities that were not reflected in their valuation (including previously realised investments), the amount of any such accrual or payment will generally be allocated among the Shareholders at the time of such accrual or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the ICAV subsequently determines that an accrual for tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Shareholders at the time of such determination, rather than when the income or transaction to which such taxes relate was earned or occurred, and Shareholders previously redeemed Shares will not receive additional compensation or otherwise share such benefit. Shareholders will not be notified of any of the foregoing determinations or payments.

Shareholders that invest in a Sub-Fund at a time during which any liabilities for taxes are not accrued will invest in the Sub-Fund at a higher Net Asset Value than if liabilities had been accrued at the time of the applicable investment and, likewise, Shareholders that invest in a Sub-Fund at a time during which any liabilities for taxes are accrued will invest in the Sub-Fund at a lower Net Asset Value than if such liabilities had not been accrued at the time of the applicable investment. On the other hand, Shareholders that redeem Shares of a Sub-Fund at a time during which potential liabilities for taxes are not accrued will redeem Shares from the Sub-Fund at a higher Net Asset Value than if such liabilities had been accrued at the time of the applicable redemption and, likewise, Shareholders that redeem Shares at a time during which liabilities are accrued will redeem from a Sub-Fund at a lower Net Asset Value than if such liabilities had not been accrued at the time of the applicable redemption. In that situation the Sub-Fund may also be considered to have been subject to an inadvertent underinvestment effect if that accrual of taxes is not subsequently paid.

1.15.2 *Disclosure of information regarding Shareholders*

Certain payments to the ICAV and each Sub-Fund of U.S. source interest or dividends (as well as similar payments) and certain payments made after 31 December 2018 attributable to gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends, and certain payments (or a portion thereof) made after 31 December 2018 by a foreign financial institution, to a foreign financial institution or other foreign entity, may be subject to a withholding tax of 30% unless various reporting requirements are met. In particular, these reporting requirements may be met if, among other things, the ICAV and the applicable Sub-Fund obtains certain information from each of its Shareholders and the ICAV and such Sub-Fund discloses certain of this information to the Government of Ireland (or the Irish Revenue Commissioners) or to the U.S. Internal Revenue Service. Shareholders that fail to provide the required information could become subject to this withholding tax in respect of all or a portion of any redemption or distribution payments made by the ICAV or the applicable Sub-Fund after 31 December 2018. No assurance can be provided that the ICAV and each Sub-Fund will not be subject to this withholding tax. This and certain other tax risks associated with an investment in the ICAV and the Sub-Funds are discussed below. See “*Taxation—United States*,” including the legend in that section indicating, among other things, that the discussion in that section cannot be relied upon by any taxpayer for the purpose of avoiding penalties under the U.S. federal tax laws that may be imposed on the taxpayer.

Moreover, the Sub-Funds, the Manager, the Investment Manager or the Sub-Investment Manager and/or service providers or agents of the ICAV, the Manager or the Investment Manager may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about a Sub-Fund and the Shareholders, including, but not limited to, investments held by a Sub-Fund and the names and level of beneficial ownership of Shareholders, to (i) one or more regulatory and/or taxing authorities of certain jurisdictions which have or assert jurisdiction over the disclosing party or in which the Sub-Fund directly or indirectly invests and/or (ii) one or more counterparties of, or service providers to, the Investment Manager, the Manager or the ICAV. By virtue of entering into a subscription application form, each Shareholder will have consented to any such disclosure relating to such Shareholder.

1.15.3 *Special risks resulting from tax publication requirements in Germany*

At the ICAV's discretion, the Share Classes of each Sub-Fund may be classified as either “equity fund” or “mixed fund” in accordance with the respective definitions in the German Investment Tax Act, thereby providing partial tax exemptions to German investors. The German fiscal authorities reserve the right to perform an assessment on the tax situation of the ICAV including the tax classification. The basis for these tax classifications is subject to interpretation and therefore it cannot be guaranteed that such authorities will accept or agree with the ICAV's tax classifications.

1.15.4 *Special risks resulting from tax publication requirements in Austria*

At the ICAV's discretion, Share Classes may be entered into Austrian tax transparent reporting. In this instance, the ICAV is required to provide documentation to the Austrian fiscal authorities upon request in order for such authorities to, inter alia, verify the accuracy of the published tax information. The tax information results from the calculations performed by the Austrian Kontrollbank (OeKB) on behalf of the Austrian tax authorities based on the tax relevant input data provided by the ICAV. The input data on which the tax information is calculated and published by the OeKB can be subject to interpretation and therefore it cannot be guaranteed that the Austrian tax authorities will accept or agree with the input data provided by the ICAV. In addition, tax information published on OeKB's website can be corrected within the same calendar year in which the reporting was made, by 15 December and will lead to an automatic correction of the already deducted withholding tax on Austrian investors' deposits and other tax values based thereon, if there is still a valid business relationship with the investor. Corrections after 15 December each calendar year are not processed automatically, investors have to file an income tax statement in order to get any wrong deductions corrected.

1.15.5 *Special risks resulting from tax publication requirements in Switzerland*

At the ICAV's discretion, Share classes may be entered into Swiss tax transparent reporting. In this instance, the ICAV is required to provide documentation to the Swiss fiscal authorities upon request in order for such authorities to, inter alia, verify the accuracy of the published tax information. The basis on which such figures are calculated is subject to interpretation and therefore it cannot be guaranteed that such authorities will accept or agree with the ICAV's calculation methodology.

1.15.6 *Special risks from tax publication requirements in the United Kingdom*

At the ICAV's discretion, Share classes can be entered into the United Kingdom (UK) Tax Reporting Regime. In circumstances where UK Tax Reporting status is required for a particular Share class, the ICAV must make an application to HM Revenue & Customs and provide them with the necessary information to process the application. Once a Share class has received UK Tax Reporting status, the ICAV must comply with the annual reporting requirements in respect of the relevant Share class including preparing a calculation of reportable income and submit this to HM Revenue & Customs in advance of the prescribed deadline. The basis upon which the reportable income amounts are calculated is subject to interpretation, in some instances, and therefore it cannot be guaranteed that HM Revenue & Customs will accept or agree with the ICAV's calculation methodology.

1.15.7 *Foreign taxes*

The ICAV may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The ICAV may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The ICAV may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the ICAV obtains a repayment of foreign tax, the Net Asset Value of the ICAV will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

1.15.8 *US tax-exempt investors*

Permitted US Tax Persons may be subject to US federal and state laws, rules and regulations which may regulate their participation in the ICAV, or their engaging directly, or indirectly through an investment in any of the Sub-Funds, in investment strategies of the type which the Sub-Funds may utilise from time to time. Each type of exempt investor may be subject to different laws, rules and regulations, and prospective investors are strongly advised to consult with their own advisors as to the advisability and tax consequences of an investment in the ICAV. See the section headed "Taxation".

1.15.9 *Certain Other Tax Risks*

In addition to the other tax risks discussed herein, an investment in a Sub-Fund involves numerous tax risks, including, among others, the risks that (i) a Shareholder will be directly subject to applicable taxes and tax filing requirements in the jurisdictions in which a Sub-Fund directly or indirectly makes investments or is otherwise considered to be doing business, (ii) a fund and/or any investment vehicles through which it invests will be subject to applicable taxes in the jurisdictions in which a fund directly or indirectly invests or is otherwise considered to be doing business, (iii) a Shareholder will be required to file for any available extensions for the completion of such Shareholder's applicable tax returns, and (iv) a Shareholder will recognize phantom income (i.e., income without a corresponding receipt of cash) from an investment in a Sub-Fund. For a more complete discussion of the tax risks and other considerations applicable to an investment in a Sub-Fund, please see "Taxation".

1.16 **ETF Specific Risk**

1.16.1 *Costs Of Buying Or Selling Shares Risk*

Investors buying or selling Shares in the Secondary Market may 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 the underlying securities, trading volume and market liquidity and is generally lower if a ICAV's Shares have more trading volume and market liquidity and higher if a Sub-Fund's 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.

1.16.2 *Counterparty risk to the Paying Agent – dividend monies*

The Paying Agent for the Sub-Funds is responsible for making dividend payments to Authorised Participants on the relevant dividend payment date. Shortly before the dividend payment date, monies for distribution to Authorised Participants as dividends will be transferred from the ICAV's cash accounts with the Depositary to the Paying Agent. During the interim period, dividend monies are held with the Paying Agent (or its associated depositary bank) in the form of cash and the ICAV will have credit risk exposure, in respect of such cash, to the Paying Agent and its associated depositary bank. Cash held by the Paying Agent will not be segregated in practice but will be a debt owing from the Paying Agent (or its associated depositary bank) to the ICAV as a depositor. In the event of the insolvency of the Paying Agent (or its associated depositary bank) during the interim period, the ICAV will be treated as a general and unsecured creditor of the Paying Agent (or its associated depositary bank) in relation to the cash. The ICAV may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the ICAV may lose some or all of the dividend monies being distributed by the Paying Agent resulting in a reduction to the value of the relevant Sub-Fund(s).

1.16.3 *Dealing Day Risk*

As foreign exchanges can be open on days which are not Dealing Days or days when a Sub-Fund may have suspended calculation of its Net Asset Value and the subscription and redemption of Shares and, therefore, Shares in the Sub-Fund are not priced, the value of securities in the Sub-Fund's portfolio may change on days when a Sub-Fund's Shares will not be able to be purchased or sold.

1.16.4 *Failure to Settle Risk*

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete that dealing request (including, for example, where the Authorised Participant no longer has the monies to fund the settlement), the recourse available to the ICAV may be limited to that agreed contractually with the Authorised Participant. In the event that limited or no recourse is available to the ICAV, loss may be suffered by the ICAV and its investors.

1.16.5 *Fluctuation of Net Asset Value and Market Pricing Risk*

The Net Asset Value per Share will generally fluctuate with changes in the market value of a Sub-Fund's securities holdings. The market prices of Shares will generally fluctuate in accordance with changes in a Sub-Fund's Net Asset Value and supply and demand of Shares on the Listing Stock Exchange. It cannot be predicted whether Shares will trade below, at or above the Net Asset Value per Share. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces (including whether or not a given market is open) influencing the prices of the securities of an Index trading individually or in the aggregate at any point in time. The market prices of Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility. However, given that Shares can be created and redeemed in large volumes, large discounts or premiums to the Net Asset Value per Share should not be sustained. While the creation/redemption feature is designed to help make it likely that Shares normally will trade close to the Net Asset Value per Share, disruptions or suspensions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value per Share. Losses may be incurred, or profits reduced, if Shares are purchased at a time when the market price is at a premium to the Net Asset Value per Share or sold at a time when the market price is at a discount to the Net Asset Value per Share.

1.16.6 *Secondary Market Trading Risk*

Although the Shares of a Sub-Fund will be listed for trading on the relevant Listing Stock Exchange(s), there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on a Listing Stock Exchange may be halted due to market conditions or for reasons that, in the view of the relevant Listing Stock Exchange, make trading in Shares inadvisable. In addition, trading in Shares on a Listing Stock Exchange is subject to trading halts caused by extraordinary market volatility pursuant to stock exchange "circuit breaker" rules. There can be no assurance that the requirements of a Listing Stock Exchange necessary to maintain the listing of a Sub-Fund will continue to be met or will remain unchanged or that the Shares will trade with any volume, or at all, on any stock exchange. Furthermore, any securities that are listed and traded on stock exchanges can also be bought or sold by members of those exchanges to and from each other and other third parties on terms and prices that are agreed on an "over-the-counter" basis and may also be bought or sold on other multi-lateral trading facilities or platforms. The ICAV has no control over the terms on which any

such trades may take place. There can be no guarantee that once the Shares are listed or traded on a Listing Stock Exchange they will remain listed or traded on that Listing Stock Exchange.

1.16.7 Industry Concentration Risk

In following its methodology, the respective Index from time to time may be concentrated to a significant degree in securities of issuers located in a single industry or sector. To the extent that the respective Index concentrates in the securities of issuers in a particular industry or sector, the Sub-Fund also may concentrate its investments to approximately the same extent. By concentrating its investments in an industry or sector, the Sub-Fund may face more risks than if it were diversified broadly over numerous industries or sectors. If the Index is not concentrated in a particular industry or sector, the Sub-Fund will not concentrate in a particular industry or sector.

1.16.8 Index Related Risk

As prescribed by this Prospectus, in order to meet its investment objective, each Index Tracking Sub-Fund seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Index as published by the Index Provider. There is no assurance that the Index Provider will compile the Index accurately, or that the Index will be determined, composed or calculated accurately. While the Index Provider does provide descriptions of what the Index is designed to achieve, the Index Provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of the Index, and does not guarantee that the Index will be in line with the described methodology.

The mandate of the Investment Manager appointed in respect of each Index Tracking Sub-Fund, as described in this Prospectus, is to manage the relevant Sub-Fund consistently with the relevant Index provided to the Investment Manager. Consequently, the Investment Manager does not provide any warranty or guarantee for index provider errors. Errors in respect of the quality, accuracy and completeness of the data may occur from time to time and may not be identified and corrected for a period of time, particularly where the indices are less commonly used. Therefore gains, losses or costs associated with Index Provider errors will be borne by the Sub-Funds and their investors. For example, during a period where the Index contains incorrect constituents, a Sub-Fund tracking such published Index would have market exposure to such constituents and would be underexposed to the constituents that should have been included in the Index. As such, errors may result in a negative or positive performance impact to the Sub-Funds and their investors. Investors should understand that any gains from Index Provider errors will be kept by the relevant Sub-Fund and its investors and any losses resulting from Index Provider errors will be borne by the relevant Sub-Fund and its investors.

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to the Index in order, for example, to correct an error in the selection of Index constituents. Where the Index of an Index Tracking Sub-Fund is rebalanced and the Sub-Fund in turn rebalances its portfolio in line with its Index, any transaction costs (including capital gains tax and/or transaction taxes) and market exposure arising from such portfolio rebalancing will be borne directly by the Sub-Fund and its investors. Unscheduled rebalances to the Indices may also expose the Sub-Funds to tracking error risk, which is the risk that its returns may not track exactly those of the Index. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider to an Index may increase the costs and market exposure risk of the relevant Sub-Fund.

Where an Index Tracking Sub-Fund's Index aims to identify securities that meet criteria which have an element of being forward looking (for example, securities that are expected to provide a high yield or which are selected on the basis of their liquidity, percentage of company earnings allocated to shareholders, levels of profit generated from business operations, market capitalisation, and corporate governance credentials), there is no guarantee that the Index will meet its objective. Many factors can affect the performance of a security and the impact of these factors on its price can be difficult to predict.

1.16.9 Index Licence Risk

If in respect of an Index, at any time, the licence granted (if required) to the ICAV or the Investment Manager to replicate or otherwise use the Index for the purposes of an Index Tracking Sub-Fund terminates, or such a licence is otherwise disputed, impaired or ceases (for any reason), the Directors may be forced to replace the Index with another index which they determine to track substantially the same market as the Index in question and which they consider to be an appropriate index for the relevant Sub-Fund to track and such a substitution or any delay in such a substitution may have an adverse impact on the Sub-Fund. In the event that the Directors are unable to identify a suitable replacement for the relevant index,

they may be forced to terminate the Sub-Fund.

1.16.10 Index Tracking Risk

There is no guarantee that the investment objective of any Index Tracking Sub-Fund will be achieved. In particular, no financial instrument enables the returns of any index to be reproduced or tracked exactly and the use of portfolio optimisation techniques by a Sub-Fund instead of full replication may increase the risk of tracking error. Changes in the investments of any Sub-Fund and re-weightings of the relevant index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Sub-Fund's tracking of an Index. Furthermore, the total return on investment in the Shares of a Sub-Fund will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the Investments comprising the index, or of market disruptions, rebalancing a Sub-Fund's investment portfolio may not be possible and may result in deviations from the return of the Index.

1.16.11 Optimisation Strategy

It may not be practical or cost efficient for certain Sub-Funds to replicate their respective Indices. Where it is not part of a Sub-Fund's investment policy to replicate its Index, such Sub-Fund may use optimisation techniques to track the performance of their respective Indices. Optimisation techniques may include the strategic selection of some (rather than all) of the securities that make up the Index, holding securities in proportions that differ from the proportions of the Index and/or the use of FDI to track the performance of certain securities that make up the Index. The Investment Manager may also select securities which are not underlying constituents of the relevant Index where such securities provide similar performance (with matching risk profile) to certain securities that make up the relevant Index. Optimising Sub-Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Indices.

1.16.12 Sampling Risk

A relevant Sub-Fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in their respective Index. As a result, an adverse development respecting a security held by the Sub-Fund could result in a greater decline in Net Asset Value than would be the case if the Sub-Fund held all of the securities in the respective Index. Conversely, a positive development relating to a security in the Index that is not held by the Sub-Fund could cause the Sub-Fund to underperform the Index. To the extent the assets in the Sub-Fund are smaller, these risks will be greater.

1.16.13 Trading Currency Exposure

Shares may be traded in various currencies on various stock exchanges. In addition, subscriptions and redemption of Shares in a Sub-Fund will ordinarily be made in the Base Currency of the Sub-Fund and may in some cases be permitted in other currencies. The currencies in which the underlying investments of a Sub-Fund are denominated may also differ from the Base Currency of the Sub-Fund (which may follow the base currency of an Index tracked by the Sub-Fund). Depending on the currency in which an investor invests in a Sub-Fund, foreign exchange fluctuations between currency of investment and the Base Currency of the Sub-Fund and/or the currencies in which the Sub-Fund's underlying investments are denominated, will have impact on, and may adversely affect, the value of such investor's investments.

1.16.14 Benchmark Regulation

Investors should note that, in accordance with the requirements of 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 (the "**Benchmark Regulation**"), the ICAV has adopted an index contingency plan to set out the actions which the ICAV would take in the event that a benchmark used by a Sub-Fund materially changes or ceases to be provided (the "**Index Contingency Plan**"). Actions taken by the ICAV on the foot of the Index Contingency Plan may result in changes to the investment objectives or investment policies of a Sub-Fund, which may have an adverse impact on the value of an investment in the Sub-Fund. Any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus.

The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares. Prospective investors should read the entire Prospectus and the Relevant Supplement(s) and consult with their legal, tax and financial advisors before making any decision to invest in the ICAV.

PURCHASE AND SALE INFORMATION

Each of the Sub-Funds is an exchange traded fund which means that the Shares of the Sub-Funds are traded on one or more Listing Stock Exchanges. Certain market makers and brokers are authorised by the ICAV to subscribe and redeem Shares of the Sub-Funds directly with the ICAV in the Primary Market, as described in the “*Procedure for Dealing on the Primary Market*” section below and are referred to as “Authorised Participants”. Such Authorised Participants generally have the capability to deliver the Shares of the Sub-Funds within the clearing systems relevant to the Listing Stock Exchanges. Authorised Participants usually sell the Shares for which they subscribe on the Secondary Market, where such Shares become freely tradable. Potential investors and investors who are not Authorised Participants can only purchase and sell the Shares of the Sub-Funds on the Secondary Market through a broker/dealer on a recognised stock exchange or over-the-counter.

