



**CIM INVESTMENT FUND ICAV**

**PROSPECTUS**

AN UMBRELLA TYPE IRISH COLLECTIVE ASSET-MANAGEMENT VEHICLE REGISTERED UNDER THE LAWS OF IRELAND UNDER  
REGISTRATION NUMBER C144567 WITH SEGREGATED LIABILITY BETWEEN SUB-FUNDS

AUTHORISED BY THE CENTRAL BANK PURSUANT TO THE EUROPEAN COMMUNITIES (UNDERTAKINGS FOR COLLECTIVE INVESTMENT  
IN TRANSFERABLE SECURITIES) REGULATIONS 2011 (S.I. NO. 352 OF 2011) AS AMENDED.

Issued: 24 April 2018

## IMPORTANT INFORMATION

*CIM Investment Fund ICAV (the "ICAV") is an umbrella type Irish collective asset-management vehicle with segregated liability between Sub-Funds. The ICAV is structured as an umbrella fund in that the Share Capital of the ICAV may be divided into different classes of Shares with one or more classes representing a separate Sub-Fund of the ICAV. The creation of any Sub-Fund will require the prior approval of the Central Bank of Ireland (the "Central Bank").*

*This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Sub-Fund. If there are different classes of Shares representing a Sub-Fund, details relating to the separate Classes may be dealt with in the same Supplement or in separate Supplements for each Class. This Prospectus and the relevant Supplement should be read as one document. To the extent that there is an inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.*

*The ICAV is an Irish collective asset management vehicle in Ireland with variable capital that was authorised by the Central Bank on 17 June 2016 as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.*

***The authorisation of the ICAV is not an endorsement or guarantee of the ICAV or any Sub-Fund by the Central Bank nor is the Central Bank responsible for the contents of this 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.***

***If you are in any doubt about the contents of the Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.***

*This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this Prospectus may come are required by the ICAV to inform themselves about and to comply with such restrictions. It is intended that application may be made in other jurisdictions to enable the Shares of the ICAV to be marketed freely in these jurisdictions.*

*Potential subscribers and purchasers of Shares should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, (iii) any foreign exchange restrictions or exchange control requirements and (iv) any other requisite*

*governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.*

*The IOI of the ICAV gives powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV, the relevant Sub-Fund or its Shareholders as a whole, incurring any liability to taxation or suffering any other pecuniary, regulatory, legal, taxation or material administrative disadvantage which the ICAV, the relevant Sub-Fund or its Shareholders as a whole might not otherwise have incurred or suffered. The IOI also permits the Directors where necessary to repurchase and cancel Shares (including fractions thereof) held by a person who is Irish Resident or Ordinarily Resident in Ireland on the occurrence of a Chargeable Event for Irish taxation purposes.*

### **United Kingdom: Regulation under the Financial Services and Markets Act**

The ICAV is a recognised collective investment scheme recognised for distribution in the United Kingdom ("UK") by the Financial Conduct Authority under Section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the UK.

Although the ICAV is recognised by the Financial Conduct Authority ("FCA") for the purposes of distribution, potential and current investors in the UK are advised that the ICAV is regulated and supervised by the Central Bank and not directly regulated by the FCA. Rules made under FSMA do not in general apply in relation to the business of the ICAV, and so some or all of the protections provided by the UK regulatory structure may not be available.

The rights of Shareholders may not be protected by the UK Financial Services Compensation Scheme.

This Prospectus is distributed in the UK by or on behalf of the ICAV and is approved as a financial promotion in the UK by the Investment Manager. The Investment Manager is authorised and regulated by the FCA for the purposes of section 21 of FSMA. This Prospectus is intended for distribution in the UK to professional clients and eligible counterparties only, and investors who do not fall within those categories should not rely on it.

A copy of the Prospectus has been delivered to the FCA as required by FSMA and the relevant regulations.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or

any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares. The ICAV makes no representation or warranties in respect of suitability.

Further information for UK investors appears in Appendix V to this Prospectus headed "Taxation".

***United States of America: The Securities Act of 1933 and "Blue Sky" Laws***

The Shares have not been and will not be registered under the United States Securities Act of 1933 as amended (the "1933 Act") or any state securities laws and except in a transaction which does not violate such 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the states of the United States of America) may not be directly or indirectly offered, transferred, sold or delivered in the United States of America including the states and District of Columbia, or in any of its territories, possessions or areas subject to its jurisdiction or to or for the benefit of a US Person as defined in Regulation S of the 1933 Act (each, a "US Person"). The ICAV has not been and will not be registered under the United States Investment Company Act 1940 as amended (the "1940 Act").