Investors who are not Authorised Participants should refer to the “*Procedure for Dealing on the Secondary Market*” section below.

PROCEDURE FOR DEALING ON THE PRIMARY MARKET

The Primary Market is the market on which Shares are issued or redeemed by the ICAV at the request of Authorised Participants. Generally, only Authorised Participants are able to effect subscriptions and redemptions of Shares on the Primary Market.

Applicants wishing to deal on the Primary Market in respect of the Sub-Funds have to satisfy certain eligibility criteria, and be registered with the ICAV. In addition, all applicants subscribing for Shares on the Primary Market must first complete the ICAV’s subscription application forms which may be obtained from the Manager or Administrator and satisfy certain anti-money laundering checks. The signed subscription application form should be sent to the Administrator in accordance with the details set out in the subscription application form. Applicants wishing to become Authorised Participants should contact the Manager for further details.

Subscriptions and redemptions are made in baskets of Shares or in cash at the discretion of the Directors. Subscription and redemption orders will normally be accepted in the minimum amounts set out in the relevant Supplement at the discretion of the Directors.

The ICAV and the Manager has absolute discretion to accept or reject in whole or in part any application for Shares (prior to the issue of Shares to an applicant and notwithstanding the application having been accepted) without assigning any reason therefor and to revoke any authorisation to act as an Authorised Participant. Dealing requests, once submitted, shall (save as determined by the Directors at their discretion) be irrevocable. Any amendments to registration details and payment / settlement instructions will only be effected upon receipt of all required documentation by the Administrator.

Shares may be subscribed for during the Offer Period for the relevant Sub-Fund at the Initial Offer Price specified in the Relevant Supplement. Such Shares will be issued on the Closing Date. Thereafter, Shares may be subscribed for and redeemed on each Dealing Day by making an application before the Dealing Deadline. Such Shares will be issued or redeemed at the Net Asset Value per Share plus (in the case of subscriptions) or less (in the case of redemptions) an amount in respect of Duties and Charges, where applicable, on each Dealing Day.

All Shares issued will be in registered form and a written trade confirmation will be sent to Shareholders.

Authorised Participants’ title and rights relating to Shares in a Sub-Fund will be determined by the clearance system through which they settle and/or clear their holdings. A Sub-Fund will settle through the relevant ICSD and the Common Depository’s Nominee will act as the registered holder of all such Shares. For further details, see the “*Global Clearing and Settlement*” section below.

Dealings by way of Transfer of Assets, in Cash and Directed Cash Dealings

Shares may be subscribed for and redeemed on each Dealing Day. Only whole (not fractional) Shares will be issued.

The Directors have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors also have absolute discretion (but shall not be obliged) to reject or cancel in whole or in part any subscription for Shares prior to the issue of Shares to an applicant (notwithstanding the application having been accepted) and, registration of same in the name of the relevant nominee in the event that any of the following occurs to the

Authorised Participant (or its parent company or ultimate parent company): an insolvency event; a downgrading of credit rating; being placed on a watch list (with negative implications) by a credit rating agency; or where the Directors have reasonable grounds to conclude that the relevant Authorised Participant may be unable to honour its settlement obligations or that the Authorised Participant poses a credit risk to the ICAV.

The ICAV may accept subscriptions and pay redemptions either by way of transfer of assets or in cash or in a combination of both. The ICAV may determine whether to accept subscriptions by way of transfer of assets and/or in cash at its absolute discretion. Subscriptions monies received in respect of a Sub-Fund in advance of the issue of Shares and cash redemption proceeds pending payment to the relevant Shareholder may be held in a Collection Account. Investors should refer to the “*Collection Account Risk*” sub-section in the “*Risk Information*” section for an understanding of their position vis-a-vis monies held in a Collection Account.

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. Shares may be redeemed at the Net Asset Value thereof less any associated Duties and Charges which may be varied to reflect the cost of execution. The Instrument of Incorporation empowers the ICAV to charge such sum as the Directors consider represents an appropriate figure for Duties and Charges. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the Primary Market transactions. In addition, a subscription fee of up to 5% of the Net Asset Value of Shares being subscribed and / or an exit fee of up to 3% of the Net Asset Value of the Shares being redeemed may be charged by the ICAV. Where investors request subscriptions or redemptions in cash in a currency that is different from the currencies in which the relevant Sub-Fund’s underlying investments are denominated, the foreign exchange transaction costs (at prevailing exchange rates) associated with converting the subscription amount to the currencies needed to purchase the underlying investments (in the case of a subscription) or converting the sale proceeds from selling the underlying investments to the currency needed to pay redemption proceeds (in the case of a redemption) will be included in the Duties and Charges which are applied to the relevant subscription or redemption amounts (respectively) paid or received (as the case may be) by such investors.

In some cases, the level of Duties and Charges has to be determined in advance of the completion of the actual purchase or sale of investments or execution of associated foreign exchange by or on behalf of the ICAV and the subscription or redemption price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets). Where the sum representing the subscription or redemption price is based on estimated Duties and Charges which turn out to be different to the costs actually incurred by a Sub-Fund when acquiring or disposing of investments as a result of a subscription or redemption, the investor shall reimburse the Sub-Fund for any shortfall in the sum paid to the Sub-Fund (on a subscription) or any excess sum received from the Sub-Fund (on a redemption) and the Sub-Fund shall reimburse the investor for any excess received by the Sub-Fund (on a subscription) or any shortfall paid by the Sub-Fund (on a redemption), as the case may be. Investors should note that no interest will accrue or be payable on any amount reimbursed or to be reimbursed by a Sub-Fund. In order to protect the Sub-Funds and their Shareholders, the ICAV and the Manager reserve the right to factor into the estimated Duties and Charges a buffer to protect the Sub-Fund from potential market and foreign exchange exposure pending the payment of the actual Duties and Charges.

Subscription applications should be submitted to the Administrator by electronic means, by facsimile or any such other means as may be agreed and are in accordance with the requirements of the Central Bank. Dealing orders will normally only be accepted above the Minimum Subscription Amount or the Minimum Redemption Amount, as applicable. Such minima may be waived, reduced or increased in any case at the discretion of the Directors. Details in relation to the Valuation Points and Dealing Deadlines for the Sub-Funds are also set out in the Relevant Supplement. Details of the Dealing Deadlines are also available from the Administrator.

Applications received after the Dealing Deadline will generally not be accepted for dealing on the relevant Dealing Day and will be carried over to the next Dealing Day. However, such applications may be accepted for dealing on the relevant Dealing Day, at the discretion of the Directors, in exceptional circumstances, provided they are received prior to the Valuation Point. Settlement of the transfer of investments and/or cash payments in respect of subscriptions must be received no later than the time specified in the Relevant Supplement. Settlement for redemptions will be made within a maximum of ten business days of the Dealing Day. Redemption requests will be processed only where the payment is to be made to the redeeming Shareholder’s account of record and payment of redemption proceeds to such account will be in full discharge of the ICAV’s obligations and liability. If a market is closed for trading or settlement on any Business Day during the period between the relevant Dealing Day and the expected settlement date (inclusive), and/or settlement in the Base Currency of the Sub-Fund is not available on the expected settlement date, there may be corresponding delays to the settlement times (but such delays will not exceed the regulatory requirements for settlement).

The Investment Manager will carry out the underlying trades for any subscription or redemption request at its absolute discretion and may vary the underlying trades (for example, by staggering the timing of the trades) to take into account (amongst other things) the impact on other Shares in the relevant Sub-Fund and on the underlying market, as well as acceptable industry practices.

The Directors may refuse to process a redemption request until proper information, such as the application form, and all requested supporting anti-money laundering documentation, has been provided. Redemptions proceeds will only be released where the signed application form and all requested supporting anti-money laundering documentation has been received.

Anti-Dilution Levy in relation to the Subscription and Redemption of Shares

The Directors may exercise their discretion to apply an anti-dilution levy in relation to the subscription and redemptions of Shares. The levy is an allowance for fiscal and other charges (including the estimated explicit transaction costs and, where appropriate, the implicit transaction costs which will be estimated on a best efforts basis), estimated by the Administrator, that may be deducted from the Net Asset Value per Share of the relevant class to reflect the costs of disposing of underlying assets to fund redemptions from the Sub-Fund. The Directors may activate the levy on a given Dealing Day where:

- the aggregate amount of redemption orders exceeds that of subscriptions orders, resulting in net redemptions (in such a case the levy will be deducted from the amount paid to the redeeming Shareholder); or
- the aggregate amount of subscription orders exceeds that of redemption orders, resulting in net subscriptions (in such a case the levy will be deducted from the amount paid to the subscribing Shareholder).

The levy is intended to be used to ensure that all investors in the relevant Sub-Fund are treated equitably by allocating transaction costs to the investors whose transactions give rise to those costs.

Transfer of Assets for Settlement

If a redeeming Shareholder requests redemption of a number of Shares representing 5% or more of the Net Asset Value of a Sub-Fund, the Directors may, in their sole discretion, redeem the Shares by way of a transfer of assets and in such circumstances the Investment Manager will, if requested by the redeeming Shareholder, sell the investments on behalf of the Shareholder. (The cost of the sale can be charged to the Shareholder). Where a redemption is requested for a number of Shares representing less than 5% of the Net Asset Value of a Sub-Fund, the ICAV may only redeem the Shares by way of a transfer of assets with the consent of the redeeming Shareholder, save in the case of a Shareholder whose original subscription was by way of transfer of assets. In all cases of redemption by way of a transfer of assets, asset allocation is subject to the approval of the Depositary.

Redemption Gate

If redemption requests on any Dealing Day represent 10% or more of the Net Asset Value of a Sub-Fund, the Directors may, in their discretion, refuse to redeem any Shares in excess of 10% (at any time including after the cut-off time on the Dealing Day). Any request for redemption on such Dealing Day shall be reduced rateably. Where the Directors decide to apply this redemption gate, the excess amount above 10% of the Net Asset Value of the relevant Sub-Fund which has not been redeemed will be carried forward until the next Dealing Day and the redemption requests shall be treated as if they were received on each subsequent Dealing Day. The Directors shall apply the redemption gate uniformly to all investors and its activation does not alter a Sub-Fund's dealing frequency.

Dealings by transfer of assets.

Shares in certain Sub-Funds may be subscribed for by way of transfer of assets.

Subscriptions by Authorised Participants for Shares in exchange for transfer of assets will require the delivery of 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 Sub-Fund) to the Sub-Fund as part of its settlement obligations. The securities to be transferred to the relevant Sub-Fund as part of any transfer of assets subscription must be such that they would qualify as investments of the relevant Sub-Fund in accordance with its investment objectives, policies and restrictions and the Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders through the acceptance of the transfer of assets subscription. The securities provided must be vested with the Depositary or

arrangements be made to vest them with the Depositary.

In the event that an Authorised Participant fails to deliver, or delays in delivering, one or more of the specified underlying securities by the relevant settlement date, the ICAV may (but shall not be obliged to) require the Authorised Participant to pay to it a sum equal to the value of such underlying securities plus any Duties and Charges associated with the purchase by the ICAV of such underlying securities, including any foreign exchange costs and other fees and/or costs incurred as a result of the delay.

The Investment Manager has the right to refuse the securities proposed for any reason, including where the securities are not delivered to the ICAV, in exactly the form agreed with the Investment Manager, together with the relevant cash component, by the time and date specified (or before the expiry of an extension granted by the Investment Manager, if any), in which case, the Directors reserve the right to cancel any provisional allotment of Shares.

The exact value of the cash component in the case of an in-kind subscription is determined after the calculation of the Net Asset Value of the relevant Sub-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 Directors may, in their absolute discretion, include an appropriate provision for Duties and Charges in respect of each subscription.

Authorised Participants which redeem Shares by way of a transfer of assets will receive their redemption proceeds in the form of underlying securities and, if relevant, a cash component, as determined by the Investment Manager based on the Sub-Fund's underlying portfolio. The composition of the basket of securities to be delivered by the ICAV and an estimated amount of the balance in cash will be made available upon request to Authorised Participants by the Administrator. The selection of the securities is subject to the approval of the Depositary. The exact value of the cash balance is determined after calculation of the Net Asset Value on the relevant Dealing Day on the basis of the prices used in calculating the Net Asset Value per Share and will equal the difference between the value of the Shares to be redeemed and the value of the securities to be delivered at the prices used in calculating the Net Asset Value per Share on the same date. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders through the acceptance of the redemption by way of a transfer of assets.

Directed Cash Dealings. If, in connection with any Primary Market subscription applications or redemption request, an Authorised Participant requests underlying security trades and/or foreign exchange be executed in a way that is different than normal and customary convention, the ICAV will use reasonable endeavours to satisfy such request if possible but the ICAV will not accept any responsibility or liability if the execution request is not achieved in the way requested for any reason whatsoever. In no circumstances will an Authorised Participant have discretion over the assets of a Sub-Fund in that capacity.

If any Authorised Participant making a cash subscription or redemption wishes to have the underlying securities traded with a particular designated broker (i.e. a directed cash subscription or redemption), the Authorised Participant must 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. 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 a subscription application is accepted as a directed cash subscription, as part of the Authorised Participant's settlement obligations, the Authorised Participant is responsible for (i) ensuring that the designated broker transfers to the ICAV (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 Investment Manager plus any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

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

Neither the ICAV, the Manager nor the Investment Manager will be responsible, and shall have no liability, if the execution

of the underlying securities with a designated broker and, by extension, a directed cash subscription or redemption 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 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 subscription or redemption, including the subscription price and/or redemption proceeds, to take into account the default, delay and/or the change to the terms.

Clearing and Settlement.

Shares will be in registered form and no temporary documents of title will be issued. Ownership of Shares will be evidenced by written entry on the Register. No individual certificates for Shares will be issued by the ICAV, other than the Global Share Certificate required for the ICSDs (being the recognised clearing systems through which a Sub-Fund's Shares will be settled). Shares will be issued in dematerialised (or uncertified) form in one or more recognised clearing systems. Investors that buy Shares on the secondary market may not be reflected in the Register.

Failure to Deliver. In the event that (i) in respect of a transfer of assets dealing resulting in a creation of Shares, an Authorised Participant fails to deliver the required investments and cash component, or (ii) in relation to a cash creation, an Authorised Participant fails to deliver the required cash, or (iii) in respect of a directed cash dealing resulting in a creation, an Authorised Participant fails to deliver the required cash or its designated broker fails to deliver the underlying investments, within the stated settlement times, the ICAV and / or the Investment Manager reserves the right (but shall not be obliged) to cancel the relevant subscription request. The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of a failure or delay by the Authorised Participant to deliver the required investments and cash component or cash and, for directed cash dealings resulting in creations, any loss suffered by the ICAV as a result of a failure by the designated broker to deliver the required underlying investments, within the stated settlement times, including (but not limited to) any market exposure, interest charges and other costs suffered by the Sub-Fund. The ICAV reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances.

The Directors may, in their sole discretion where they believe that it is in the best interests of a Sub-Fund, decide not to cancel a subscription and provisional allotment of Shares where an Authorised Participant has failed to deliver the required investment and cash component or cash and / or, for directed cash subscriptions, the designated broker has failed to deliver the required underlying investments, within the stated settlement times. The ICAV may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the investment objective and policies of the relevant Sub-Fund. Once the required investments and cash component or cash has been received, the ICAV will use this to repay the borrowings. The ICAV reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV as a result of this borrowing. Where a designated broker under a directed cash subscription fails or delays in delivering the required underlying securities, the ICAV and the Investment Manager has a right to transact with a different broker and to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV relating to the failed and new transactions. If the Authorised Participant fails to reimburse the ICAV for those charges, the ICAV and / or Investment Manager will have the right to sell all or part of the applicant's holdings of Shares in the Sub-Fund or any other Sub-Fund of the ICAV in order to meet those charges.

A redemption request by a Shareholder will only be valid if the Shareholder satisfies its settlement obligation to deliver holdings in the required number of Shares in that Sub-Fund to the Administrator for settlement by the relevant settlement date. In the event that a Shareholder fails to deliver the required Shares of the relevant Sub-Fund in relation to a redemption within the stated settlement times, the ICAV and / or the Investment Manager reserves the right (but shall not be obliged) to treat this as a settlement failure by the Shareholder and to cancel the relevant redemption order, and the Shareholder shall indemnify the ICAV and the Investment Manager for any loss suffered by the ICAV or the Investment Manager as a result of a failure by the Shareholder to deliver the required Shares in a timely fashion, including (but not limited to) any market exposure and costs suffered by the Sub-Fund.

In the event that a Shareholder is liable to reimburse a Sub-Fund in respect of Duties and Charges (e.g., for any shortfall in the sum paid to the Sub-Fund on a subscription or any excess redemption proceeds received from the Sub-Fund on a redemption), the ICAV reserves the right to charge the relevant Shareholder for any interest or other costs incurred by the

ICAV as a result of the Shareholder's failure to reimburse the Sub-Fund in a timely manner after receiving notice of the sum payable.

Title to Shares. As with other Irish companies limited by shares, the ICAV is required to maintain a register of Shareholders. Only persons appearing on the register of Shareholders will be a Shareholder. No temporary documents of title or Share certificates will be issued (save as provided below). A trade confirmation will be sent by the Administrator to Shareholders subscribing and/or redeeming Shares with the ICAV on the Primary Market.

Compulsory Redemption of Shares

The ICAV may, at its sole discretion and in accordance with the provisions of the IOI, proceed with the compulsory redemption of the Shares held by a Shareholder if it appears to the ICAV or the Manager that such holding might result (i) in a breach of any (a) applicable Irish law and regulations or other law and regulations, (b) requirement of any country or (c) requirement of any governmental authority, (ii) in the ICAV (including its Shareholders) or any of its delegates incurring any liability to taxation or suffering any sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the ICAV (including its Shareholders) or its delegates might not otherwise have incurred or suffered, or (iii) in that Shareholder to exceed any limit to which his shareholding is subject. Where it appears that a person who should be precluded from holding Shares, either alone or in conjunction with any other person, is a Shareholder, the ICAV or the Manager may compulsorily redeem all Shares so held in accordance with the provisions of the IOI.

The ICAV or the Manager may in particular decide, in accordance with the provisions of the IOI, to proceed with the compulsory redemption of Shares held by a person who is (i) a US Person, or held directly by a person who is (ii) a US citizen, (iii) a US tax resident, or (iv) a non-US partnership, non-US trust or similar tax transparent non-US entity that has any partner, beneficiary or owner that is a US Person, US citizen or US tax resident.

The ICAV will require that intermediaries compulsorily redeem Shares held by a US Person.