The Directors may arrange the offer and sale of a portion of the Shares to a limited number of "accredited investors" (as defined in Rule 501 of Regulation D under the 1933 Act) and sophisticated institutional investors which are US Persons in transactions which are exempt from the registration requirements of the 1933 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if the ICAV has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act. Accordingly, the Directors will not knowingly permit the number of members who are US Persons to exceed 75. The Investment Manager is registered as an investment adviser under the United States Investment Advisers Act of 1940 as amended.

In making an investment decision investors must rely on their own examination of the ICAV and the terms of the offering, including the merits and risks involved. The Shares have not been recommended, approved or disapproved by the U.S. Securities and Exchange Commission or any other federal or state securities commission or regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as

permitted under the 1933 Act and the applicable state securities laws, pursuant to registration or an exemption therefrom or in a transaction not subject thereto. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

**SPECIAL NOTICE TO NEW HAMPSHIRE INVESTORS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

*The Directors of the ICAV, whose names appear under the section headed "Other Key Information" 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 importance of such information. The Directors accept responsibility accordingly.*

***The difference at any time between the sale price and the repurchase price of Shares means that an investment in the ICAV should be viewed as a medium to long-term investment.***

***A substantial transactions levy of up to 0.5 % may be applied to redemptions of Shares, which is payable to the relevant Sub-Fund. Further details are set out on page 17 of this Prospectus under the heading 'Substantial Transaction Levy'.***

***In addition, the ICAV or the Investment Manager may, in their discretion, levy a redemption charge of 1.75% of the Net Asset Value of any Sub-Fund in respect of Shares that are redeemed within 12 months of the original subscription date, solely for the benefit of the existing Shareholders. The ICAV or the Investment Manager may, in their discretion, levy a subscription charge to certain Classes of a Sub-Fund. Details of the maximum subscription charges, where relevant, are set out in the relevant Class Supplements.***

***The Investments of the ICAV are subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The value of and income from the Shares in the ICAV may fall as well as rise and you may not get back the amount you have invested in the ICAV.***

***Before investing in the ICAV, you should consider the risks involved in such an investment. Please see Appendix IV to this Prospectus entitled 'Risk Factors'. Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in doubt as to the action to be taken should consult their professional advisors immediately. An investment in a Sub-Fund is not a deposit in a bank. Neither returns nor repayments of capital are guaranteed by the ICAV. An investment in a Sub-Fund involves investment risks including possible loss of principal capital invested. An investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment should only be made by those persons who could sustain a loss on their investment.***

*Certain conflicts of interest may arise in the operation of the ICAV. See "Conflicts of Interest".*

*In addition, any subscription for Shares may only be made on the terms of the Application Form, and all investors will be bound by such terms.*

*Distribution of this Prospectus is not authorised in any jurisdiction after publication unless accompanied by a copy of the then latest annual report and audited accounts and if published after such report and accounts, a copy of the then latest semi-annual report and unaudited accounts. Such*

*reports will form part of this Prospectus.*

*This Prospectus should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the IOI of the ICAV, copies of which are available as set out in the section entitled "Inspection of Documents".*

*Shareholders should note that dividends may be payable out of the capital of each Sub-Fund. The payment of dividends out of capital may result in the erosion of capital notwithstanding the performance of each Sub-Fund. As a result, distributions may be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted.*

***In order to enable the Sub-Fund to pay a larger distribution amount the expenses which are attributable to the Sub-Fund are charged to capital. The effect of this is that capital will be eroded to allow higher dividends to be paid, thereby reducing the potential for future capital growth.***

*Distributions out of capital may have different tax implications to distributions out of income and it is recommended that investors seek advice in this regard.*

*Any information given or representations made, by any dealer, salesman or other person not contained in this Prospectus, any Supplement to this Prospectus or in any reports and accounts of the ICAV forming part hereof must be regarded as unauthorised and accordingly must not be relied on. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the ICAV or the Investment Manager as to the issue of any later Prospectus or as to the issue of any reports and accounts of the ICAV.*

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

## CONTENTS

<b>IMPORTANT INFORMATION .....</b>	<b>2</b>
<b>DIRECTORY .....</b>	<b>7</b>
Directors .....	7
Administrator .....	7
Legal Advisor to the ICAV as to matters of Irish Law .....	7
Auditor .....	7
Secretary .....	7
Depositary .....	7
Investment Manager, Global Distributor & Promotor .....	7
Sub-Investment Manager .....	7
<b>INTRODUCTION .....</b>	<b>8</b>
Structure .....	8
<b>OTHER KEY INFORMATION.....</b>	<b>8</b>
Directors of the ICAV.....	8
The Manager.....	9
Investment Manager, Global Distributor and Promoter.....	10
The Sub-Investment Manager.....	11
Depositary.....	12
Administrator.....	12
<b>INVESTMENT OBJECTIVE AND POLICIES .....</b>	<b>13</b>
<b>HOW TO TRANSACT IN SHARES .....</b>	<b>14</b>
General .....	14
How to Purchase Shares .....	14
Registration of Shareholding .....	17
How to Redeem or Transfer Shares.....	17
How to Switch Funds .....	18
<b>FEES AND EXPENSES .....</b>	<b>19</b>
The Manager's Fee.....	19
The Investment Manager's Fee.....	19
The Administrator's Fee .....	19
The Depositary's Fee .....	19
Fees payable to the Northern Trust Company.....	20
Other Fund Expenses.....	20
Ongoing Charges and Expenses.....	20
<b>DIVIDENDS, REPORTS, STATEMENTS AND MEETINGS.....</b>	<b>20</b>
Dividends .....	20
Reports, Statements and General Meetings.....	21
<b>VALUATION AND PRICES.....</b>	<b>21</b>
Calculation of Net Asset Value.....	21
<b>INSTRUMENT OF INCORPORATION OF THE ICAV.....</b>	<b>23</b>

<b>WINDING UP</b> .....	<b>25</b>
<b>GENERAL INFORMATION</b> .....	<b>26</b>
<b>Material Contracts</b> .....	<b>26</b>
<b>Indemnity</b> .....	<b>27</b>
<b>Miscellaneous</b> .....	<b>27</b>
<b>Litigation</b> .....	<b>27</b>
<b>Directors</b> .....	<b>28</b>
<b>CONFLICTS OF INTEREST</b> .....	<b>28</b>
<b>INSPECTION OF DOCUMENTS</b> .....	<b>29</b>
<b>FUND PRICES AND SHAREHOLDER QUERIES</b> .....	<b>29</b>
<b>GLOSSARY</b> .....	<b>30</b>
<b>APPENDIX I RECOGNISED EXCHANGES</b> .....	<b>38</b>
<b>APPENDIX II INVESTMENT RESTRICTIONS</b> .....	<b>41</b>
<b>A General</b> .....	<b>41</b>
<b>B Restrictions on Borrowing, Lending and Dealing</b> .....	<b>47</b>
<b>APPENDIX III EFFICIENT PORTFOLIO MANAGEMENT</b> .....	<b>48</b>
<b>A Use of Financial Derivative Instruments and Portfolio Management Techniques</b> .....	<b>48</b>
<b>B Permitted Financial Derivative Instruments</b> .....	<b>48</b>
<b>APPENDIX IV RISK FACTORS</b> .....	<b>53</b>
<b>APPENDIX V TAXATION</b> .....	<b>66</b>
<b>Ireland</b> .....	<b>66</b>
<b>United States</b> .....	<b>74</b>
<b>The United Kingdom</b> .....	<b>77</b>
<b>APPENDIX VI US EMPLOYEE BENEFIT PLANS</b> .....	<b>82</b>
<b>APPENDIX VII LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE GLOBAL SUB-CUSTODIAN</b> .....	<b>84</b>

**DIRECTORY**

**DIRECTORS**

Simon Prosser (Chairman)  
Neil Burrows  
Des Fullam  
Peter Savill

**REGISTERED OFFICE**

39/40 Upper Mount Street  
Dublin 2  
Ireland

**MANAGER**

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

**ADMINISTRATOR**

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

**LEGAL ADVISOR TO THE ICAV AS TO MATTERS OF IRISH LAW**

LK Shields Solicitors  
40 Upper Mount Street  
Dublin 2  
Ireland

**LEGAL COUNSEL – UNITED KINGDOM**

Hogan Lovells International LLP  
Atlantic House  
Holborn Viaduct  
London EC1A 2FG

**AUDITOR**

KPMG  
1 Stokes Place  
St Stephen's Green  
Dublin 2  
Ireland

**SECRETARY**

Maple Secretaries Limited  
40 Upper Mount Street  
Dublin 2  
Ireland

**DEPOSITARY**

Northern Trust Fiduciary Services (Ireland) Limited

George's Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**INVESTMENT MANAGER, GLOBAL DISTRIBUTOR & PROMOTER**

CIM Investment Management Limited  
3 Yeoman's Row  
London SW3 2AL  
England  
Tel: +44 (0) 20 7468 7600  
Fax: +44 (0) 20 7468 7695

**SUB-INVESTMENT MANAGER**

Santa Lucia Asset Management Limited Pte. Ltd.  
#432-05/06 OCBC Centre  
65 Chulia Street  
Singapore 049513

## INTRODUCTION

### STRUCTURE

The ICAV is an umbrella type open-ended externally managed Irish collective asset management vehicle with variable capital and segregated liability between Sub-Funds registered on 15 March 2016 with limited liability under the laws of Ireland with registration number C144567. The ICAV is authorised in Ireland by the Central Bank pursuant to the UCITS Regulations.

The authorised share capital of the ICAV is EUR 1,000 divided into 1,000 Subscriber Shares of EUR 1 each and 500,000,000,000 Shares of no par value each having the rights provided for and as hereinafter appearing. The minimum issued share capital of the ICAV is EUR 2 and the maximum issued share capital of the ICAV is EUR 500,000,000,000 or its equivalent in any other currency.