Shareholders are required to notify the ICAV immediately in the event that they are or become (i) US Persons, (ii) US citizens, (iii) US tax residents or (iv) specified US person for purposes of FATCA or if their holding might result (i) in a breach of any (a) applicable Irish law and regulations or other law and regulations, (b) requirement of any country or (c) requirement of any governmental authority, (ii) in the ICAV (including its Shareholders) or any of its delegates incurring any liability to taxation or suffering any sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the ICAV (including its Shareholders) or its delegates might not otherwise have incurred or suffered, or (iii) in that Shareholder to exceed any limit to which his shareholding is subject.

Sub-Funds are established for an unlimited period and may have unlimited assets. However, the ICAV may (but is not obliged to) redeem all of the Shares of any series or Share Class in issue if:

- (a) the Shareholders of the relevant Sub-Fund or Share Class pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Sub-Fund or Share Class or in writing;
- (b) the Directors deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Sub-Fund in any way;
- (c) the Net Asset Value of the relevant Sub-Fund or Share Class falls below €30 million or the prevailing currency equivalent in the currency in which Shares of the relevant Sub-Fund or Share Class are denominated;
- (d) the Shares in the relevant Sub-Fund or Share Class cease to be listed on a Listing Stock Exchange; or
- (e) the Directors deem it appropriate for any other reason.

In each such case, the Shares of such Sub-Fund or Share Class shall be redeemed after giving not less than one (1) month's but not more than three (3) months' prior notice to all relevant Shareholders. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day, less such sums as the Directors in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of such Sub-Fund or Share Class.

If the Depositary has given notice of its intention to retire and no new Depositary acceptable to the ICAV and the Central Bank has been appointed within 90 days of such notice, the ICAV shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares in issue.

Conversions

Shares from one Sub-Fund may not be converted into Shares in another Sub-Fund or from one Share Class into another Share Class within the same Sub-Fund.

Abusive Trading Practices

The ICAV does not permit market timing or related excessive, short-term trading practices. The ICAV has the right to reject any request for the subscription of Shares from any investor engaging in such practices or suspected of engaging in such practices and to take such further action as it may deem appropriate or necessary.

Anti-Money Laundering and Counter Terrorist Financing Requirements

As part of the ICAV's responsibility for the prevention of money laundering and terrorist financing, the Administrator will require a detailed verification of the applicant's identity and the source of subscription monies. Depending on the circumstances of each application, a detailed verification might not be required where the applicant is a regulated financial institution in a country with comparable anti-money laundering and counter terrorist financing regulations to those in Ireland, or is a company listed on a recognised stock exchange. Shareholders will not be permitted to request the redemption of their Shares and no redemption proceeds will be paid to a Shareholder unless the completed subscription application form has been received by the Administrator and all anti-money laundering documentation received and checks required by the Central Bank and applicable legislation have been completed in respect of the relevant subscription has been received by the Administrator.

The ICAV reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the subscription monies. In the event of delay or failure by the applicant to produce any information required for verification purposes, the ICAV may refuse to accept the application and subscription monies. Each applicant for Shares acknowledges that the ICAV shall be held harmless against any loss arising as a result of a failure to process his application for Shares if such information and documentation as has been requested by the ICAV has not been provided by the applicant. Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on any Sanctions list including the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any Sanction programme. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations. Investors should refer to the subscription application form for further information in relation to the types of information which they will be requested to provide.

US Persons / ERISA plans

The ICAV reserves the right to accept or refuse any subscription in whole or in part and for any reason. In particular, the ICAV will, not accept any subscription from or for the benefit of or holding by a **"US Person"** being defined as:

- any individual person in the United States;
- any partnership, trust or corporation organised or incorporated under the laws of the United States;
- any agency or branch of a non-US entity located in the United States;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or, if an individual, resident in the United States.

A US Person would also include:

- any estate of which any executor or administrator is a US Person;

- any trust of which any trustee is a US Person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- any partnership of which any partner is a US Person.

In addition, the ICAV will not accept any direct subscription from or direct holding by any individual who is a US citizen or a US tax resident or any non-US partnership, non-US trust or similar tax transparent non-US entity that has any partner, beneficiary or owner that is a US Person, US citizen or US tax resident.

Should a Shareholder become a (i) US Person, (ii) US citizen, (iii) US tax resident or (iv) specified US person for purposes of FATCA, he may be subject to US withholding taxes and tax reporting to any relevant tax authority, including the US Internal Revenue Service and the Shareholder is required to notify the ICAV immediately.

Further, as described in greater detail under “*Compulsory Redemption of Shares*” above, the ICAV may redeem Shares held by a person who is (i) a US Person, (ii) a US citizen, (iii) a US tax resident, or (iv) a non-US partnership, non-US trust or similar tax transparent non-US entity that has any partner, beneficiary or owner that is a US Person, US citizen or US tax resident compulsorily.

Shares may not be acquired or owned by, or acquired with assets of:

- any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”);
- any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986; and/or
- a person or entity the underlying assets of which include the assets of any employee benefit plan or plan by reason of Department of Labour Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA,

which are hereinafter collectively referred to as “ERISA plans”.

The ICAV reserves the right to request a written representation from investors stating that it is not acquiring Shares with the assets of an ERISA plan prior to accepting subscription orders.

PROCEDURE FOR DEALING ON THE SECONDARY MARKET

Secondary Market Purchases and Sales of Shares.

As a UCITS ETF, a Sub-Fund’s Shares purchased on the Secondary Market cannot usually be sold directly back to the Sub-Fund by investors who are not Authorised Participants. Generally, investors who are not Authorised Participants must buy and sell shares on a Secondary Market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees and additional taxes in doing so. In addition, as the market price at which the Shares are traded on the Secondary Market may differ from the Net Asset Value per Share, investors may pay more than the then current Net Asset Value when buying shares and may receive less than the current Net Asset Value when selling them.

An investor (that is not a Shareholder) shall have the right, subject to compliance with relevant laws and regulations, to request that the ICAV buys back its Shares in respect of a Sub-Fund in circumstances where the ICAV has determined in its sole discretion that the Net Asset Value per Share of the Sub-Fund differs significantly to the value of a Share of the Sub-Fund traded on the Secondary Market, for example, where no Authorised Participants are acting, or willing to act, in such capacity in respect of the Sub-Fund (a “Secondary Market Disruption Event”).

Investors wishing to do so should contact the Administrator to provide such proper information, including application forms and anti-money laundering documentation, as the Administrator shall require in order to register the investor as a Shareholder. A charge, which shall be at normal market rates, may apply for this process. Investors should note that Shares redeemed in this way will only be settled in cash and not by way of transfer of assets.

Redemption orders will be processed on the Dealing Day on which the Shares are received back into the account of the

transfer agent by the dealing cut-off time less any applicable Duties and Charges and other reasonable administration costs, provided that the completed buy-back request has also been received.

The Directors may at their complete discretion determine that the Secondary Market Disruption Event is of a long term nature and is unable to be remedied. In that case the ICAV may resolve to compulsorily redeem investors and may subsequently terminate the Sub-Fund.

Any investor requesting a buyback of its shares in case of a Secondary Market Disruption Event 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 investor 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. Investors should also refer to "*Costs Of Buying And Selling Shares Risk*" and "*Trading Issues Risk*" in the "*Risk Information*" section.

Secondary Market Prices. The trading prices of a Sub-Fund's Shares will fluctuate continuously throughout trading hours based on market supply and demand rather than the Net Asset Value per Share, which is only calculated at the end of each Calculation Day and/or such other day or days as the Directors may determine. The Shares will trade on the Listing Stock Exchange at prices that may be above (i.e. at a premium) or below (i.e. at a discount), to varying degrees, the Net Asset Value per Share. The trading prices of a Sub-Fund's Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility and may be subject to brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors should also refer to "*Fluctuation of Net Asset Value*" in the "*Risk Information*" section.

An indicative net asset value per share ("**INAV**"), which is an estimate of the Net Asset Value per Share generally calculated using market data, will be disseminated at regular intervals throughout the day. The INAV is based on quotes and last sale prices from the securities' local market and may not reflect events that occur subsequent to the local market's close. Premiums and discounts between the INAV and the market price may occur and the INAV should not be viewed as a "real-time" update of the Net Asset Value per Share, which is calculated only once a day. None of the ICAV, the Manager, any of its affiliates or any third party calculation agents involved in, or responsible for, the calculation or publication of such INAVs makes any warranty as to their accuracy.

GLOBAL CLEARING AND SETTLEMENT

The Directors have resolved that Shares in the Sub-Funds will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or Share certificates will be issued, other than the Global Share Certificate required for the ICSDs (being the recognised clearing systems through which a Sub-Fund's Shares will be settled). The ICAV will apply for admission for clearing and settlement through the applicable ICSD. The ICSDs for the Sub-Funds are currently Euroclear and Clearstream and the applicable ICSD for an investor is dependent on the market in which the Shares are traded. All investors in the Sub-Funds will ultimately settle in an ICSD but may have their holdings within Central Securities Depositories. A Global Share Certificate will be deposited with the Common Depository (being the entity nominated by the ICSDs to hold the Global Share Certificate) and registered in the name of the Common Depository's Nominee (being the registered holder of the Shares of a Sub-Fund, as nominated by the Common Depository) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSDs. Legal title to the Shares will be held by the Common Depository's Nominee.

A purchaser of interests in Shares will not be a registered Shareholder in a Sub-Fund but will hold an indirect beneficial interest in such Shares and the rights of such investors, where Authorised Participants, shall be governed by their agreement with their ICSD and otherwise by the arrangement with their nominee, broker or Central Securities Depository, as appropriate. 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 Authorised Participants. All references herein to distributions, notices, reports and statements to such Shareholder, shall be distributed to the Authorised Participants in accordance with such applicable ICSD's procedures.

International Central Securities Depositories. All Shares in issue are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depository and registered in the name of the Common Depository's Nominee on behalf of an ICSD, beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD.

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

Each Authorised Participant must look solely to its ICSD for such Authorised Participant's share of each payment or distribution made by a Sub-Fund to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Authorised Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their ICSD. Authorised Participants shall have no claim directly against the ICAV or any other person (other than their ICSD) in respect of payments or distributions due under the Global Share Certificate which are made by a Sub-Fund to or on the instructions of the Common Depository's Nominee and such obligations of the Sub-Fund shall be discharged thereby. The ICSD shall have no claim directly against the ICAV or any other person (other than the Common Depository).

The ICAV or its duly authorised agent may from time to time require investors 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 following details: ISIN, ICSD Participant name, ICSD Participant type - Fund/Bank/Individual, Residence of ICSD Participant, number of ETF of the Participant within Euroclear and Clearstream, as appropriate, that hold an interest in Shares and the number of such interests in the Shares held by each such participant. Euroclear and Clearstream 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 authorised pursuant to the respective rules and procedures of Euroclear and Clearstream to disclose such information to the ICAV of the interest in Shares or to its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the ICAV or its duly authorised agent and agree to the applicable ICSD providing the identity of such Participant or investor to the ICAV upon their request.

Notices of general meetings and associated documentation will be issued by the ICAV to the registered holder of the Global Share Certificate, the Common Depository's Nominee. Each Authorised Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing delivery of such notices and exercising voting rights. For investors, other than Authorised Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with an Authorised Participant of the ICSD (for example, their nominee, broker or Central Securities Depositories, as appropriate).

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.

DETERMINATION OF NET ASSET VALUE

The Manager has delegated under its responsibility the calculation of the Net Asset Value of each Sub-Fund and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Sub-Fund shall be calculated on each Calculation Day and/or such other day or days as the Directors may determine by ascertaining the value of the assets of the relevant Sub-Fund and deducting from such amount the liabilities of the Sub-Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Sub-Fund.

The Net Asset Value per Share in each Sub-Fund shall be calculated to the nearest four decimal places in the Base Currency of the relevant Sub-Fund at the Valuation Point in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised below. The Net Asset Value per Share of a Sub-Fund shall be calculated by dividing the Net Asset Value of the relevant Sub-Fund by the number of Shares in issue in that Sub-Fund.

Where a Sub-Fund is made up of more than one Share Class, the Net Asset Value of each Share Class shall be determined by calculating the amount of the Net Asset Value of the relevant Sub-Fund attributable to each Share Class. The amount of the Net Asset Value of a Sub-Fund attributable to a Share Class shall be determined by establishing the number of Shares in issue in the Share Class, allocating relevant Share Class specific expenses and fees to the Share Class and making appropriate adjustments to take account of distributions, subscriptions, redemptions, gains and losses of that Share Class, if applicable, and apportioning the Net Asset Value of the Sub-Fund accordingly. Where the Manager has created different Share Classes within a Sub-Fund and has determined that currency hedging transactions may be entered into in order to hedge any relevant currency exposure of any Share Class within a Sub-Fund denominated in a currency other than the Base Currency in accordance with the requirements of the Central Bank (collectively "Class Derivative Transactions"), in each case the Administrator shall adjust the Net Asset Value per Share of the Share Class in order to reflect the costs and resultant gains/losses of such Class Derivative Transactions. Accordingly, any appreciation or depreciation of the Net Asset Value of the relevant Sub-Fund resulting from expenses, income, gains and losses that are attributable to any Class Derivative Transactions in respect of a Share Class shall be attributable solely to the Share Class to which they relate.

The Net Asset Value per Share shall be calculated by dividing the Net Asset Value of the Share Class by the number of Shares in issue in that Share Class. In the event that Share Classes within a Sub-Fund are priced in a currency other than the Base Currency for that Sub-Fund currency conversion costs will be borne by that Share Class.

Each asset owned by an Index Tracking Sub-Fund which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the index method of valuations. Accordingly, depending on the terms of the relevant index, such assets will be valued at (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price on the relevant Recognised Market at the Valuation Point, as specified in the Relevant Supplement. Each asset owned by an Actively Managed Sub-Fund which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price on the relevant Recognised Market at the Valuation Point, as specified in the Relevant Supplement. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets.

If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be either (a) that which is the main market for the investment or (b) the market which the Manager determines provides the fairest criteria in a value for the security, as the Manager may determine.

If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Manager, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by either the Manager or a competent professional person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary or by any other means provided the value is approved by the Depositary.

If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Depositary must ensure the adoption of such a procedure is justifiable in the

context of establishing the probable realisation value of the security. Neither the Manager or its delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price or the probable realisation value for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Manager or by a competent person, firm or corporation appointed by the Manager and approved for such purpose by the Depositary or by any other means provided the value is approved by the Depositary.

Fixed income investments are generally valued using quotations from a recognised pricing service approved by the Directors. Pricing services generally value fixed income securities assuming orderly transactions of an institutional round lot size, but the Sub-Funds may hold or transact in such securities in smaller odd lot sizes. Odd lots may trade at lower prices than institutional round lots. Fixed income investments for which a pricing service does not supply a quotation will be valued through the use of broker quotes whenever possible or any other price deemed appropriate by the Manager, in conformity with the guidelines established by the Directors.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable, unless in the opinion of the Manager any adjustment should be made to reflect the fair value thereof.

Derivative instruments including options, swaps, interest rate futures contracts, exchange traded futures, index futures and other financial futures contracts which are dealt on a Recognised Market shall be valued at the settlement price as at the relevant Valuation Point as determined by the relevant Recognised Market provided that where it is not the practice of the relevant Recognised Market to quote a settlement price or if a settlement price is not available for any reason (including where a trade occurs after the last published settlement price but before the Valuation Point), such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Manager or the Investment Manager or such other competent person, who shall be approved for the purpose by the Depositary.

OTC derivatives will be valued at their probable realisation value estimated with care and in good faith by the Manager or other such competent person, firm or corporation appointed by the Manager and approved for this purpose by the Depositary. OTC derivatives shall be valued at least daily.

Forward foreign exchange and interest rate swap contracts may be valued by reference to freely available market quotations or, if such quotations are not available, in accordance with the provisions in respect of OTC derivatives.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit or share as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units or shares will be valued at their probable realisation value estimated with care and in good faith by the Manager or by a competent person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary.

Notwithstanding the above provisions the Manager may (a) adjust the valuation of any investment where such adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant; or (b) in relation to a specific asset permit an alternative method of valuation to be used if they deem it necessary, provided such method is approved by the Depositary and the rationale/methodologies used are clearly documented.

In determining the Net Asset Value per Share, values of assets and liabilities expressed in a currency other than the Base Currency of the relevant Share Class will be converted into the Base Currency at market rates. The officially quoted exchange rate may be determined prior to or after the close of a particular securities market. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Manager.

The Manager may determine that the Net Asset Value calculated in respect of a Sub-Fund on a Dealing Day on which there are net subscriptions into or net redemptions from the Sub-Fund may be adjusted to avoid or reduce the dilutive effect of such dealing caused by the cost of acquiring or disposing of investments, including, without limitation, dealing charges, taxes, and any spread between acquisition and disposal prices of investments. Any such policy shall be applied consistently in respect of a Sub-Fund and in respect of all of the investments of that Sub-Fund.

Save where the determination of the Net Asset Value per Share in respect of any Sub-Fund has been temporarily suspended in the circumstances described under “*Temporary Suspension of Dealings*” in this section, the up to date Net Asset Value per Share shall be made public as soon as possible after the Valuation Point on the Website. The Net Asset Value per Share may also be available at the office of the Administrator and published by the Administrator in various publications if required and will be notified to any Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange, if applicable.

Indicative Net Asset Value. The indicative net asset value (INAV) is an estimation of the Net Asset Value per Share of a Sub-Fund which is calculated on a continuous basis during trading hours. The values are intended to provide investors and market participants with a continuous indication of a Sub-Fund's value.

The responsibility for the calculation and publication of the INAV of a Sub-Fund has been delegated by the Manager. INAVs are disseminated and are displayed on major market data vendor terminals, including Bloomberg, Reuters.

An 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 Listing Stock Exchange. In particular, any INAV provided for a Sub-Fund where the constituents of the Index or other investments 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 continuous basis, or for any period of time, (should certain circumstances occur, for example, a natural disaster or a critical systems failure) in the event of will not in itself result in a halt in the trading of the Shares on a relevant Listing Stock Exchange, which will be determined by the rules of the relevant Listing 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 prices of the relevant constituent securities in comparison to other calculated values based upon the same constituent securities including, for example, the Index or other investments. Investors interested in dealing in Shares on a Listing 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 Index or other investments, the relevant constituent securities and financial instruments based on the Index or other investments corresponding to a Sub-Fund). None of the ICAV, the Directors, the Manager or its designee, the Depositary, the Administrator, any Authorised Participant and the other service providers shall be liable to any person who relies on the INAV.