The ICAV's sole object, as set out in Clause 4 of the Instrument of Incorporation of the ICAV, is the collective investment of its funds in property and giving Shareholders the benefit of the results of the management of its funds.

The Base Currency and the functional currency of the ICAV for accounting purposes will be set out in the relevant Supplement.

The ICAV is structured as an umbrella fund with segregated liability between Sub-funds. Notwithstanding the segregation of assets and liabilities within the Sub-Funds, the ICAV is a single legal entity and no Sub-Fund constitutes a legal entity separate from the ICAV itself.

The ICAV is structured as an umbrella fund in that different Sub-Funds (each with separate investment objectives and policies) may be established from time to time by the Directors with the prior approval of the Central Bank. Shares of more than one Class may be issued in relation to a Sub-Fund, with the prior notification and clearance of the Central Bank in advance of the creation of each Class of Share. On the introduction of any new Class of Shares, the ICAV will prepare and the Directors will issue documentation setting out the relevant details of each such Class of Shares. The Directors have the power to classify the Shares in each Sub-Fund and to differentiate between such Classes as they deem appropriate. Any such distinction will be set out in the relevant Supplement for each Sub-Fund. Each Class or Classes of Shares will relate to a particular Sub-Fund which will be invested in accordance with the investment objective.

The Shares of each Class allocated to a Sub-Fund will rank *pari passu* with each other in all respects except as to any of the following or as the Directors may otherwise determine:

- Currency of denomination of the Class
- Dividend policy
- The level of fees and expenses to be charged; and
- The minimum initial subscription and minimum additional subscription amounts applicable.

The initial Sub-Fund of the ICAV is:

- CIM Dividend Income Fund

The Sub-Fund currently has different Share Classes as outlined in the Supplement. At the date of this Prospectus there are no other Share Classes in the Sub-Fund of the ICAV. Additional Sub-Funds and Share Classes may be established by the Directors in accordance with the requirements of the Central Bank.

The assets of each Sub-Fund will be separate from one another and will be invested in accordance with the investment objective and policies applicable to each such Sub-Fund as set out in the respective Supplement.

### OTHER KEY INFORMATION

#### Directors of the ICAV

The Directors of the ICAV are described below:

#### Simon Prosser (Chairman)

Simon Prosser has been a financial executive for multiple corporations and not for profits organisations both in Europe and the United States. Originally a technology graduate of Cambridge University, he worked in aerospace before receiving a MBA from Manchester Business School, specializing in Marketing and Corporate Finance.

He subsequently worked for Croda International PLC, including spells in mergers and acquisitions both in Europe and North America, followed by a posting to Croda Inc. in New York. After spells as Financial Controller and North American IT Director, Simon left Croda and became Chief Financial Officer for Prizamalite-Tioxoclean, a microsphere nanotechnology startup.

In recent years, Simon has been Director of Finance at the Caedmon School, responsible for all business activities and a fiduciary of the School's endowment. He has been a director of the Chelverton Dividend Income Fund (now known as CIM Dividend Income Fund) since 2001, becoming Chairman a few years later. He is also the Chairman of CIM Discovery Fund Limited and CIM Dividend Income Feeder Fund Limited.

A resident of New York, he is a dual US-British citizen.

#### Neil Burrows

Neil Burrows is the Director of Operations at CIM Investment Management Limited and serves on the firm's executive committee. He joined the company in April 2007 and has worked throughout his time in the company in the middle office, which he has headed since 2011. He was previously a marketing executive in the leisure industry. Neil Burrows graduated from the University of Sussex with a BSc in Environmental Science.

#### Des Fullam

Based in Ireland, Des Fullam is a Director with Carne Global Financial Services Limited where he is involved in the provision



of directorship and designated persons services to a number of funds. He has over 15 years of experience in senior roles in the sector. He has worked closely with fund clients and regulators on regulatory and listing procedures and has in-depth expertise of day to day fund operations and Irish and EU fund regulations. His experience extends to working with all types of UCITS and AIFs including hedge, private equity, ETF and ERISA funds.

Des Fullam joined Carne from J.P. Morgan Bank (Ireland) plc, where he was a Vice President in the Bank's Trust & Fiduciary services division in Dublin, managing a large portfolio of trustee clients, including UCITS and hedge funds managed by both large institutional and boutique managers. Prior to that Des held senior roles in the Irish Stock Exchange including as Listing Manager in the Funds Department, overseeing listing and compliance functions for funds and as an Executive in the corporate finance department. He sat on the Exchange's policy committee, the Company Law Review Group and worked closely with the Irish Central Bank and EU bodies to adopt new regulations in the funds and securities area. Des was centrally involved in the launch of a number of new markets while at the Exchange. Des began his financial services career with the Trustee Department at Deutsche International in Dublin.