Temporary Suspension of Dealings. The Directors may at any time, with prior notification to the Depositary and the Manager, temporarily suspend the valuation or the issue, sale, purchase, redemption and conversion of Shares of any Sub-Fund or the payment of redemption proceeds, during any period when:

- (i) while any transfer of funds involved in the realisation, acquisition or disposal of investments or payments due on sale of such investments by the ICAV cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange or be effected without seriously prejudicing the interests of the Shareholders or the ICAV; or
- (ii) during any breakdown in the communications normally employed in valuing any of the ICAV's assets, or when, for any reason, the price or value of any of the ICAV's assets cannot be promptly and accurately ascertained; or
- (iii) if the ICAV, or the Sub-Fund is being, or may be, wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the ICAV or the Sub-Fund is proposed; or
- (iv) during the existence of any state of affairs which, in the view of the Directors, constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Funds by the Investment Manager is impracticable; or

- (v) if the Directors have determined that there has been a material change in the valuation of a substantial proportion of the investments of the ICAV attributable to a particular Sub-Fund and the Directors have decided, in order to safeguard the interest of the Shareholders and the ICAV, to delay the preparation or use of a valuation or carry out a later or subsequent valuation; or
- (vi) while the value of any subsidiary of the ICAV may not be determined accurately;
- (vii) during any other circumstance or circumstances where a failure to do so might result in the ICAV or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or other detriment to which the ICAV or its Shareholders might not otherwise have suffered; or
- (viii) any period when the Directors determine that it is in the best interests of the Shareholders to do so.

The suspension of the calculation of the Net Asset Value of any Sub-Fund or Share Class shall not affect the valuation of other Sub-Funds or Share Classes, unless these Sub-Funds or Share Classes are also affected.

The ICAV may elect to treat the first Business Day on which the conditions giving rise to the suspension have ceased as a substitute Dealing Day in which case the Net Asset Value calculations and all issues and repurchases of Shares shall be effected on the substitute Dealing Day.

Notice of any such suspension of subscriptions, repurchases and redemptions shall be published by the ICAV at its registered office and through such other media as the Directors may from time to time determine and the Central Bank shall be notified immediately without delay of any such suspension, any relevant Listing Stock Exchange and the Shareholders. The Central Bank will also be notified immediately without delay of any lifting of that temporary suspension. Applications for subscriptions, conversions and redemption of Shares received following any suspension will be dealt with on the first Dealing Day after the suspension has been lifted, unless such applications have been withdrawn prior to the lifting of the suspension. Any suspension of subscriptions, repurchases and redemptions shall be strictly limited to the period necessary to address the exceptional circumstances that justify that suspension, and may only be implemented where it is duly justified having regard to the best interests of Shareholders. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. However, in circumstances where a suspension has not been lifted within 21 working days of taking effect, the Directors shall provide the Central Bank with an update on the suspension at the expiration of the 21 working day period and each subsequent period of 21 working days where the temporary suspension continues to apply.

DIVIDEND POLICY

Investors in a Sub-Fund are entitled to their share of the relevant Sub-Fund's income and net realised gains on its investments. Each Sub-Fund typically earns income in the form of dividends from stocks, interest from debt securities and, if any, securities lending income. Each Sub-Fund realises capital gains or losses whenever it sells securities. Depending on the underlying market, if there are capital gains, the Sub-Fund may be subject to a capital gains tax in that underlying market.

Each Sub-Fund may have either Accumulating Share Classes or Distributing Share Classes or both.

With respect to the Accumulating Share Classes in all Sub-Funds, the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such Accumulating Share Classes and therefore do not intend to declare dividends in respect of Shares in such Share Classes.

Pursuant to the Instrument of Incorporation, the Directors may declare dividends, in respect of Shares in any Distributing Share Class out of net income (including dividend and interest income) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV, unless otherwise specified in the Relevant Supplement.

As disclosed in the Relevant Supplement, in order to provide flexibility to investors, the Directors may also declare dividends in respect of Shares in any Distributing Share Class out of capital.

The distribution frequency for the Distributing Classes of a Sub-Fund will be specified in the Relevant Supplement, Subject to income being available for distribution, the Directors may also decide to declare and pay interim dividends in relation to any of the Distributing Classes. All Shares in issue in a Distributing Class on any date on which the Directors determine to declare a dividend in respect of such Distributing Class will be eligible for such dividend.

Dividends remaining unclaimed six years after the dividend record date will be forfeited and will accrue for the benefit of the relevant Sub-Fund.

Distributions of dividends and other payments with respect to Shares held through the ICSDs will be credited to the cash accounts of such the ICSDs' 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.

The distribution policy of any Sub-Fund or of any Share Class may be changed by the Directors, upon reasonable notice to Shareholders of that Sub-Fund or Share Class as the case may be and, in such circumstances, the distribution policies will be disclosed in an updated Prospectus and/or the Relevant Supplement.

FEES AND EXPENSES

All of the following fees and expenses payable in respect of a Sub-Fund or Share Class are paid as one single fee, which will not exceed an amount described in the Relevant Supplement. This is referred to as the total expense ratio or “TER”. The TER is payable monthly in arrears, out of which all the operational expenses of the Sub-Fund will be paid as set out below:

- All the ordinary operating and administrative expenses of the ICAV or Share Class, including, but not limited to, Directors’, auditors’, legal advisors’, Investment Manager’s, Manager’s, Administrator’s, Depositary’s, Distributor’s, paying agent’s, sub-custodian’s, sub-distributors, Index Providers’ and other service providers’ fees and expenses. This also includes formation expenses for the ICAV and any Sub-Fund, such as organisation and registration costs; accounting expenses covering fund accounting and administrative services; transfer agency expenses covering registrar and transfer agency services; administrative services and domiciliary agent services; the fees and reasonable out-of-pocket expenses of the service providers and Paying Agents and representatives; legal fees and expenses; ongoing registration, listing and quotation fees, including translation expenses; the cost of publication of the Share prices and postage, telephone, facsimile transmission and other electronic means of communication; and the costs of printing and distributing the Prospectus and Supplements, Key Information Document(s), reports, accounts and any explanatory memoranda, any necessary translation fees.

Subject to applicable law and regulation, each of the Manager or Investment Manager may pay part or all of its fees to any person that invests in or provides services to the ICAV or in respect of any Sub-Fund in the form of a commission, retrocession, strategy licence fee, rebate or discount. If a Sub-Fund / Share Class’s expenses exceed the TER outlined above in relation to operating the Sub-Funds, the Investment Manager will cover any shortfall from its own assets.

The TER does not include extraordinary costs, transaction costs and related expenses, including but not limited to, transaction charges, stamp duty or other taxes on the investments of the ICAV, including duties and charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the ICAV’s investments, Share Class hedging costs, 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 Sub-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 a Sub-Fund or the ICAV which will be paid separately out of the assets of the relevant Sub-Fund.

In certain jurisdictions where subscriptions, redemptions and conversions are made through a third party agent, additional fees and expenses may be imposed by that third party upon local investors. Such fees and expenses do not accrue to the ICAV.

The TER is calculated and accrued daily from the Net Asset Value of each Sub-Fund and payable monthly in arrears and the TER for each Sub-Fund / Share Class is listed in the Relevant Supplement.

Subscription, redemption and conversion charges of other UCITS eligible collective investment schemes, including exchange traded funds, managed by the Manager, the Investment Manager or their affiliates into which a Sub-Fund may invest will be waived.

Sub-Funds may invest in other UCITS eligible collective investment schemes, including exchange traded funds, including those managed by the Manager, the Investment Manager or their affiliates which may charge investment management and/or performance fees. Such fees will be reflected in the Net Asset Value of the relevant Sub-Fund.

TAX INFORMATION

IRELAND

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities).

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

Taxation of the ICAV

The ICAV intends to conduct its affairs so that it is Irish tax resident. On the basis that the ICAV is Irish tax resident, the ICAV qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Irish exit tax regime which is ordinarily applicable to an 'investment undertaking' does not apply to an 'investment undertaking', such as the ICAV, which is an ETF, provided the Shares of the ICAV remain held in a clearing system that is recognised by the Irish Revenue Commissioners (which currently includes Euroclear and Clearstream). As a result, the ICAV will not be obliged to account for any Irish exit tax (or other Irish tax) in respect of the Shares. Certain categories of Irish Shareholders will be required to self-account for Irish tax due, as described in more detail below.

If the Shares cease to be held in such a recognised clearing system, the ICAV would be obliged to account for Irish exit tax to the Irish Revenue Commissioners in certain circumstances.

Taxation of Non-Irish Shareholders

Shareholders who are not resident (or ordinarily resident) in Ireland for Irish tax purposes will have no liability to Irish income tax or capital gains tax in respect of their Shares.

If a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax (on a self-assessment basis) in respect of the Shares. Explanations of the terms '*resident*' and '*ordinarily resident*' are set out at the end of this summary.

Taxation of Irish Shareholders

Shareholders who are resident (or ordinarily resident) in Ireland for Irish tax purposes will be obliged to account (on a self-assessment basis) for Irish tax due (if any) arising on distributions, redemptions and disposals (including deemed disposals where Shares are held for eight years) in respect of the Shares. For Shareholders who are individuals, the applicable Irish tax rate is currently 38%. For Shareholders who are companies (other than dealers in securities), the applicable Irish tax rate is currently 25%.

Irish Stamp Duty

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in specie* of assets from the ICAV, a charge to Irish stamp duty could potentially arise.

Irish Gift & Inheritance Tax

Irish capital acquisitions tax (at a rate of 33%) could apply to gifts or inheritances of the Shares (irrespective of the residence or domicile of the donor or donee) because the Shares could be treated as Irish situate assets. However, any gift or inheritance of Shares will be exempt from Irish capital acquisitions tax once:

- (a) the Shares are comprised in the gift/inheritance both at the date of the gift/inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
- (b) the person from whom the gift/inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
- (c) the person taking the gift/inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift/inheritance.

Meaning of Terms

Meaning of 'Residence' for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but is incorporated in Ireland is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

Meaning of 'Residence' for Individuals

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

- (a) spends 183 days or more in Ireland in that calendar year; or
- (b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

Meaning of 'Ordinary Residence' for Individuals

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 the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2026 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2029.

Meaning of "Intermediary"

An "intermediary" means a person who:

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

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities' change

from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

Automatic Exchange of Information for International Tax Compliance

In order to comply with the legislation implementing applicable legal obligations including those under various intergovernmental agreements and EU directives relating to the automatic exchange of information to improve international tax compliance (including but not limited to, the United States provisions commonly known as FATCA (the Foreign Account Tax Compliance Act) and the OECD Common Reporting Standard), the ICAV (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status, to the relevant authorities.

The ICAV is a reporting financial institution and will comply with these Irish laws.

When requested to do so by the ICAV or its agent, Shareholders must provide information including tax certifications. All Shareholders that are Reportable persons (and Controlling Persons of certain entities that are Passive Non-Financial Entities) under the various applicable rules will be reported to the relevant tax authority and by that tax authority, to any relevant overseas tax authorities.

Additionally, US persons, US citizens and US tax residents are subject to reporting to the United States Internal Revenue Service (IRS) and may be subject to US withholding taxes.

U.S. Withholding Taxes Imposed Upon Foreign Financial Institutions

Pursuant to U.S. withholding provisions commonly referred to as the Foreign Account Tax Compliance Act ("**FATCA**"), certain payments of fixed or determinable annual or periodic gains, profits and income, including dividends, interest and gains attributable to original issue discount, from sources within the United States, made after 30 June 2014, certain payments attributable to gross proceeds from the sale or other disposition of property that could produce U.S. source interest or dividends made after 31 December 2016, and certain payments (or a portion thereof) by a foreign financial institution made after 31 December 2016, to each Sub-Fund will be subject to a withholding tax of 30% unless the applicable Sub-Fund complies with various reporting requirements.

The United States has entered into an intergovernmental agreement with the Irish Government regarding the implementation of FATCA by Irish financial institutions (the "**Irish IGA**"). Under FATCA and the Irish IGA, the ICAV and each Sub-Fund will be treated as a "foreign financial institution" for this purpose. As a foreign financial institution, in order to be compliant with FATCA, either each Sub-Fund or the ICAV will be required to register with the IRS and either the Sub-Fund or ICAV will need to, among other requirements: (i) obtain and verify information on all of its Shareholders to determine which Shareholders are "Specified U.S. Persons" (i.e., U.S. Tax Persons other than tax-exempt entities and certain other persons) and in certain cases, non-U.S. persons whose owners are Specified U.S. Persons ("U.S. Owned Foreign Entities"); and (ii) annually report information on its Shareholders that are non-compliant with FATCA, Specified U.S. Persons and U.S. Owned Foreign Entities to the Irish Revenue Commissioners. In addition, each non-U.S. entity in which the ICAV invests, such as an offshore Permitted Company (each an "Offshore Entity") may be required to obtain and provide similar information to the IRS and its local tax authority under the terms of an intergovernmental agreement in order to be compliant with FATCA. No assurances can be provided that each Sub-Fund, and each Offshore entity will be exempt from this 30% withholding tax.

The ICAV and the Sub-Funds should generally not be subject to this FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the ICAV if the ICAV did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the ICAV as being a 'non-participating financial institution' for FATCA purposes.

Shareholders should consult their own tax advisers regarding the potential implications of this withholding tax.

UNITED KINGDOM

The following is a summary of various aspects of the United Kingdom (“UK”) taxation regime which may apply to the ICAV and to UK tax resident individuals subscribing for, acquiring, holding and disposing of Shares. It applies only to such UK resident individuals who are UK domiciled (or deemed domiciled), holding Shares directly and for their own benefit as an investment, rather than those who hold Shares as part of a financial trade, profession or vocation carried on in the UK, whether through a branch or agency or permanent establishment (such individuals being referred to below as “UK Investors”). In particular, this summary does not deal with the position of certain classes of investor, such as dealers in securities and insurance companies, trusts or persons who have acquired their shares by reason of their or another’s employment, nor (in relation to stamp duty and stamp duty reserve tax) market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services. It does not deal with the position of individuals who are UK tax resident but non-domiciled, and nor does it deal with the tax position of any non-natural person acquiring, holding and disposing of Shares.

The following summary is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. Such law and practice may be subject to change. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in a Sub-Fund is made will endure indefinitely.

Where reference is made below to the intended conduct of the affairs of the ICAV or its business, or to the intention of the Directors, no assurance is given or guarantee is made that such intentions will be realized, or that any such intention will continue following the date of this Prospectus.

The below summary is not exhaustive and should not be taken to constitute legal or tax advice. Each prospective UK Investor should consult his or her own professional advisers as to the tax treatment of subscribing for, acquiring, holding and disposing of Shares.

The ICAV

It is intended that the affairs of the ICAV will be conducted in such a manner that the ICAV should not become resident in the UK for taxation purposes. Therefore, provided that the ICAV does not carry on a trade in the UK (as to which, see further below), then the ICAV should not be subject to UK income tax, capital gains tax or corporation tax on income or chargeable gains arising to it, other than on certain UK source income (or income with a comparable connection to the UK) from which tax may be deducted, and tax on gains realised on disposals of certain direct or indirect interests in UK real estate, under proposals (not yet in law) of the UK government to subject such disposals to tax with effect from or after 1 April 2019 (such taxes on UK source (or comparable connection) income and on such disposals being “UK Nexus Taxes”).

It is noted that the provisions of Section 363A of the UK’s Taxation (International and Other Provisions) Act 2010 provide that (subject to certain exclusions), where a corporate fund is authorised as a UCITS, then the corporate fund should be treated as if it were not resident in the UK for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principles. The affairs of the ICAV are intended to be conducted so as fall within these provisions.

It is the intention of the Directors that assets held by the ICAV will generally be held for investment purposes and not for the purposes of carrying on a trade. Even if Her Majesty’s Revenue & Customs (“HMRC”) successfully argued that the ICAV was trading for UK tax purposes, it is expected that the conditions of the UK’s investment management exemption (“IME”) should be satisfied (although no guarantee is given in this respect). Assuming that the requirements of the IME are satisfied, the ICAV should not be subject to UK income tax, corporation tax or capital gains tax in respect of the income, profits or gains made on its investments (other than UK Nexus Taxes). This is on the basis that the investments made by the ICAV meet the definition of a “specified transaction” in the UK’s Investment Manager (Specified Transactions) Regulations 2009. It is expected that the investments made by the ICAV should meet the definition of a “specified transaction”, although no guarantee is given in this respect.

If the conditions of the IME are not met, or if any investments made by the ICAV are not considered to be specified transactions, this may lead to tax leakage within the ICAV.

Shareholders

A holding of Shares is likely to constitute an interest in an “offshore fund” for the purposes of Part 8 of the UK’s Taxation (International and Other Provisions) Act 2010, with each Sub-Fund or Share Class likely to be treated as a separate “offshore fund” for these purposes. The UK’s “reporting fund regime”, which is contained in the UK’s Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001) (the “**Offshore Funds Regulations**”), is expected, where that is the case, to apply separately to each Sub-Fund or Share Class.

The tax treatment applicable to a UK Investor will depend on whether the Sub-Fund or Share Class in which the UK Investor has an interest has received certification as a “reporting fund” (as defined for the purposes of the Offshore Funds Regulations) from HMRC. Broadly speaking, under the UK’s reporting fund regime, UK Investors should secure capital gains tax treatment on the disposal of their Shares, where the Sub-Fund or Share Class has been a reporting fund through the entire period over which the UK Investor held the relevant Shares. Otherwise, an “offshore income gain” (as defined for the purposes of the Offshore Funds Regulations) is likely to arise. See further below.

Subject to their specific tax position, UK Investors will normally be liable to UK income tax in respect of dividends or other distributions of a Sub-Fund or Share Class (including any dividends funded out of realized capital profits of a Sub-Fund or Share Class), whether or not reinvested. In addition, UK Investors holding Shares at the end of each “reporting period” (as defined for the purposes of the Offshore Funds Regulations) will potentially be liable to UK income tax on their share of a Class’s “reported income” (as defined for the purposes of the Offshore Funds Regulations), to the extent that this amount exceeds dividends received. Further details on the reporting fund regime and its implications for UK Investors are discussed below.

Offshore Funds Regulations and the UK reporting fund regime

Under the Offshore Funds Regulations, where a UK Investor holds an interest in an offshore fund which is a “non-reporting fund” (as defined for the purposes of the Offshore Funds Regulations), any gain (an “offshore income gain”) accruing to that UK Investor upon the sale or other disposal of that interest (it being noted that a “disposal” for these purposes may include the exchange or conversion of interests in one Share Class or Sub-Fund for interests in another) will be charged to UK tax as income and not as a capital gain.

Alternatively, where a UK Investor holds an interest in an offshore fund that has been a “reporting fund” for all periods of account for which that UK Investor held their interest, any gain accruing upon sale or other disposal of the interest should be subject to tax as a capital gain rather than income, with relief for any accumulated or reinvested profits which have already been subject to UK income tax.

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Investor held their interest and a reporting fund for the remainder of that time, the UK Investor may potentially make certain elections to ensure that the gain made during the time when the offshore fund was a reporting fund will be taxed as a capital gain. Such elections have specified time limits in which they can be made. Potential UK Investors should refer to their tax advisors for further information.