Des Fullam qualified as a barrister at the Kings Inns in Dublin and also has an MBA in Financial Services from the UCD Smurfit Business School. He has a B.A. from University College Dublin and a M.Litt. in modern American history from the University of St Andrews. He is a Member of the Chartered Institute for Securities and Investment and the Institute of Banking.

#### **Peter Savill**

Peter Savill was educated at Cambridge University where he obtained a law degree. Peter splits his time between Ireland and the Cayman Islands. Peter's many business interests have included publishing, tour operations, property development and property management. His current business interests remain predominantly in the publishing and property sectors. Peter owns several companies that publish tourist magazines in the US and Caribbean for tourism associations and hotel chains. He has over 10 years experience as a director of an investment fund.

A major racehorse owner in Europe for over 30 years, he is also a breeder and racecourse owner. He was Chairman of the British Horseracing Board from 1998-2004. He also held positions in the UK as President of the Racehorse Owners Association (1996-1998), Director of the Tote (1998-2002) and Director of the Horserace Betting Levy Board (1998-2001).

He has written many articles over the years for the Racing Post on a wide range of racing political issues.

#### **MANAGER**

#### **THE MANAGER OF THE ICAV IS CARNE GLOBAL FUND MANAGERS (IRELAND) LIMITED.**

Carne Global Fund Managers (Ireland) Limited has been appointed to act as manager pursuant to the Management

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

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

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

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

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

#### **William Blackwell**

Mr. Blackwell is a Principal with Carne London and is an experienced operations and business manager within the international pooled fund investment management industry (privately placed or publicly offered). Mr Blackwell has over 18 years of experience as a product and business manager and has launched innovative fund products and implemented highly tuned client servicing processes. Operational expertise includes board governance, product development and management, UCITS and other regulatory structures, business and product strategy, transitions, client and service provider management and negotiations, fixed income and derivatives, product design, country registration, reconciliation accounting, project management, policies and procedures, and portfolio compliance. Prior to joining Carne, Mr Blackwell worked as a Vice President, Senior Manager Product Development, Global Liquidity EMEA at JPMorgan Asset Management. Previously, Mr Blackwell worked within PIMCO's Fund Administration and Shareholder Servicing teams with responsibility for overseeing the operations and administration of PIMCO's international pooled fund product ranges. Mr Blackwell holds a B.A. in English from Oberlin College and an MBA from University of California, Irvine.

#### **Yvonne Connolly**

Ms. Connolly is a Principal with Carne Dublin and has over twenty years' experience in Financial Services. Her specialist areas are corporate governance, product development and fund administration. Ms Connolly has assisted investment managers and Service Providers with various aspects of change management, operational development and efficiency. She

also serves as a director for Irish Management companies. Prior to joining Carne, Ms Connolly worked as an independent consultant to a number of the large service providers in Dublin. Prior to this she was Vice President and Head of Operational Development at State Street International Ireland (formerly Deutsche Bank). She was a member of the senior management team reporting to the CEO and a key contributor to the overall strategy and direction of the business. She was also a director of a number of investment companies. Ms. Connolly trained as a chartered accountant with KPMG specialising in corporate taxation. She is a Fellow of the Institute of Chartered Accountants. She holds a Professional Diploma in Accounting from Dublin City University and a Bachelor of Education degree from St. Patrick's College of Education Dublin.

#### **Teddy Otto**

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

#### **Elizabeth Beazley**

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

#### **Michael Bishop**

Michael was with UBS Global Asset Management (UK) Ltd (1990 – 2011) holding Executive Director and then Managing Director positions and was responsible for the development

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

#### **Neil Clifford**

Mr. Clifford is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Currently, Mr Clifford is head of the risk team within Carne.

Mr. Clifford joined Carne Global Financial Services Limited in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was Head of Alternative Investments, overseeing an external hedge fund manager portfolio. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investee companies. He began his career with Irish Life as a sector-focused equity fund manager overseeing part of a €4 billion equity portfolio. Prior to this, Mr. Clifford was a Senior Equity Analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland.

Mr. Clifford has a Bachelor of Electrical Engineering from University College Cork and a Master of Business Administration from the Smurfit School of Business, University College, Dublin. He is a Chartered Alternative Investment Analyst (CAIA) and a Financial Risk Manager (FRM – Global Association of Risk Professionals).

#### **INVESTMENT MANAGER, GLOBAL DISTRIBUTOR AND PROMOTOR**

The Investment Manager of the ICAV is CIM Investment Management Limited. The Investment Manager was incorporated in England in 2005 as a private limited liability company with unlimited duration and has fully paid share capital of US\$350,000 divided into 350,000 limited shares of US\$1.00 each. The Investment Manager is authorised and regulated by the Financial Conduct Authority in the UK under number 443440. The Investment Manager is registered as an investment adviser with the United States Securities and Exchange Commission under the United States Investment Advisers Act of 1940 as amended. The Investment Manager also acts as manager of CIM Dividend Income Feeder Fund

Limited, CIM Discovery Fund Limited, The Tail Wind Fund Limited and a number of managed accounts. The Promoter of the ICAV is the Investment Manager.