The Directors intend to make an application to HMRC for certain Sub-Funds or Share Classes (as applicable) to be treated as reporting funds. In broad terms, a “reporting fund” under the Offshore Funds Regulations is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its investors. The Directors intend to manage the affairs of the ICAV with respect to certain Sub-Funds (or, if different, certain Share Classes) so that these upfront and annual requirements are met and continue to be met on an ongoing basis for all Sub-Funds (or, if different, all Share Classes) which have been accepted into the UK’s reporting fund regime. Such annual requirements will include calculating and reporting the income returns of the relevant Sub-Fund or Share Class for each “reporting period” (as defined for the purposes of the Offshore Funds Regulations) on a per-Share basis to all relevant “investors” (as defined for these purposes).

If reporting fund status is obtained from HMRC for any Share Class or Sub-Fund, it will remain in place in relation to that Share Class or Sub-Fund indefinitely, so long as the relevant annual requirements are met. Prospective UK Investors should refer to their tax advisors for further detail on the implications of a Share Class or Sub-Fund obtaining such status.

In addition to the above, were HMRC to successfully argue that the ICAV is trading for UK tax purposes, all returns earned by a Sub-Fund from its interest in its underlying assets may need to be included in the calculation of “income” for the purposes of computing the relevant amount to report to investors in order to meet the requirements for reporting fund status.

in respect of a Share Class or Sub-Fund. However, it is likely that the investments made by the Sub-Funds should meet the definition of an “investment transaction” (as defined for the purposes of the Offshore Funds Regulations). Therefore, these investments should be considered as “non-trading transactions” (as likewise defined). This assumes in particular that the “equivalence condition” and the “genuine diversity of ownership condition” (as defined for the purposes of the Offshore Funds Regulations) are met at all relevant times, which cannot be guaranteed.

If a Share Class obtains reporting fund status, UK Investors holding Shares in that Share Class at the end of each reporting period will be subject to UK income tax on their share of any excess of the Share Class’s reported income over any distributions paid in respect of the reporting period. The excess reported income will be deemed to arise to UK Investors on the date six months following the end of the reporting period. Both dividends and excess reported income will be treated as dividends received from a foreign corporation, subject to any recharacterisation as interest under the “bond fund” rules, as outlined below. A UK Investor should benefit from the UK’s dividend allowance (£2,000 for the 2018/19 tax year) in respect of such distributions.

Overview of taxation of investors in “bond funds”

Broadly speaking, a Sub-Fund or a Share Class is likely to be viewed as a “bond fund” under UK tax legislation for an accounting period if at any time in that accounting period the market value of the “qualifying investments” (being, broadly, government and corporate debt, securities or cash on deposit (other than cash awaiting investment) or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period are categorised as bond funds) attributable to the Sub-Fund or Share Class exceed more than 60% of the market value of the total assets attributable to the relevant Sub-Fund or Share Class.

Whether a Sub-Fund or Share Class is a bond fund for any period would need to be formally confirmed on an annual basis by review of the proportional weighting of the ‘qualifying investments to total assets throughout that period on a Sub-Fund or Share Class basis.

There are specific rules applicable to investors in bond funds. Under these rules, dividends and other income distributions paid or deemed to be paid to UK Investors in respect of the relevant Sub-Funds or Share Classes which are deemed to be bond funds may instead be taxed as interest as opposed to dividends, and UK Investors would not in that case benefit from the UK’s dividend allowance in respect of such distributions.

UK anti-avoidance legislation

UK tax legislation contains a wide range of anti-avoidance legislation, which could, depending on the specific circumstances of a UK Investor, apply to subscribing for, acquiring, holding and disposing of Shares. The comments below are not an exhaustive list of such anti-avoidance legislation, nor a comprehensive summary of any of the provisions referred to. Prospective UK Investors should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective UK Investors is particularly drawn to the following.

Chapter 2 of Part 13 of the Income Tax Act 2007 (Transfer of assets abroad)

The attention of prospective UK Investors is drawn to the provisions of Chapter 2 of Part 13 of the UK’s Income Tax Act 2007, which may render a UK Investor liable to UK income tax in respect of undistributed income of the ICAV.

Section 13 of the Taxation of Chargeable Gains Act 1992 (Attribution of gains to members of non-resident companies)

The attention of prospective UK Investors is drawn to the provisions of Section 13 of Taxation of UK’s Chargeable Gains Act 1992. Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. A UK Investor could therefore incur a liability to tax even if the gain accruing to the ICAV had not been distributed by the ICAV. No liability under these provisions will be incurred by such UK Investor, however, where the proportionate interest of the UK Investor in the ICAV, together with their associates, means that 25% or less of the chargeable gain is apportioned to them under the these provisions.

Chapter 1, Part 13 of the Income Tax Act 2007 (Transaction in securities)

The attention of prospective UK Investors is drawn to the legislation in Chapter 1, Part 13 of the Income Tax Act 2007 (Transactions in securities), which could apply to UK Investors seeking to obtain certain tax advantages in prescribed conditions.

Stamp duty and stamp duty reserve tax

It is intended that the Register will be kept and maintained outside of the UK. As a result, no UK stamp duty reserve tax should be payable by investors in relation to the transfer, subscription or redemption of Shares. No UK stamp duty will be payable on the issuance of Shares, and, in practice, a requirement to pay UK stamp duty is unlikely to arise on any instrument in writing transferring the Shares. The ICAV itself, however, may be required to pay stamp duty reserve tax or ad valorem stamp duty in respect of the acquisition of securities constituting investments of a Sub-Fund. In particular, stamp duty reserve tax will be payable (generally at a rate of 0.5 per cent.) on the acquisition of shares in companies which are incorporated in the UK or which hold and maintain their share register in the UK.

Inheritance tax

A UK Investor may be liable to UK inheritance tax on their Shares in the event of a death or on the making of certain categories of lifetime transfer.

Tax Reporting

Shareholders will receive certain financial information, which they may use in the preparation of required tax returns. Depending on the particular jurisdiction in which each Shareholder is obligated to file tax returns, the information provided to such Shareholder may not be timely or sufficient for such Shareholder to comply with its tax filing obligations. Each Shareholder will be responsible for the preparation and filing of such Shareholder's own income tax return, and Shareholders should expect to obtain extensions of the filing date for their income tax returns.

All relevant tax information will be published on WM Datenservice. The applicable fund tax exemption as well as the equity ratio will also be available on WM Datenservice.

Other Jurisdictions: Taxation of Shareholders

Shareholders may be subject to taxation in other jurisdictions as a result of an investment in interests in the ICAV, including in jurisdictions other than their jurisdiction of residence. The tax treatment of Shareholders in their jurisdictions of tax residence will depend entirely on the laws of such jurisdictions, and may vary considerably from jurisdiction to jurisdiction. Shareholders may be subject to special tax, reporting, or other regimes in their jurisdictions of tax residence, including potential material adverse tax consequences. For example, considerations in certain jurisdictions may include, among other things, that (i) the manner and/or jurisdiction in which the ICAV or the Sub-Fund is organized and operated may materially adversely affect a Shareholder's basis in its interests in the ICAV, such Shareholder's ability to obtain a deduction or credit for such basis, or both, (ii) all or a portion of the income from a Shareholder's interests in the ICAV may be subject to unfavourable tax rates as compared to the rates applicable to direct investments in the ICAV's assets, (iii) a Shareholder may be unable to claim a deduction or credit for withholding taxes borne by the ICAV, whereas a direct investment in the ICAV's assets might allow a claim for such credit, (iv) an investment in the ICAV could result in a Shareholder recognizing taxable income in its jurisdiction of tax residence significantly in excess of cash received by such Shareholder from the ICAV, including but not limited to as a result of taxation on an accrual basis, possibly in amounts that exceed the Shareholder's actual economic income from the ICAV, (v) there may be restrictions on the use of a Shareholder's share of the ICAV's deductions or losses in its jurisdiction of tax residence, (vi) there may be special filing requirements in a Shareholder's jurisdiction of tax residence in respect of its investment in interests in the ICAV, and (vii) information provided to Shareholders may not be timely or sufficient for a Shareholder to file required tax returns in its jurisdiction of tax residence. Accordingly, each prospective Shareholder is strongly urged to consult its tax advisor with respect to the tax implications for the prospective Shareholder of using the Service in the prospective Shareholder's jurisdiction of tax residence.

UNITED STATES TAXATION OF THE ICAV

The ICAV is expected to be operated in a manner that it will not be deemed to be engaged in a trade or business in the United States, and as a result, it is expected that the ICAV will not be subject to U.S. federal income tax on a net basis on any of its trading profits. Moreover, it is expected that the ICAV will not receive a significant amount of income that will be subject to U.S. federal withholding tax, except as described above in Purchase and Sale Information: US Persons / ERISA plans or as provided otherwise in the Relevant Supplement.

The ICAV may invest in master limited partnership (“MLP”) related securities, including exchange traded funds and exchange traded notes, and intends to make investments that will not result in it being treated as a partner in a partnership for U.S. federal income tax purposes that is engaged in a U.S. trade or business. As a result, the ICAV generally does not expect that it will be subject to U.S. federal income tax on a net basis on any of its income. However, if the ICAV were to invest in a partnership for U.S. federal income tax purposes that was engaged in a U.S. trade or business, the ICAV’s income and gain from such investment that is effectively connected with such U.S. trade or business would be subject to U.S. federal income tax on a net basis (and the ICAV would be subject to an additional 30% branch profits tax on all or some portion of this income, unless such rate of tax is reduced under the U.S.-Ireland income tax treaty) and could be subject to U.S. state and local income taxes. Moreover, gains from the sale, exchange, or other disposition of an interest in a partnership for U.S. federal income tax purposes that would generate income effectively connected with a U.S. trade or business if such partnership were deemed liquidated on the date of the sale, exchange, or other disposition, will be subject to tax and, under recent U.S. federal income tax reform (with respect to which the implementation of this tax is not yet clear), any such disposition may be subject to withholding tax by the transferee, potentially in an amount in excess of the amount of such gains.

The U.S. federal income tax treatment of exchange traded funds is uncertain and it is possible that the ICAV would be subject to U.S. federal income tax (and the 30% branch profits tax) on a net basis on all or a portion of its income from such investments. In addition, while the ICAV generally intends to make investments that would not result in it recognising income or gain in respect of “U.S. real property interests” (as defined in Section 897 of the United States Internal Revenue Code of 1986, as amended), no assurances can be provided that the ICAV will not recognise income and gain from U.S. real property interests, which income and gain would be subject to U.S. federal income tax on a net basis, whether or not the ICAV is engaged in a U.S. trade or business.

MANAGEMENT

Directors. The Directors of the ICAV are listed below with their principal occupations.

Yvonne Connolly (Irish resident) began her career in the funds industry in 1990 and acts as a Director for Irish management companies and funds, as well as Cayman domiciled hedge funds. She is also a conducting officer to UCITS IV management companies and self-managed VCCs. Ms. Connolly is a specialist in governance, product development, compliance, financial reporting and operations. She also has experience in assisting fund managers and service providers with various aspects of operational developments, control and risk management. She is a recognised expert in back office operations and change management and regularly speaks at fund industry conferences. Ms. Connolly is a Principal at Carne Global Financial Services Limited. Prior to joining Carne, Ms. Connolly was Head of Operational Development at State Street (International) Ireland (formerly Deutsche Bank), where she looked after new business take on, product development, system implementation and change management. As a member of the senior management team at State Street, Ms. Connolly reported directly to the CEO and was a key contributor to the overall strategy and direction of the business. Ms. Connolly trained as a chartered accountant with KPMG, specialising in corporate taxation. She is a Fellow of the Institute of Chartered Accountants.

Naomi Daly (Irish resident) serves as a full time independent director to a number of Irish domiciled investment funds. She worked as a senior executive of MPMF Fund Management (Ireland) Limited from 2013 to 2018. Prior to joining MPMF, Ms. Daly spent 10 years with Goldman Sachs International in London where she held a number of positions within the fixed income division and prime brokerage. Ms. Daly was previously a business analyst at Allied Irish Bank in Dublin. Ms. Daly holds a Bachelor of Arts Degree (Hons) in Business Studies and an MSc in International Business, from the U.C.D. Michael Smurfit Graduate School of Business.

Bryan Tiernan (Irish resident) currently serves as a full time specialist independent director to a number of Irish domiciled investment funds. He has worked as an independent director and also as a senior consultant with KB Associates from July 2014 to December 2015. Mr. Tiernan has been active in the funds industry since 2001. Prior to joining KB Associates, Mr. Tiernan was Managing Director of Lyxor Asset Management (Ireland) Limited since October 2009. Mr. Tiernan has held numerous management roles and directorships within several Société Générale Asset Management and Russell Investments Companies and Funds in Ireland. Mr. Tiernan began his career with Société Générale Asset Management in 2001 as company accountant of SG/Russell Asset Management Limited and Lyxor Asset Management (Ireland) Limited (formerly SGAM (Ireland) Limited). In 2004, Mr. Tiernan became financial controller of both entities. Mr. Tiernan is a Certified Investment Fund Director (CIFD) and Chartered Alternative Investment Analyst (CAIA) Charter holder. He also holds a degree of Bachelor of Business Studies (Hons) from Dublin City University and is a fellow of the Association of Chartered Certified Accountants.

The Directors are responsible for managing the business affairs of the ICAV.

The Directors have delegated (a) the safe-keeping of the ICAV's assets to the Depositary; and (b) the administration of the ICAV's affairs and responsibility for the investment management, distribution and marketing of the ICAV to the Manager. The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the ICAV or in which the ICAV is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. The ICAV has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV.

The Directors' address is the registered office of the ICAV.

Depositary. The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as Depositary to the ICAV pursuant to the Depositary Agreement.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990 and its main activity is the provision of depositary and custody services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation.

Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2025, the Northern Trust Group's assets under custody and administration totalled in excess of US\$ 18.1 trillion.

Up-to-date information regarding the Depositary's identity, a description of its duties, delegation of any of its duties and the applicable conflicts of interests will be made available to Shareholders on request.

The Depositary is a service provider to the ICAV and is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. The Depositary will not participate in the investment decision-making process.

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

Key Depositary Duties

The Depositary Agreement is governed by the laws of Ireland and contains provisions governing the responsibilities and duties of the Depositary. They include, amongst others, the following:

- (i) ensuring that the ICAV's cash flows are properly monitored, and that all payments made by or on behalf of Shareholders upon the subscription of Shares have been received and booked in the appropriate accounts;
- (ii) provide safekeeping, oversight and asset verification services in respect of the assets of the ICAV and each Sub-Fund in accordance with the provisions of the UCITS Regulations;
- (iii) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with applicable law (including the UCITS Regulations) and the Instrument of Incorporation;
- (iv) ensuring that the value of the Shares is calculated in accordance with the applicable laws and the Instrument of Incorporation;
- (v) carrying out the instructions of the ICAV and the Manager, unless they conflict with the applicable law (including the UCITS Regulations) and the Instrument of Incorporation;
- (vi) ensuring that in transactions involving the ICAV's assets any consideration is remitted to the ICAV within the usual time limits; and
- (vii) ensuring that the ICAV's income is applied in accordance with the applicable law (including the UCITS Regulations) and the Instrument of Incorporation.

Depositary Liability

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

The Depositary Agreement provides that the ICAV shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the ICAV from and against any and all third party actions, proceedings claims, costs, demands and expenses which may be brought against suffered or incurred by the Depositary other than in circumstances where the Depositary is liable by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control of the Depositary) and/or (ii) the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations and the Depositary Agreement.

Agreement.

The Depositary has delegated safekeeping duties to its global sub custodian, The Northern Trust Company, London Branch. The Northern Trust Company, London Branch, as the Depositary's global sub custodian, has appointed certain entities as sub-custodians in each of the markets which are set forth in Schedule III of this Prospectus. This list may be updated from time to time and is available upon request in writing from the Depositary.

The Depositary in no way acts as guarantor or offeror of the ICAV's Shares or any underlying investment. The Depositary is a service provider to the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV.

Shareholders may invoke the liability of the Depositary directly or indirectly through the ICAV provided this does not lead to a duplication of redress or to unequal treatment of Shareholders

Delegation and Conflicts of Interest

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of its depositary services and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation.

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. The Depositary has delegated custody services and asset verification services to The Northern Trust Company, London Branch. The Northern Trust Company has sub-delegated custody services and asset verification services to sub-custodians in certain eligible markets in which the ICAV may invest.

It is therefore possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the ICAV or a particular Sub-Fund and/or other funds managed by the Manager or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Re-use of the ICAV's assets

The Depositary Agreement contains a provision which provides that the Depositary or third parties to who safekeeping duties are delegated may not re-use the ICAV's assets.

Termination

The Depositary Agreement shall continue until it is terminated in accordance with its terms, which provide, amongst other things in this regard, that each of the ICAV and the Depositary may terminate the Depositary Agreement on 90 days written notice or forthwith by notice in writing in certain circumstances such as the unremedied material breach after service of written notice provided that the Depositary shall continue to act as Depositary until a successor Depositary approved by the Central Bank is appointed by the ICAV or the ICAV's authorisation by the Central Bank is revoked.

Up to date information

Up-to-date information regarding the Depositary, its duties, the delegation of functions by the Depositary (including the list of such delegates) and conflicts of interest that may arise both generally and in the context of delegation is available on request from the ICAV.

Manager. The ICAV delegates UCITS management company functions to the Manager. The Central Bank UCITS Regulations refer to the “responsible person”, being the party responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the ICAV.

The Manager

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

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

The directors of the Manager are:

Teddy Otto (nationality: German – Irish resident)

Mr. Otto is a Principal with the Carne Group. He has extensive experience of fund governance, fund structuring and establishment, risk management and fund operations. Mr. Otto acts as a non-executive director of the Manager and several fund boards. Before joining Carne Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as Head of Fund Operations, Head of Product Management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

Sarah Murphy (nationality: Irish – Irish resident)

Sarah is the Chief Executive Officer and Executive Director of the Manager, a UCITS management company and Alternative Investment Fund Manager (AIFM) authorised by the Central Bank of Ireland which supports a diverse range of UCITS and AIF structures across multiple asset classes and jurisdictions. She is responsible for the strategic leadership, regulatory compliance, and governance of the firm’s operations. Sarah brings extensive expertise in management company operations, including delegate oversight, risk management, and regulatory infrastructure. She has led the design and implementation of governance frameworks that are aligned with regulatory expectations.

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

Elizabeth Beazley (nationality: Irish – Irish resident)

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

Bank of Bermuda (now HSBC). Ms Beazley has been a member of various industry working groups and currently acts as Chair of the Irish Funds' Management Company Working Group in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business at University College Dublin. Ms Beazley is a member of the Association of Chartered Certified Accountants.

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

Jackie is an experienced independent non-executive director; she sits on Carne Group's Irish and Luxembourg management companies as well as having other directorship mandates in Ireland. She has over 30 years' experience in the Finance Industry, including 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Jackie was responsible for setting up GSAMFSL in Ireland.

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

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

Aleda Anderson (nationality: USA – Irish resident)

Aleda is an independent non-executive director for Baillie Gifford Investment Management Europe and the Irish fund management companies of the Carne Group, one of Europe's largest third-party fund managers. She was most recently Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ: PFG). Prior to relocating to Ireland from the United States in 2018, she was Director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30+ year career, Aleda also held various positions at Charles Schwab in San Francisco, CA, including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds. Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Aleda studied Philosophy and Religion at San Francisco State University and holds a Master of Science (MSc) degree in Financial Services, Professional Diplomas in Strategic Management, Alternative Investments and Digital Transformation, and a Professional Certificate in Complex Financial Instruments from University College Dublin.

Antonia Mahony (nationality: Irish – Irish resident)

Ms. Mahony is a Director and Chief Operating Officer of the Manager. She is an experienced professional with over 25 years in financial services. Originally from Jersey in the Channel Islands, Ms. Mahony moved to Ireland in 2004 and continued her career in a variety of roles. Ms. Mahony has specialist knowledge in Operational Risk Management, Outsourcing, Operational Resilience including DORA and Investment Compliance Monitoring within UCITS and AIF structures.

Prior to joining Carne in 2021, Ms. Mahony spent 13 years in State Street Custodial Services (Ireland) Limited, as a Vice President holding a lead role establishing the regional Trustee and Depositary oversight department. She was a member of the Executive Committee and contributed to many strategic projects during her time, specifically system and regulatory implementation. Prior to arriving in Ireland Ms. Mahony also held senior roles in private wealth trust management, in Jersey where she also qualified as a Certified Accountant. She is currently studying for a Masters in Financial Services with the IOB in conjunction with UCD.

Ms. Mahony was the Designated Person for Operational Risk for four years in the Manager and has also held the role of Designated Person for Compliance.

Ms. Mahony is the current Chair of the Irish Funds' Operational Risk Specialist Group for a second term and sits on the

EFAMA sub-committee on resilience.

N.J. Whelan (nationality: Irish – Irish resident)

N.J. Whelan is the Chief Operating Officer at Carne Group and he has over 20 years' experience in the asset management industry.

N.J. joined Carne from PwC where he was in the Asset and Wealth Management Practice in Ireland specialising in fund audits and was an active member of various fund industry working groups.

During the early stages of his professional career, N.J. worked for BNY Mellon in Ireland. N.J. is a qualified accountant and is a fellow of the Association of Chartered Certified Accountants (FCCA).

Anit Jain (nationality: Indian - Luxembourg resident)

Ankit Jain is a Managing Director and Group Head of Private Markets at Carne Group. Ankit has extensive experience in risk management, investment solutions, and regulatory frameworks across Luxembourg and Ireland. Since joining Carne in October 2019, Ankit has served as Conducting Officer for Valuation, the Luxembourg branch and IT. He is a member of the management committee and valuation committee for Carne Luxembourg AIFM and Management Company.

Prior to joining Carne, Ankit held senior roles at Fundrock Management Company S.A., including Director of Risk and Compliance, where he was responsible for risk oversight, regulatory reporting, and governance for UCITS and AIFs. He also worked at KPMG Luxembourg as Manager in Risk Management Advisory, leading projects on risk and performance measures, and at ECPI Group as Head of Investment Strategies, managing quantitative and ESG-based portfolios.

Ankit began his career at Goldman Sachs Asset Management in Bangalore, focusing on financial reporting systems and business intelligence. He holds a Master of Science in Quantitative Finance from Università Commerciale Luigi Bocconi, Milan, and a Bachelor of Technology in Electrical Engineering from IIT, Varanasi. Ankit is a certified Financial Risk Manager (FRM).

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

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 Sub-Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

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

The ICAV shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents)

arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

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

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the 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.

Remuneration Policy of the Manager

The Manager has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Guidelines on sound remuneration policies under the UCITS Directive ("**ESMA Remuneration Guidelines**"). The Manager will procure that any delegate, including 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 Sub-Funds or the Instrument of Incorporation. It is also aligned with the investment objectives of each Sub-Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the 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.

Investment Manager. The relevant Investment Manager for each Sub-Fund will be disclosed in the Relevant Supplement. Under the terms of each Investment Management Agreement, each Investment Manager provides, subject to the overall supervision and control of the Manager, investment management services to the Manager in respect of the relevant Sub-Fund's portfolio of assets. It may, with the prior written consent of the Manager, delegate all or part of the investment management responsibilities to one or more sub-investment managers, details of which are available on request from the Manager and will be set out in the annual audited report of the ICAV or Sub-Fund. The Investment Manager will be responsible for paying the fees of any such sub-investment manager. The Investment Manager assumes the role of the promoter for the relevant Sub-Fund as detailed in the relevant Supplement.

Administrator. The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited to act as administrator, registrar and transfer agent of the ICAV pursuant to an Administration Agreement dated on or about the date of this Prospectus.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and like the Depositary, is an indirect wholly-owned subsidiary of Northern Trust Corporation. The principal business activity of Northern Trust International Fund Administration Services (Ireland) Limited is the administration of collective investment schemes.

The Administrator is authorised by the Central Bank to provide administration services to collective investment schemes.

The duties and functions of the Administrator include, *inter alia*, the calculation of the Net Asset Value and the Net Asset Value per Share, calculation of management and performance fees (if applicable), the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV's books and accounts, liaising with the Auditors in relation to the audit of the financial statements of the ICAV, carrying out the issue and redemption of Shares and the provision to the ICAV of certain registration and transfer agency services, subject to the overall supervision of the Directors.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is responsible and liable only for the administration services that it provides pursuant to the Administration Agreement. The Administrator is a service provider and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

The Administrator will not participate in any investment decision-making process.

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

The Administration Agreement contains certain indemnities by the ICAV in favour of the Administrator its officers, employees, agents, subcontractors and representatives excluding matters arising by reason of the negligence, fraud or wilful default of the Administrator in the performance of its duties and obligations under the Administration Agreement.

The Administration Agreement is governed by and construed in accordance with the laws of Ireland and accordingly is recognised and enforceable under the laws of Ireland.

Distributors. The Manager has appointed the Distributor to act as global distributor to the ICAV. The Distributor is an investment firm based in Portugal regulated by the Portuguese Securities Market Commission. Pursuant to the Distribution Agreement, the Distributor may appoint sub-distributors with respect to the ICAV from time to time. Any sub-distributors appointed shall be entitled to be paid out of the TER applicable to the relevant Sub-Fund. Sales of Shares will be made through the Distributor and any sub-distributors, pursuant to the procedures described herein.

The Distribution Agreement provides that the appointment of the Distributor will continue in force unless and until terminated by any party giving to the other parties 90 days' notice in writing although in certain circumstances the Agreement may be terminated forthwith by notice in writing by any party to the other parties. Under the Agreement, the Distributor shall not be liable for any loss or damage arising directly or indirectly out of or in connection with the performance of its obligations and duties under the Distribution Agreement unless such loss or damage arises from the fraud, bad faith, negligence, wilful default or recklessness of the Distributor in the performance by the Distributor of its duties.

Paying Agents. Local laws/regulations in certain EEA member states or any other country where a Sub-Fund is registered may require (i) the Manager to appoint Paying Agent (and the Manager may also make such appointment notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies or dividends, through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) the subscription monies for investment in a Sub-Fund held by the

Paying Agent prior to the transmission of such monies to the Administrator for the account of the relevant Sub-Fund and (b) the redemption monies and dividend payments held by the Paying Agent (after transmission by the ICAV) prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Manager, which will be at normal commercial rates, will be borne by the Sub-Fund in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Sub-Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by the Manager on behalf of the ICAV.

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

Auditors. PricewaterhouseCoopers serve as auditors to the ICAV.

Legal Counsel. Matheson LLP serve as legal counsel to the ICAV.

SCHEDULE I – DEFINITIONS

Accumulating Share Classes	any Share Class in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends, as specified in the Relevant Supplement;
Act	the Irish Collective Asset-management Vehicles Act 2015 and all applicable Central Bank regulations made or conditions imposed;
Actively Managed Sub-Fund	a Sub-Fund which is not an Index Tracking Sub-Fund and whose investments will be managed actively by the Investment Manager to seek to achieve its investment objective;
Administration Agreement	the agreement dated 27 November 2025 between the Manager and the Administrator, pursuant to which the Administrator was appointed to provide administration and accounting services to the ICAV, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited, or such other company as may from time to time be appointed to provide administration and accounting services to the ICAV in accordance with the requirements of the Central Bank;
Authorised Participant	with respect to Shares, a market maker or a broker-dealer entity, which has entered into a participating dealer agreement for the purposes of directly subscribing and/or redeeming Shares with the ICAV on the Primary Market;
Base Currency	the currency in which the Net Asset Value of each Sub-Fund is calculated or in which any Share Class is denominated;
Board	the board of Directors of the ICAV;
Business Day	as defined in the Relevant Supplement;
Calculation Day	a Business Day, unless otherwise specified in the Relevant Supplement. The Directors may, in consideration of prevailing market conditions or other relevant factors, determine whether such Business Day shall be a Calculation Day or not and, if not, shall publish such determination on the Website;
Central Bank	the Central Bank of Ireland or any successor entity;
Central Bank UCITS Regulations	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended from time to time, and any guidance issued by the Central Bank in respect of same;
Closing Date	the final day of the Offer Period;
Collection Account	a cash subscription and redemption account in the name of the ICAV into which all subscriptions into and redemptions and distributions due from a Sub-Fund will be paid;
Common Depository	the entity appointed as a depository for the ICSDs, currently The Bank of New York Mellon, London Branch having its registered office at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom;
Common Depository's Nominee	the entity appointed as nominee for any Common Depository and as such acts as the registered holder of the Shares, currently The Bank of New York Depository (Nominees) Limited;

Currency Hedged Share Classes	a Share Class for which the intention is to systematically hedge currency exposure;
Dealing Day	each Calculation Day, will be a Dealing Day, unless otherwise specified in the Relevant Supplement, and as published for each Sub-Fund on the Website and/or such other day or days as the Directors may determine and notify to the Administrator and to Shareholders in advance, provided always that there shall be at least one Dealing Day per fortnight;
Dealing Deadline	as defined in the Relevant Supplement;
Depository	Northern Trust Fiduciary Services (Ireland) Limited, Dublin Branch or such other entity as may from time to time be appointed to provide depository services to the ICAV in accordance with the requirements of the Central Bank;
Depository Agreement	the agreement dated 27 November 2025 between the ICAV and the Depository, pursuant to which the Depository was appointed as depository of the ICAV, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
Directors	the directors of the ICAV for the time being and any duly constituted committee thereof;
Distributing Share Class	any Share Class in respect of which the Directors intend to declare dividends in accordance with the Instrument of Incorporation, as specified in the “ <i>Dividend Policy</i> ” section and in the Relevant Supplement;
Distributor	Carne Global Financial Services (Europe) – Empresa de Investimento, S.A. or such other entity as may from time to time be appointed to provide distribution services to the ICAV in accordance with the requirements of the Central Bank;
Distribution Agreement	the distribution agreement dated 30 May 2024, between the ICAV, the Manager and the Distributor, as may be amended;
Duties and Charges	a fee which covers all explicit, and where appropriate, implicit transaction costs (which will be estimated on a best efforts basis), incurred by a Sub-Fund in respect of a subscription or redemption, to cover the cost of the dealing to the Sub-Fund and including, without limitation, all stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), custodian and sub-custodian charges, transfer fees and expenses, agents’ fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the Net Asset Value per Share of any Sub-Fund and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions to the relevant Sub-Fund, or sold or expected to be sold, in the case of redemptions from the relevant Sub-Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other derivative contract required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the ICAV or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or investments by or on behalf of the ICAV;
EEA	European Economic Area;
ESMA	European Securities and Markets Authority;
EU	European Union;

€ or Euro	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
FATCA	the provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010;
FDI	financial derivative instrument;
Global Share Certificate	a global share certificate issued by the ICAV to a Common Depository (or its nominee) for the Shares;
ICAV	ETF Willow ICAV;
Index	any financial index which an Index Tracking Sub-Fund will aim to track, pursuant to its investment objective and/or in accordance with its investment policies, as specified in the Relevant Supplement;
Index Provider	in relation to a Sub-Fund, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the Relevant Supplement;
Index Securities	the securities that constitute each Index;
Index Tracking Sub-Fund	a Sub-Fund which seeks to track the performance of an Index while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of its applicable Index;
Initial Offer Price	the price at which Shares may be subscribed for during the Offer Period;
Instrument of Incorporation or IOI	the Instrument of Incorporation of the ICAV;
Investment Manager	A person, company or firm as may be appointed to act as investment manager or a delegate investment manager in respect of a Sub-Fund from time to time in accordance with the requirements of the Central Bank and as set out in the Relevant Supplement;
Investment Management Agreement	the investment management agreement between the Manager and the Investment Manager as specified in the Relevant Supplement, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
Key Information Document	the form of Key Information Document provided for under Regulation (EU) 1286/2014 in respect of Packaged Retail and Insurance-based Investment Products (PRIIPS), the Key Investor Information Document provided for under the UCITS Directive or any form of similar document setting out key information in relation to a Sub-Fund or Share Class as may be required in accordance with local regulation in any jurisdiction in which the ICAV or a Sub-Fund may be registered for sale;
Listing Stock Exchange	such selected exchanges as the Directors may determine from time to time in respect of each Sub-Fund and which are specified on the Website;
Management Agreement	the agreement dated 30 May 2024 between the ICAV and the Manager, pursuant to which the Manager was appointed as UCITS management company of the ICAV, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

Manager	Carne Global Fund Managers (Ireland) Limited or such other entity as may from time to time be appointed to provide management services to the ICAV in accordance with the requirements of the Central Bank;
Member State	a member state of the European Union;
Minimum Subscription Amount	the minimum amount to be subscribed for Shares on any Dealing Day, as determined by the Directors in respect of each Sub-Fund and specified in the Relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;
Minimum Redemption Amount	the minimum amount that may be redeemed from any Sub-Fund on any Dealing Day, as determined by the Directors in respect of each Sub-Fund and specified in the Relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;
NAV Hedge	a hedging method whereby the class currency of the Currency Hedged Share Class is systematically hedged to the Base Currency;
Net Asset Value	the net asset value of a Sub-Fund calculated as described in the “ <i>Determination of Net Asset Value</i> ” section;
Net Asset Value per Share	the net asset value of a Share in any Sub-Fund, including a Share of any Share Class, calculated as described in the “ <i>Determination of Net Asset Value</i> ” section;
OECD	the Organisation for Economic Co-Operation and Development;
Offer Period	as specified in the Relevant Supplement, the period during which Shares in a Sub-Fund may be subscribed for at the Initial Offer Price, or such earlier or later date as the Directors may determine;
Paying Agents	facilities agents / paying agents / representatives / distributors / correspondent banks appointment by the Manager;
Portfolio Hedge	a hedging method whereby the currency exposures of the Sub-Fund's portfolio holdings attributable to the Currency Hedged Share Class are systematically hedged back to the class currency of the Currency Hedged Share Class, unless for specific currencies it is impractical or not cost effective to apply such hedging;
Primary Market	the off-exchange market whereon Shares are created and redeemed directly with the ICAV;
Prospectus	this document, the Relevant Supplement for any Sub-Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document;
Recognised Market	any recognised exchange or market listed or referred to in Schedule II to this Prospectus and such other markets as Directors may from time to time determine in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations;
Register	the register of Shareholders maintained on behalf of the ICAV;
Relevant Institution	(a) a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein); (b) a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United Kingdom, United States); or (c) a credit institution authorised in a third country deemed equivalent pursuant to Article 107(4) of Regulation (EU) 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 Regulation (EU) 648/2012;

Relevant Supplement	a document supplemental to the Prospectus containing information relating to each Sub-Fund;
Secondary Market	a market on which Shares of the Sub-Funds are traded between investors rather than with the ICAV itself, which may either take place on a Listing Stock Exchange or over-the-counter;
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector;
Share or Shares	a Share or Shares of whatsoever Share Class in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV attributable to the relevant Sub-Fund as described in this Prospectus;
Share Class	Shares of a particular Sub-Fund representing an interest in the Sub-Fund but designated as a class of Shares within such Sub-Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Sub-Fund to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies, currency hedging policies and/or fee arrangements specific to such Shares;
Shareholder	a person registered in the Register as a holder of Shares;
Sub-Fund	a portfolio of assets established by the Directors (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Sub-Fund;
Sub-Investment Manager	any company (which may or may not be affiliated to the Investment Manager) as may from time to time, in accordance with the requirements of the Central Bank, be appointed by the Investment Manager to act as sub-investment manager to the ICAV or any particular Sub-Fund;
Subscriber Shares	the subscriber shares of no par value issued for €1.00 each which are held by the Manager and/or its nominees;
UCITS	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
UCITS Directive	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations and as amended by Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 and the Commission Delegated Regulation (EU) supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to regulatory technical standards specifying the characteristics of liquidity management tools.
UCITS Regulations	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended, and all applicable Central Bank notices issued or conditions imposed or derogations granted thereunder;
US or United States	the United States of America, its territories and possessions including the States and the District of Columbia;

Valuation Point	the time specified for each Sub-Fund in the Relevant Supplement or such other time as the Directors may determine from time to time and notify to Shareholders; For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the dealing deadline;
Value at Risk or VaR	a risk management methodology which provides a measure of the potential loss that could arise over a given time interval under normal market conditions, and at a given confidence level.
Website	http://www.carnegroup.com, on which the Net Asset Value per Share and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the ICAV, including various Shareholder and investor communications, may be published. Should this website become unavailable for any reason, an alternative website will be notified to Shareholders on which the Net Asset Value per Share and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the ICAV, including various Shareholder and investor communications, may be published.

SCHEDULE II – RECOGNISED MARKETS

(i) Any stock exchange or market in any EU or EEA Member State or in any of the following countries: Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United Kingdom and the United States of America.