The Investment Manager has, under the terms of an Investment Management and Distribution Agreement concluded between the ICAV, the Manager and the Investment Manager (summarised under the heading “Material Contracts”), been appointed as investment manager of the ICAV with discretionary investment management powers. Subject to the policies and control of the Board of Directors, the Investment Manager will be responsible for the investment and management of each of the Sub-Funds’ assets, including analysing and selecting the investments in which the Sub-Funds may invest.

The Investment Manager will also be responsible for monitoring the ongoing performance and suitability of the Investments for the ICAV in accordance with the Sub-Funds’ investment program and to ensure that each Sub-Fund adheres to the investment restrictions and guidelines set out in the Supplements.

The Investment Manager may, in accordance with the requirements of the Central Bank delegate in whole or in part any of its duties or obligations (including discretionary investment management) to sub-investment managers or advisors upon such terms as to authority, liability and indemnity as shall be determined by the Investment Manager. Such sub-investment managers or advisors will not be paid directly by the ICAV. Disclosure of the appointment of any sub-investment managers or advisors will be provided to Shareholders on request and will be disclosed in the periodic reports of the ICAV. The Investment Manager shall exercise due care and diligence in such appointment and shall supervise the conduct of any delegation it makes. The Investment Manager has appointed Santa Lucia Asset Management Pte Ltd as Sub-Investment Manager.

CIM Investment Management Limited (the “Global Distributor”) also acts as distributor of the ICAV. The Global Distributor provides and arranges for the distribution of Sub-Funds offered by the ICAV pursuant to a Investment Management and Distribution Agreement concluded between the ICAV, the Manager and the Global Distributor (summarised under the heading “Material Contracts”).

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

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

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

and staff who receive remuneration equivalent to senior management.

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

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

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

Further details with regard to the remuneration policy are available at the following website:

<http://www.carnegroup.com/policies-and-procedures/>

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

#### **THE SUB-INVESTMENT MANAGER**

The Investment Manager has appointed Santa Lucia Asset Management Pte Ltd. as Sub-Investment Manager to provide discretionary investment management services to the Investment Manager and assist the Investment Manager with all aspects of its investment management duties to the ICAV. The appointment of the Sub-Investment Manager is made at the expense of and borne directly by the Investment Manager. The Investment Manager has delegated to the Sub-Investment Manager all powers and discretions vested in or exercisable by the Investment Manager under the Investment Management and Distribution Agreement which may be necessary for the proper performance by the Sub-Investment Manager of its duties under the Sub-Investment Management Agreement. The Sub-Investment Manager has undertaken to abide by and be subject to the overall supervision, direction and control of the Investment Manager, who is responsible for any acts or omissions of the Sub-Investment Manager.

Santa Lucia Asset Management Pte. Ltd is a Singapore based investment manager which is authorized and regulated by the Monetary Authority of Singapore under registration number CMS100136-1. Santa Lucia Asset Management Pte. Ltd is a sister company of the Investment Manager.

#### **Investment Management team**

The Sub-Funds of the ICAV are managed by the Investment Management team.

The Senior portfolio manager who is in charge of the assets of the ICAV is:

**James Morton (Chief Investment Officer, Santa Lucia Asset Management Pte.Ltd)**

James Morton has over thirty years experience in financial services and over twenty years in portfolio management. He is the founder and majority owner of the Investment Manager and Sub-Investment Manager and the Chief Investment Officer of the Sub-Investment Manager. He set up the Chelverton Fund, a global micro-cap equity fund in 1994. He became the investment director of European American Securities Inc. in 1996 and in June 2006 he established CIM Investment Management Limited, the Investment Manager. He established the Sub-Investment Manager in Singapore in 2010 and commenced full time employment there in February 2011. Mr. Morton's previous employment includes Bain & Co., Arthur Young, Citicorp and Samuel Montagu. He holds an MBA from Stanford Graduate School of Business, a MA from Stanford Food Research Institute and a Law Degree from Cambridge University.

He has primary responsibility for the day-to-day management of the ICAV's investments including due diligence and has been the lead portfolio manager working on the ICAV's portfolio since 2001.

**DEPOSITARY**

The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the ICAV. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2015, the Northern Trust Group's assets under custody totalled in excess of US\$6.2 trillion.

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 services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, (the "**Global Sub-**

**Custodian**") responsibility for the safekeeping of the ICAV's financial instruments and cash. The Global Sub-Custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix VII attached.

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 Central Bank UCITS Regulations.