(ii) Any of the following markets or exchanges:

Abu Dhabi	Abu Dhabi Securities Exchange		
Argentina	Buenos Aires Stock Exchange Cordoba Stock Exchange La Plata Stock Exchange Mendoza Stock Exchange Rosario Stock Exchange	Indonesia	Jakarta Stock Exchange Surabaya Stock Exchange
		Israel	Tel Aviv Stock Exchange (TASE)
		Kazakhstan	Kazakhstan Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange Brasilia Stock Exchange Extremo Sul Porto Alegre Stock Exchange Minas Esperito Santo Stock Exchange Parana Curitiba Stock Exchange Gauhati Stock Exchange Regional Fortaleza Stock Exchange Rio de Janeiro Stock Exchange Santos Stock Exchange Sao Paulo Stock Exchange	Malaysia	Bursa Malaysia Berhad Bumiputra Stock Exchange
		Mexico	Bolsa Mexicana de Valores
		Namibia	Namibian Stock Exchange
		New Zealand	New Zealand Stock Exchange
		Nigeria	Nigerian Stock Exchange
Chile	Santiago Stock Exchange Valparaiso Stock Exchange	Pakistan	Karachi Stock Exchange Lahore Stock Exchange
China	Shanghai Securities Exchange Shenzhen Stock Exchange	Peru	Lima Stock Exchange
Colombia	Colombian Stock Exchange	Philippines	Philippines Stock Exchange
Egypt	Cairo and Alexandria Stock Exchange	Qatar	Doha Securities Market
Ghana	Ghana Stock Exchange	Serbia	Belgrade Stock Exchange
India	Bombay Stock Exchange Madras Stock Exchange Delhi Stock Exchange Ahmedabad Stock Exchange Bangalore Stock Exchange Cochin Stock Exchange Magadh Stock Exchange Pune Stock Exchange Hyderabad Stock Exchange Ludhiana Stock Exchange Uttar Pradesh Stock Exchange Calcutta Stock Exchange	Singapore	Singapore Stock Exchange SESDAQ
		South Africa	Johannesburg Stock Exchange
		South Korea	Korea Exchange, Inc. (KRX) KRX Stock Market Division (KRX KOSPI Market) KRX Futures Market Division (KRX Derivatives Market) KRX Korea Securities Dealers Association Automated Quotation (KOSDAQ) Division

Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Thailand Stock Exchange
Turkey	Istanbul Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange Dubai Financial Market Dubai International Financial Exchange
Uruguay	Rospide Sociedad de Bolsa S.A.
Vietnam	Vietnam Stock Exchange
Zambia	Lusaka Stock Exchange

(iii)

The following markets:

- the market organised by the International Capital Markets Association;
- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "Non-Investment Product Code" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "The Grey Paper");
- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan and (c) Market of the High-Growth and Emerging Stocks ("MOTHERS")
- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;
- the Hong Kong Growth Enterprise Market ("GEM");
- TAISDAQ
- the Stock Exchange of Singapore Dealing and Automated Quotation (SESDAQ)
- the Taiwan Innovative Growing Entrepreneurs Exchange ("TIGER")
- the Korean Securities Dealers Automated Quotation ("KOSDAQ")
- the French Market for Titres de Créances Négotiables (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
- EASDAQ (European Association of Securities Dealers Automated Quotation)

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

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

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

Depositary – Sub-custodian Delegate Information		
1. Jurisdiction	2. Sub-custodian	3. Sub-custodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	
Belgium	The Northern Trust Company	
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	

Canada	The Northern Trust Company, Canada Branch	
Canada	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China A Share	Industrial and Commercial Bank of China Limited	
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	

Euroclear	Euroclear Bank S.A/N.V	
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	Citibank Europe plc.	
Iceland	Landsbankinn hf.	
India	Citibank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Citibank, N.A., Israel Branch	
Italy	Citibank Europe plc	

Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Bank of Jordan Plc	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Citi Mexico S.A.	
Morocco	Citibank Maghreb S.A	
Namibia	Standard Bank Namibia Ltd	
Netherlands	The Northern Trust Company	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	

Nigeria	Stanbic IBTC Bank Plc	
Norway	Skandinaviska Enskilda Banken AB (publ)	
Oman	First Abu Dhabi PJSC, Oman Branch	
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Handlowy w Warszawie S.A	
Portugal	BNP Paribas SA	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	

Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	
Sri Lanka	Standard Chartered Bank	
Sweden	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	UBS AG Switzerland	
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale de Banques	
Turkey	Citibank A.S.	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine (Market suspended)	JSC "Citibank"	
United Kingdom	Euroclear UK & International Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	
Zimbabwe	The Standard bank of South Africa Limited	Stanbic Bank Zimbabwe Limited

**SCHEDULE IV – RISKS CONSIDERATIONS IN RESPECT OF INVESTMENT IN CHINA VIA STOCK
CONNECT AND BOND CONNECT**

General China Market Risks

PRC Governmental, Political, Economic and Related Considerations

For over a decade, the PRC government has been reforming the economic and political systems of the PRC. Whilst these reforms may continue, many of the reforms are unprecedented or experimental and may be refined or changed. Political, economic and social factors could also lead to further readjustments to the reform measures. A Sub-Fund's operations and financial results could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

The PRC economy has experienced significant growth in recent years, but such growth has been uneven both geographically and among the various sectors of the economy. The PRC government has implemented various measures from time to time to control inflation and to regulate economic expansion with a view to preventing overheating of the economy.

The transformation from a centrally planned, socialist economy to a more market-oriented economy has also resulted in some economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful.

In the past the PRC government has applied nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of the Sub-Fund.

Developing Legal System and Investment Regulations

Investment in PRC via Stock Connect and / or Bond Connect is governed by a series of laws, regulations and rules (including any amendments to the foregoing from time to time) (the "Investment Regulations").

The PRC's legal system is based on written statutes under which prior court decisions may be cited for reference but do not form a set of binding precedents. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements (including the Investment Regulations, as applicable) are relatively recent, their interpretation and enforcement involve significant uncertainty. In addition, the PRC laws governing business organisations, bankruptcy and insolvency provide substantially less protection to security holders than that provided by the laws of more developed countries.

In particular, the securities market and the regulatory framework for the securities industry in China is at an early stage of development. The Investment Regulations, under which a Sub-Fund invests in the PRC via the Stock Connect and / or Bond Connect and which regulate investment, repatriation and currency conversion, are relatively new. The application and interpretation of the Investment Regulations is therefore largely untested and there is uncertainty as to how they will be applied. In addition, the Investment Regulations give the relevant PRC regulators (including without limitation to CSRC, PBOC and SAFE) wide discretions and there is limited precedent or certainty as to how these discretions might be exercised, either now or in the future. The Investment Regulations may be varied in the future. Although it is hoped that any such revisions to the Investment Regulations will not prejudice a Sub-Fund, there can be no assurance that this will be the case.

Corporate Disclosure, Accounting and Regulatory Standards

The PRC's disclosure and regulatory standards are in many respects less stringent than standards in many

OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies based in OECD countries and such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. As a result, the lower levels of disclosure and transparency of certain material information may impact the value of investments made by a Sub-Fund and may lead to the Sub-Fund or its service providers an inaccurate conclusion about the value of its investments. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Sub-Fund will invest.

General Economic and Market Conditions

The performance of a Sub-Fund's investments in China may be affected by the general economic and market conditions in China, such as interest rates, availability and terms of credit facilities, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may result in volatile and unstable prices, and could impair a Sub-Fund's performance. The occurrence, continuation or deterioration of adverse economic and market conditions may result in decreased market values of a Sub-Fund's investments in China.

The PRC securities markets are undergoing a period of development and change which may lead to difficulties in the settlement and recording of transactions and uncertainty in interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to that in markets in OECD countries. There may not be equivalent regulations and monitoring of the PRC securities market and activities of investors, brokers and other participants to that in certain OECD markets. In addition, the Exchanges typically have the right to suspend or limit trading in any security traded on the relevant Exchanges. The PRC government or relevant PRC regulators may also implement policies that may adversely affect the PRC financial markets. Such suspensions, limitations or policies may have a negative impact on the performance of a Sub-Fund's investments.

Concentration Risk

Although the Investment Manager and the Sub-Investment Managers intend that each Sub-Fund will hold a diversified portfolio, conditions in the PRC and the PRC markets may mean that at times when the Investment Manager and the Sub-Investment Managers are not able to identify sufficient attractive investment opportunities, any of the Sub-Funds may hold large absolute and relative risk positions in a relatively limited number of investments which could give rise to significant losses if such investment positions decline in value.

Foreign Exchange Risk

The Sub-Funds may invest primarily in securities denominated in RMB but Net Asset Value will be quoted in the Base Currency of the relevant Sub-Fund. Accordingly, a change in the value of RMB against such Base Currency which is not RMB will result in a corresponding change in the Base Currency denominated Net Asset Value of the relevant Sub-Funds. In addition, to the extent that a Sub-Fund does not invest, or delays its investment into, such RMB denominated securities it will be exposed to fluctuations in the exchange rate of RMB.

For the purposes of a Sub-Fund's investments in China, RMB are exchangeable into the Base Currency at prevailing market rates. Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Sub-Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. However, currency exchange rates as in the PRC can also be affected unpredictably by intervention or failure to intervene by relevant governments or central banks or by currency controls or political developments.

A Sub-Fund may (but is not obliged to) seek to hedge foreign currency risks but as the foreign exchange of RMB is regulated, such hedging even if effected may only result in an imperfect hedge. There can be no assurance that any hedging, particularly such imperfect hedging, will be successful. Equally, failure to hedge foreign currency risks may result in the Sub-Fund bearing the burden of exchange rate fluctuations. The Sub-Funds do not currently intend to hedge the currency exposure of their investments into the Base Currency.

Taxation

Under current PRC tax laws, regulations and practice, the ICAV and the Investment Manager may be subject to PRC tax, directly or indirectly, in respect of the assets held through the Stock Connect and/or Bond Connect. The ICAV will be responsible to reimburse the Investment Manager for all PRC taxes and duties of any kind incurred by the Investment Manager and attributable to the assets of the ICAV held through the Stock Connect and / or Bond Connect. The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Moreover, the PRC taxes and duties payable by the Investment Manager and which are to be reimbursed by the ICAV to the extent attributable to the assets held through the Stock Connect and / or Bond Connect may change at any time.

The treatment of tax under the Investment Regulations is not clear. Accordingly, where the Investment Regulations require a custodian / clearing house / any other agent stipulated by such rules to withhold any tax, or where such custodian / clearing house / any other agent has a reasonable basis for believing that such withholding may be required, the custodian / clearing house / any other agent may do so at the rate required by the regulation, or if in the custodian's opinion the Investment Regulations are not very clear on the rate, at such rate as the custodian/ clearing house / any other agent may, reasonably determine to be appropriate. Tax may be withheld on a retroactive basis.

Given the uncertainty surrounding the ICAV's potential PRC tax liabilities or reimbursement obligations, the Net Asset Value on any Dealing Day may not accurately reflect such liabilities. This may mean that incoming Shareholders pay more for their Shares than they otherwise would/should have done. In the event of a redemption of Shares at such Net Asset Value, the remaining Shareholders will bear the burden of any liabilities which had not been accrued in the Net Asset Value. The ICAV will use its reasonable endeavours to recover their proportionate share of the liabilities from redeeming Shareholders, but investors should be aware that the ICAV may not be successful in such endeavours and that unequal allocation of tax liability is a potential risk of investing in the ICAV. In addition, investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact the performance of the Sub-Funds during the period of such under-accrual or over-accrual and following any subsequent adjustments to the Net Asset Value.

Especially, in respect of trading of China A Shares through the Stock Connect and pursuant to the *circular dated 31 October 2014 on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets* under Caishui [2014] No. 81, the *circular dated 5 November 2016 on the Taxation Policy of the Pilot Programme for the Mutual Stock Access between Shenzhen and Hong Kong Stock Markets* under Caishui [2016] No. 127 and other relevant applicable PRC taxation rules:

- corporate income tax ("CIT") and value-added tax ("VAT") shall be exempt on a temporary basis on the gains earned by the Stock Connect Investors (including corporate and individual investors) from the transfer of China A Shares listed on Shanghai Stock Exchange ("SSE")/Shenzhen Stock Exchange ("SZSE");
- Stock Connect Investors are required to pay tax on dividend and bonus of China A Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies (before the HKSCC is able to provide details such as investor identities and holding periods to ChinaClear, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented) and are entitled to a tax refund if a lower tax rate is applicable under a relevant tax treaty, subject to the approval by the relevant PRC tax authority; and
- Stock Connect Investors are required to pay stamp duty arising from the sale and purchase of China A Shares and the transfer of China A Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations.

In addition, except for interest income from certain bonds (i.e. government bonds, local government bonds and railway bonds which are entitled to a 100% CIT exemption and 50% CIT exemption respectively in accordance with the Implementation Rules to the Enterprise Income Tax Law and a circular dated 10 March 2016 on the Circular on Income Tax Policies on Interest Income from Railway Bonds under Caishui [2016] No. 30), interest income derived by non-resident institutional investors from other bonds traded through Bond Connect is PRC-sourced income and should be subject to PRC withholding income tax at a rate of 10% and VAT at a rate of 6%. On 22 November 2018, the Ministry of Finance and State Administration of Taxation jointly issued Circular 108, *the circular dated 7 November 2018 on the Taxation Policy of Corporate Income Tax and Value-Added*

Tax in relation to Bond Investments made by Offshore Institutions in Domestic Bond Market, to clarify that foreign institutional investors (including foreign institutional investors under Bond Connect) are temporarily exempt from PRC withholding income tax and VAT with respect to bond interest income derived in the PRC bond market for the period from 7 November 2018 to 6 November 2021. Circular 108 is silent on the PRC withholding income tax and VAT treatment with respect to non-government bond interest derived prior to 7 November 2018, which is subject to clarification from the PRC tax authorities.

Capital gains derived by non-resident institutional investors (with no place or establishment or permanent establishment in the PRC) from the trading of bonds through the Bond Connect are technically non PRC-sourced income under the current CIT law and regulations, therefore, not subject to PRC CIT. While the PRC tax authorities are currently enforcing such non-taxable treatment in practice, there lacks clarity on such non-taxable treatment under the current CIT regulations.

According to Cai Shui [2016] No. 70 ("Circular 70"), *the Supplementary Notice of the Ministry of Finance and the State Administration of Taxation on VAT Policies for Interbank Dealings of Financial Institutions*, gains derived by foreign institutions approved by PBOC from the investment in the inter-bank RMB markets (including currency market, bond market and derivative market) shall be exempt from VAT.

There is no guarantee that the temporary tax exemption or non-taxable treatment with respect to Stock Connect and/or Bond Connect described above will continue to apply, will not be repealed and re-imposed retrospective, or that no new tax regulations and practice in China specifically relating to such programs will not be promulgated in the future. Such uncertainties may operate to the advantage or disadvantage of Shareholders in the ICAV and may result in an increase or decrease in net asset value of the ICAV. For example, to the extent that the PRC tax authority retrospectively imposes taxes on the capital gains realized by the ICAV through Stock Connect or Bond Connect, the net asset value of the Sub-Fund would be adversely affected but the amount previously paid to a redeeming Shareholder would not be adjusted. As a result, any detriment from such change would be suffered by the remaining Shareholders.

Stock Connect Specific Risks

A Sub-Fund may invest in the China A Shares market of the PRC through the Stock Connect either by directly investing in securities available on the Stock Connect ("**Stock Connect Securities**") or by investing in financial instruments linked to such Stock Connect Securities such as futures. China A Shares are shares of companies incorporated in the PRC and listed on the SSE or the SZSE.

Stock Connect is a mutual market access programme through which Hong Kong and overseas investors ("**Stock Connect Investors**") can deal in selected securities listed on SSE and/or SZSE, and qualified PRC domestic investors can deal in selected securities listed on The Stock Exchange of Hong Kong Limited ("**SEHK**") through a platform put in place between SSE/SZSE and SEHK. As at the date of the prospectus, the Stock Connect programme has been developed between Hong Kong and mainland China by, among others, SSE/SZSE, SEHK, the Hong Kong Securities Clearing Company Limited ("**HKSCC**") and the China Securities Depository and Clearing Corporation ("**CSDCC**"). Under Stock Connect, the Shanghai-HK Connect and the Shenzhen-HK Connect operate independently from each other with substantially similar regulatory framework and operating mechanism.

Stock Connect provides a "northbound link", through which Stock Connect Investors may purchase and indirectly hold eligible A Shares listed on SSE and/or SZSE ("**Northbound Trading**").

Shareholders should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change and there is no assurance that Stock Connect will be permitted to continue in existence or the relevant Stock Connect rules will not be changed in a way prejudicing the interests of the Stock Connect Investors. Northbound Trading under Stock Connect is subject to daily quota limitations which may restrict a Sub-Fund's ability to deal via Stock Connect on a timely basis. This may impact that Sub-Fund's ability to implement its investment strategy effectively. The scope of securities in Stock Connect is subject to adjustment by relevant applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect ("**Stock Connect Authorities**") from time to time (see the paragraph headed "The recalling of eligible stocks and trading restrictions" below). This may adversely affect a Sub-Fund's ability to achieve its investment objective, for example, where a security that the Investment Manager wishes to purchase on behalf of a Sub-Fund is recalled from the scope of Stock Connect Securities. In addition, Stock Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Stock

Connect programme will function as intended or whether they will be adequate.

Pre-trade Check and Enhanced Pre-trade Check

The Investment Regulations provide that SSE/SZSE may reject a sell order if an investor does not have sufficient available A Shares in its account.

SEHK will apply a similar check on all sell orders of Stock Connect Securities on the Northbound Trading link at the level of SEHK's registered exchange participants ("**Exchange Participants**") to ensure there is no overselling by any individual exchange participant ("**Pre-Trade Checking**").

The Pre-Trade Checking requirement may require a pre-trade delivery of the Stock Connect Securities from a Stock Connect Investor's domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect Investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect Investor.

Alternatively, if the relevant Stock Connect Investor maintains its China A Shares with a custodian which is a custodian participant or general clearing participant participating in the Hong Kong Central Clearing and Settlement System ("CCASS"), the Stock Connect Investor may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China A Shares under the enhanced pre-trade checking model ("Enhanced Pre-Trade Checking"). Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of a Stock Connect Investor. Provided that there is sufficient holding in the SPSA when a broker inputs the Sub-Fund's sell order, the ICAV will only need to transfer the China A Shares from its SPSA to its broker's account after execution and not before placing the sell order and the Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China A Shares in a timely manner due to failure to transfer of China A Shares to its brokers in a timely manner. Whilst the Enhanced Pre-Trade Checking model is a positive step towards addressing the pre-trade delivery issue, it is expected that more work and industry and/or regulatory discussions are required in order to make it widely acceptable.

As a practical matter, it may limit the number of brokers that the Sub-Funds may use to execute trades. In relation to transactions executing through an SPSA order, the Stock Connect Investor, may at most designate 20 brokers currently.

The Sub-Fund may also trade Stock Connect Securities through a broker affiliated to the Sub-Fund's sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker. In that case, no pre-trade delivery of securities is required and the above risk arising from Pre-Trade Checking or Enhanced Pre-Trade Checking may be mitigated. However, under such situation, whilst the Investment Manager will be cognisant of its best execution obligations it may not have the ability to trade through multiple brokers and any switch to a new broker may not be possible without a commensurate change to the Sub-Fund's sub-custody arrangements.