**Conflicts of Interest**

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. As outlined above, the Depositary has delegated custody services and asset verification services to the Global Sub-Custodian who proposes to further delegate these responsibilities to sub-delegates.

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 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.

**ADMINISTRATOR**

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

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations

assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the ICAV and the provision of certain Shareholder registration and transfer agency services in respect of shares in the ICAV.

The Administrator 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.

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

Further details of the Administration Agreement are out in the section entitled "General Information" below.

## **INVESTMENT OBJECTIVE AND POLICIES**

The objective for which the ICAV is established is to achieve long term capital growth through the collective investment in either or both transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk-spreading. The ICAV aims to provide investors with the opportunity to invest in a variety of Sub-Funds. The investment objectives and policies of each Sub-Fund of the ICAV will vary and full details thereof will be contained in the Supplement in respect of the relevant Sub-Fund.

The IOI provides that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the ICAV appear in the Supplement for the relevant Sub-Fund. Any change in the investment objective or a material alteration to the investment policy of any Sub-Fund may only be made with the approval of an ordinary resolution of the Shareholders of the relevant Sub-Fund. In the event of a change in investment objective and/or policy, a reasonable notification period will be provided by the ICAV to enable Shareholders to redeem their Shares prior to the implementation of such change.

There can be no assurance that the investment objective of a Sub-Fund will be achieved or that an investor will not lose some or all of its investment in the ICAV.

## **INVESTMENT RESTRICTIONS**

The particular investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund and will appear in the Supplement for the relevant Sub-Fund.

Details of the investment restrictions laid down in accordance with the UCITS Regulations and other applicable restrictions in respect of all Sub-Funds are set out in Appendix II.

A Sub-Fund of the ICAV may invest (an "Investing Sub-Fund") in another Sub-Fund of the ICAV, subject to the conditions set out in Appendix II. Investment will not be made in a Sub-Fund which itself invests in other Sub-Funds in the ICAV. The Investing Sub-Fund may not charge an annual investment management fee in respect of that portion of its assets invested in other Sub-Funds in the ICAV such that there shall be no double charging of the annual investment management fee to the Investing Sub-Fund as a result of its investments in another Sub-Fund of the ICAV.

A Sub-Fund of the ICAV may invest in a collective investment scheme which is managed directly or by delegation by the Investment Manager or where the Investment Manager is linked to such collective investment scheme by common management or control or by a substantial direct or indirect holding to the management company of such collective investment scheme, subject at all times to the conditions set out in Appendix II.

The ICAV will not amend such investment restrictions except in accordance with the requirements of the Central Bank and in any event, the ICAV will comply with the Central Bank UCITS Regulations issued by the Central Bank.

## **EFFICIENT PORTFOLIO MANAGEMENT**

The ICAV may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments, provided that such techniques and instruments are used for efficient portfolio management purposes or in order to provide protection against exchange risk. Such techniques and instruments are set out in Appendix III. Efficient portfolio management means investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund.

The ICAV currently intends making limited use of Financial Derivative Instruments ("FDIs"). FDIs may only be used for efficient portfolio management purposes and in order to provide protection against exchange risk. Further details are set out in the respective Sub-Fund's Supplement and in Appendix III. A risk management process has been submitted to the Central Bank by the Manager in respect of the envisaged use of FDIs in accordance with the Central Bank's requirements. New techniques and instruments may be developed which may be suitable for use by the ICAV and the ICAV (subject to the prior approval of the Central Bank) may employ such techniques and instruments.

## **BORROWING AND LENDING POWERS**

Borrowing and lending powers are set out in Appendix II. Any particular borrowing restrictions for a Sub-Fund will appear in the Supplement for the relevant Sub-Fund.

## SECURITIES FINANCING TRANSACTIONS

The ICAV is not permitted to enter into Securities Financing Transactions. As the ICAV will not be engaging in Securities Financing Transactions it does not propose to detail a description or rationale for the use of Securities Financing Transactions, the acceptable collateral or counterparties. The Depositary and any duly appointed sub-custodian shall have a right to re-use the ICAV's Assets with the prior consent of the ICAV or the Manager acting on behalf of the ICAV.

As the ICAV will not be engaging in Securities Financing Transactions, it has not formulated a policy on the sharing of returns generated by Securities Financing Transactions by the ICAV, the Manager or the Investment Manager.

## RISK FACTORS

**Prospective investors should give careful consideration to the risk factors set out in Appendix IV, which are not exhaustive, in evaluating the merits and suitability of an investment in the ICAV.**

## HOW TO TRANSACT IN SHARES

### GENERAL

**Initial Offer Period and Initial Offer Price.** During the Initial Offer Period, Shares are subscribed for at the Initial Offer Price as set out in the relevant Supplement. Following the Initial Offer Period, Shares are offered at the Net Asset Value per Share calculated on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE".