Nominee Holding Structure, Voting Right and Corporate Actions

Stock Connect Securities will be held following settlement by brokers or custodians as clearing participants in accounts in the CCASS maintained by HKSCC as central securities depository in Hong Kong and as nominee holder. HKSCC is the "nominee holder" of the Stock Connect Securities acquired by a Stock Connect Investor. While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognized under the PRC Stock Connect rules as well as other laws and regulations in mainland China, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that the Stock Connect Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under PRC law. Stock Connect Investors who hold the Stock Connect Securities (as beneficial owners) shall generally exercise their rights in relation to the Stock Connect Securities through HKSCC as the nominee holder. Under the CCASS rules, HKSCC is prepared to provide assistance to the Stock Connect Investors in bringing the legal action in the PRC where necessary, subject to certain conditions. Accordingly, the ICAV may only exercise voting rights with respect to Stock Connect Securities by giving voting instructions to HKSCC (through CCASS participants), who will then consolidate such instructions and submit them in the form of a combined single voting instruction to the relevant

SSE/SZSE-listed company. Therefore, the ICAV may not be able to exercise voting rights in respect of the underlying company in the same manner as in other markets.

In addition, any corporate action in respect of Stock Connect Securities will be announced by the relevant issuer through the SSE/SZSE website and certain officially appointed newspapers. Stock Connect Investors may refer to the SSE/SZSE website and the relevant newspapers for the latest listed company announcements or, alternatively, the website of the Hong Kong Exchanges and Clearing Limited for corporate actions in respect of Stock Connect Securities issued on the previous trading day. However, SSE/SZSE-listed issuers publish corporate documents in Chinese only and English translations will not be available.

Given the short timescale within which proxy voting or other corporate actions are required to be taken in relation to the Stock Connect Securities, there is no assurance that CCASS participants who participate in Stock Connect will or will continue to provide or arrange for the provision of any voting or other related services. Accordingly, there is no assurance that the Sub-Fund will be able to exercise any voting rights or participate in any corporate actions in relation to Stock Connect Securities in time or at all.

Northbound Investor ID Model

An investor identification model for Northbound Trading under Stock Connect ("Northbound Investor ID Model") was launched on 26 September 2018. Under the Northbound Investor ID Model, Exchange Participants will be required to assign a unique number known as the Broker-to-Client Assigned Number ("BCAN") to each Stock Connect Investor in Northbound Trading. Each BCAN should be mapped to the client identification data ("CID") of that particular client which includes the client's name, identity document issuing country, ID type and ID number. Each of the Exchange Participants is required to submit the BCAN-CID mappings of all its Northbound Trading clients to SEHK. If the BCAN-CID mapping of a client has not been received by SEHK at or before the prescribed T-1 day cut-off time, or such mapping information has failed the relevant validation check, the corresponding client shall not be allowed to place trading orders on T day.

Given the Northbound Investor ID Model is different from the current trading practice in Hong Kong market and is newly adopted, there is no assurance that the system will operate normally or the Sub-Fund as a Stock Connect Investor will satisfy the relevant requirements. Any malfunction of the Northbound Investor ID Model or failure of the Sub-Fund to participate in Northbound Trading may adversely affect the ICAV's performance.

Restriction on Day Trading

Save with a few exceptions, day (turnaround) trading is generally not permitted on the A Share market. If a Sub-Fund buys Stock Connect Securities on a dealing day (T), the Sub-Fund may not be able to sell the Stock Connect Securities until on or after T+1 day.

Not protected by Investor Compensation Fund

Investors should note that if a Sub-Fund engages in any Northbound Trading, the Sub-Fund will not be covered by Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Daily Quotas Used up

There is a daily quota for Northbound Trading on the Shanghai-HK Connect and Shenzhen-HK Connect respectively. Once the daily quota on SSE or SZSE is used up, acceptance of the corresponding buy orders on SSE or SZSE (as applicable) will be immediately suspended and no further buy orders will be accepted for the remainder of the trading day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

Difference in Trading Day and Trading Hours and other Operational Restrictions

Due to differences in public holidays between Hong Kong and mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours between SSE/SZSE and SEHK. Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the mainland China market but it is not possible to carry out any A Shares trading in Hong Kong. Additionally, SEHK

(or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound Trading and for such duration and frequency as SEHK may consider appropriate at any time and without advance notice.

As such, there is a risk of price fluctuations in A Shares during the time when Northbound Trading is suspended or restricted as described above.

The Recalling of Eligible Stocks and Trading Restrictions

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may adversely affect the ability of a Sub-Fund to achieve its investment objective.

Under Stock Connect, the Investment Manager will only be allowed to sell A Shares but restricted from further buying under certain circumstances including without limitation to: (i) the A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the A Share is subsequently under “risk alert”; and/or (iii) the corresponding H share of the A Share subsequently ceases to be traded on SEHK. Price fluctuation limits are also applicable to A Shares.

Local market rules, foreign shareholding restrictions and disclosure obligations

Under Stock Connect, A Shares listed companies and trading of A Shares are subject to market rules and disclosure requirements of the A Shares market. Any changes in laws, regulations and policies of the A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to A Shares.

The ICAV and the Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in A Shares as a result of their interest in the A Shares and are responsible for compliance with all notifications, reports and relevant requirements in connection with such interests.

Under current PRC law, once an investor holds up to 5% of the shares of a PRC-listed company, the investor is required to disclose his interest within three days in accordance with the applicable regulations and during the reporting period he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with PRC law.

Also, should it exceed 5%, the Sub-Fund may not reduce its holdings in such company within 6 months of the last purchase of shares of such company (the “Short Swing Profit Rule”). If the Sub-Fund violates this Short Swing Profit Rule, it may be required by the listed company to return any profits realized from such trading to the listed company. Moreover, under PRC civil procedures, the ICAV’s assets may be frozen to the extent of the claims made by such PRC company. These risks may greatly impair the performance of the Sub-Funds.

For the purposes of the calculation of the 5%, the Sub-Fund may be deemed as a concerted party with its investors, of other funds managed within the same group or a substantial shareholder of the same group (unless there exists evidence to the contrary) and therefore may be subject to the risk that the ICAV’s holdings may have to be reported in aggregate with the holdings of such other investors or funds should the aggregated holdings trigger the reporting threshold under the Investment Regulations. In addition, the onshore listed shares and offshore listed shares held by each of the concerted parties in an individual listed company need to be aggregated for such calculation purpose above. This may expose the Sub-Fund’s holdings to the public with an adverse impact on the performance of the Sub-Funds. There has also been a recent regulatory trend to tighten the disclosure of interests requirements by the relevant PRC regulators and stock exchanges, therefore further requirements may be applied in this regard.

Also, investment in China A Shares through derivative instruments or structured products may be taken into account for this calculation. For example, if the Sub-Fund has de facto control over the exercise of the voting rights of the underlying China A Shares in relation to the derivative instruments or structured products, even though the Sub-Fund is not the legal owner of these shares, the Sub-Fund is subject to disclosure of interest requirements. Any investor may not utilize inside information to trade the shares of a PRC listed company or conduct market manipulation trades, and the trade orders of the Sub-Fund may not breach this requirement. If the Sub-Fund has de facto control over the exercise of the voting rights of the underlying shares of a PRC listed

company that exceed 5% of the company's shares, it might be deemed as a 5% shareholder and may be restricted in its trading because of the Short Swing Profit Rule.

According to existing mainland China practices, the ICAV as beneficial owner of A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf (see the paragraph headed "Nominee holding structure, voting right and corporate actions" above).

Restriction on day trading

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If a Sub-Fund buys China A Shares on a dealing day (T), the Sub-Fund may not be able to sell them until on or after T+1 day.

Investment Restrictions

Investments in China A Shares are also subject to compliance with certain investment restrictions imposed by the Investment Regulations including the following and may affect the relevant Sub-Fund's ability to invest in China A Shares and carry out their investment objectives:

- (i) shares held by each underlying foreign investor (such as a Sub-Fund) which invests (through Stock Connect or other permissible channels) in one PRC listed company should not exceed 10% of the total outstanding shares of such company; and
- (ii) aggregate China A Shares held by all underlying foreign investors (such as a Sub-Fund and all other foreign investors) which invest (through Stock Connect or other permissible channels) in one PRC listed company should not exceed 30% of the total outstanding shares of such company.

Similarly, since the 30% aggregate foreign shareholding restriction is monitored at the level of all foreign investors, the capability of the relevant Sub-Fund to invest in China A Shares of a certain listed company may also be limited due to the investments made by other foreign investors.

Trading Volumes and Volatility

The Exchanges have lower trading volumes than some OECD exchanges and the market capitalisations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities market and of listed companies is also less developed than in many OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets.

The PRC stock market has experienced substantial price volatility and wide suspension of trading in the recent years and no assurance can be given that such volatility and suspension will not occur in the future. The above factors could negatively affect the net asset value of the Sub-Funds, the ability to redeem Shares and the price at which Shares may be redeemed.

Payment of Fees and Expenses

The Sub-Fund may retain such amounts as the Board considers appropriate to maintain a liquid portfolio of cash, deposits, money market instruments and government securities denominated in RMB, U.S. Dollars or other major international currencies for the purposes of paying its anticipated fees and expenses and to meet redemption requests and any other liquidity needs. Investors should be aware that owing to repatriation restrictions, the Sub-Fund may need to maintain high cash balances, including potentially balances held outside China, resulting in less of the proceeds of the Sub-Fund being invested in China than would otherwise be the case if such local restrictions did not apply.

Clearing, Settlement and Custody Risks

HKSCC and CSDCC have established the clearing links between SEHK and SSE/SZSE and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing

participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect Securities through Northbound Trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

Currency Risks

Stock Connect Securities under Northbound Trading will be traded and settled in RMB. If a Sub-Fund issues Share Classes denominated in a currency other than RMB, the Sub-Fund will be exposed to currency risk if the Sub-Fund invests in a RMB product due to the need for the conversion of the currency into RMB. The Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

Risk of CSDCC Default

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if CSDCC (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. Stock Connect Investors in turn will only be distributed the Stock Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, Shareholders should be aware of this arrangement and of this potential exposure.

Risk of HKSCC Default

A failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and the ICAV may suffer losses as a result.

Ownership of Stock Connect Securities

Stock Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Securities are not available under the Northbound Trading for the ICAV.

The ICAV's title or interests in, and entitlements to, Stock Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction (see the paragraph headed "Local market rules, foreign shareholding restrictions and disclosure obligations" above). It remains untested whether the Chinese courts would recognise the ownership interest of Stock Connect Investors to allow them standing to take legal action against Chinese companies.

No Manual Trade or Block Trade

Currently there is no manual trade facility or block trade facility for Stock Connect Securities transactions under Northbound Trading. A Sub-Fund's investment options may become limited as a result.

Order Priority

Trade orders are entered into China Stock Connect System ("CSC") based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.

No off-exchange Trading and Transfers

Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer

instructions from investors in respect of any Stock Connect Securities in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Stock Connect Securities under Northbound Trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting Northbound Trading and the normal course of business operation, off-exchange or “non-trade” transfer of Stock Connect Securities for the purposes of post-trade allocation to different funds/sub-funds by fund managers have been specifically allowed.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change and there is no assurance as to whether or how such changes or developments may restrict or affect the ICAV’s investments via Stock Connect.

Bond Connect

The PRC and the Hong Kong Monetary Authority (“**HKMA**”) have approved programmes which establish Bond Connect, a mutual bond market access programme between mainland Chinese and Hong Kong financial infrastructure institutions. Bond Connect allows investors to trade electronically between the mainland Chinese and Hong Kong bond markets without many of the limits of existing schemes, such as quota restrictions and requirements to identify the ultimate investment amount.

Currently, the Bond Connect comprises a Northbound Trading Link between China Foreign Exchange Trade System & National Interbank Funding Centre (“**CFETS**”), the operator of the China Interbank Bond Market (“**CIBM**”) and recognised offshore trading access platforms, to facilitate investment by Hong Kong and overseas investors in eligible bonds traded on the CIBM.

Eligible Securities

Hong Kong and overseas investors will be able to conduct cash trading over the entire range of instruments traded on the CIBM, including products on both the secondary and primary markets.

Trading Day

Northbound investors are able to trade through Bond Connect on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong.

Settlement and Custody

Settlement and custody of Northbound bond trades under Bond Connect will be implemented under the link between the Central Moneymarkets Unit (“**CMU**”) of the HKMA and mainland China’s two bond settlement systems, China Central Depository & Clearing Co., Ltd (“**CCDC**”) and Shanghai Clearing House (“**SHCH**”). The CMU settles Northbound trades and holds the CIBM bonds on behalf of members in nominee accounts with each of the CCDC and the SHCH. The CCDC and SHCH provide services to foreign investors, directly and indirectly, using Bond Connect.

Bonds purchased by Hong Kong and overseas investors are recorded in an omnibus nominee account at the CCDC and the SHCH in the name of the CMU. The CMU itself maintains the bonds in segregated sub-accounts of the relevant CMU members, who in turn may hold the bonds on their own account or on behalf of other investors or custodians. Accordingly, bonds purchased by Hong Kong and overseas purchasers through Bond Connect are held by the purchaser’s global or local custodian in a segregated sub-account opened in their name at the CMU.

Currency

Hong Kong and overseas investors may trade through Bond Connect using offshore RMB (CNH) or by converting offshore currency into Onshore RMB (CNY) under Bond Connect.

Where an investor uses offshore currency to invest through the Northbound Trading Link, it must open a segregated RMB capital account with a Hong Kong RMB clearing bank or an eligible offshore RMB business participating bank (each an “RMB Settlement Bank”) to convert its foreign currency into CNY. Where bonds are purchased in CNY in this manner, the proceeds of the sale must be converted back into the foreign currency upon sale of the bonds and remittance of the proceeds out of mainland China.

Investors using CNH to invest in bonds through Bond Connect do not need to appoint an RMB Settlement Bank, nor do they need to open a segregated RMB capital account.

Bond Connect Specific Risks

A Sub-Fund may invest through Bond Connect in eligible bonds traded on the CIBM, which subjects such Sub-Fund to risks including but not limited to:

Suspension Risks

It is contemplated that the mainland Chinese authorities will reserve the right to suspend trading of Bond Connect if necessary for ensuring an orderly and fair market and that risks are managed prudently. The relevant PRC government authority may also impose “circuit breakers” and other measures to halt or suspend Northbound trading. Where a suspension in the Northbound trading through the Bond Connect is effected, a Sub-Fund’s ability to access the PRC bond market will be adversely affected.

Differences in Trading Day

Northbound trading through Bond Connect is able to be undertaken on days upon which the CIBM is open to trade, regardless of whether they are a public holiday in Hong Kong. Accordingly, it is possible that bonds traded through Bond Connect may be subject to fluctuation at times where a Sub-Fund is unable to buy or sell bonds, as its Hong Kong or globally-based intermediaries are not available to assist with trades. Accordingly, this may cause a Sub-Fund to be unable to realise gains, avoid losses or to benefit from an opportunity to invest in mainland Chinese bonds at an attractive price.

Operational Risk

Bond Connect provides a channel for investors from Hong Kong and overseas to access the PRC bond markets directly.

The “connectivity” in Bond Connect requires routing of orders across the border, requiring development of new trading platforms and operational systems. There is no assurance that these platforms and systems will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Sub-Fund’s ability to trade through Bond Connect (and therefore pursue its investment strategy) may therefore be adversely affected.

Not Protected by Investor Compensation Fund

Investors should note that if a Sub-Fund engages in any Northbound Trading, the Sub-Fund will not be covered by Hong Kong’s Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Currency Risk

CIBM Bonds (as defined below) under Northbound Trading of Bond Connect will be traded and settled in RMB. If a Sub-Fund issues Share Classes denominated in a currency other than RMB, the Sub-Fund will be exposed to currency risk if the Sub-Fund invests in a RMB product due to the need for the conversion of the currency into RMB. The Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Sub-Fund purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated.

Regulatory risk

For a Sub-Fund’s investment under Bond Connect, although there is no quota restriction under the Investment Regulations, relevant information about the Sub-Fund’s investments needs to be filed with PBOC and an updating filing may be required if there is any significant change to the filed information. It cannot be predicted whether PBOC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the Sub-Fund will need to follow PBOC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Sub-Fund and the Shareholders from a commercial perspective.

In addition, Bond Connect is novel in nature and will be subject to regulations promulgated by regulatory authorities and implementation rules made by regulators in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Bond Connect.

It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Bond Connect will not be abolished. Sub-Funds which invest in the PRC markets through Bond Connect may be adversely affected as a result of such changes. In addition, Bond Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Bond Connect programme will function as intended or whether they will be adequate.

Local Market Rules

Under Bond Connect, bond issuers and trading of bonds traded on the CIBM (the “CIBM Bonds”) are subject to market rules in China. Any changes in laws, regulations and policies of the China bond market or rules in relation to Bond Connect may affect prices and liquidity of the relevant CIBM Bonds. Among others, the relevant information disclosure requirements applicable to the investors of the CIBM bonds will apply to the Sub-Funds (to the extent that they invest in the CIBM Bonds).

Moreover, PBOC will exercise on-going supervision of the Sub-Fund’s trading of CIBM Bonds and may take relevant administrative actions such as suspension of trading and mandatory exit against the Sub-Fund and/or the Investment Manager in the event of non-compliance with the local market rules as well as the Investment Regulations.

Nominee Holding Structure and Ownership

CIBM Bonds which the Sub-Funds may invest in will be held by the CMU as the nominee holder, opening nominee account(s) with the CCDC and the SHCH respectively. While the distinct concepts of “nominee holder” and “beneficial owner” are generally recognized under the Investment Regulations, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings.

In addition, CIBM Bonds are uncertificated and are held by CMU for its account holders. Physical deposit and withdrawal of CIBM Bonds are not available under the Investment Regulations for the Sub-Funds.

Risk of CMU / CCDC / SHCH Default

A failure or delay by CMU, CCDC or SHCH in the performance of their respective obligations may result in a failure of settlement, or the loss, of CIBM Bonds and/or monies in connection with them and the Sub-Funds may suffer losses as a result.

Liquidity and Volatility

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Funds investing in such markets are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realization costs and may even suffer losses when disposing of such investments.

Hedging Activities

Hedging activities under Bond Connect are subject to the Investment Regulations and any prevailing market practice. There is no guarantee that the Sub-Fund will be able to carry out hedging transactions at terms which are satisfactory to the Investment Manager and to the best interest of the Sub-Fund. The Sub-Fund may also be required to unwind its hedge in unfavourable market conditions.

Settlement Risk

Although delivery-versus-payment (DVP) settlement (e.g. simultaneous delivery of security and payment) is the dominant settlement method adopted by CCDL and SHCH for all bond transactions in the CIBM, there is no assurance that settlement risks can be eliminated. In addition, DVP settlement practices in the PRC may differ from practices in developed markets. In particular, such settlement may not be instantaneous and be subject to a delay of a period of hours due to the operational requirement to confirm settlement by both parties before the actual settlement can proceed. Where the counterparty does not perform its obligations under a transaction or there is otherwise a failure due to CCDL or SHCH (as applicable), a Sub-Fund may sustain losses.

The above may not cover all risks related to Bond Connect and any above-mentioned laws, rules and regulations are subject to change and there is no assurance as to whether or how such changes or developments may restrict or affect the ICAV's investments via Bond Connect.