**Dealing Day.** Following the Initial Offer Period for a Sub-Fund or Class, Shares may be issued by the ICAV on any Dealing Day as further described in the definition of "Dealing Day" contained in the Glossary Section of the Prospectus.

**Subscription Cut-Off-Time.** Applications for subscriptions must be received by the Administrator no later than the Subscription Cut-Off Time. The Subscription Cut-Off Time means 1:00 pm Irish time on the Business Day before the Dealing Day, such day being the same Business Day as the Valuation Point. For example, the Subscription Cut-Off Time would normally be 1:00 pm on a Friday before a Friday Valuation Point with Shares being subscribed for on the Monday.

**Pricing.** The Net Asset Value per Share is calculated daily on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE". The calculation of the Net Asset Value per Share may be temporarily suspended in certain exceptional circumstances (see "HOW TO TRANSACT IN SHARES – SUSPENSION OF ISSUES, REDEMPTIONS AND SWITCHING RIGHTS"). The ICAV operates 'forward pricing' whereby the Net Asset Value per Share calculation follows the acceptance of the subscription.

**Price information.** The latest daily Net Asset Value price per Share may be obtained from the Administrator during normal

business hours or by accessing Bloomberg. The Net Asset Value price per share shall be updated following each calculation of the Net Asset Value.

**Initial charge.** The ICAV may levy an 'initial charge' on investors who subscribe for Shares as set out in the supplement relating to each Sub-Fund. The subscription amount less any initial charge payable is paid into the Sub-Fund and invested. Transactions by Shareholders in Shares occur at the Net Asset Value per Share.

### HOW TO PURCHASE SHARES

**Account Opening.** A signed Account Opening Form along with the required Customer Due Diligence (CDD) documentation must be submitted before an account can be fully opened. The Account Opening Form may be obtained from the Administrator. An account may be opened and available for initial subscription on receipt by the Administrator of the Account Opening Form by post or by fax, with the original to follow, and all required CDD but will be blocked to Redemption Payments until the original Account Opening Form and original CDD documentation have been furnished to the Administrator.

**Subscriptions.** Once an account has been opened, the Subscription Form must be completed. The Subscription Form may be obtained from the Administrator.

An account may be opened upon receipt of an Application Form. However the account will be blocked to Redemption Payments until the original signed Account Opening Form and original CDD documentation have been furnished to the Administrator. In order for a Subscription Form to be considered acceptable for subscription on a Dealing Day, a correctly completed Subscription Form must be received by the Administrator by the Subscription Cut-Off Time. Subsequent subscription requests may be sent by post, facsimile at the number given in the Subscription Form. Shares will be allotted based on the Net Asset Value per Share calculated at the relevant Valuation Point.

Where instructions are received later than the Subscription Cut-Off Time they will be dealt with as if received prior to the next Subscription Cut-Off Time.

No Share transfers will be registered or redemption payments will be made until the original Application Form and any supporting documents have been received by the Administrator including documentation in connection with anti-money laundering procedures and all necessary anti-money laundering checks have been completed.

Each potential investor will be obliged to represent and warrant in the Account Opening Form and Subscription Form that, among other things, such investor is purchasing Shares for its own account and not with the intention of reselling them, except in the case of a redemption of Shares, and that such investor is able to acquire Shares without violating applicable laws and failure to do so may result in the suspension of the processing of such application or any subsequent repurchase request.

The IOI also permits the Directors where necessary to

repurchase and cancel Shares (including fractions thereof) held by, amongst others, a person who is Irish Resident or Ordinarily Resident in Ireland on the occurrence of a Chargeable Event for Irish taxation purposes.

The ICAV reserves the right to reject any subscription in whole or in part. In such cases, subscription monies or the balance thereof will, at the cost and risk of the applicant and subject to any applicable laws be returned to the account from which they had been originally remitted (minus any handling charge incurred in any such return) as soon as reasonably practicable by electronic transfer (but without interest, cost or compensation). Subscription monies will only be returned if such return is permissible under Irish money laundering and counter terrorist financing laws.

**Payment.** Save where otherwise disclosed in the relevant Supplement, payment in respect of subscriptions will be due and payable by the Subscriptions Settlement Date into the relevant bank account as outlined in the Subscription Form, provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Sub-Fund. If payment in full in cleared funds in respect of an application has not been received by the Subscriptions Settlement Date or in the event of non-clearance, any provisional allotment of Shares made in respect of such application may be cancelled. In such circumstances the Directors may charge the applicant for any expense incurred by the Sub-Fund and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Each applicant for Shares must agree to indemnify the ICAV and to keep the ICAV indemnified against any loss of any nature whatsoever arising to the ICAV as a result of an applicant's failure to pay the full amount of monies due to the ICAV by the Subscriptions Settlement Date in respect of any application for Shares submitted by the applicant.

Other methods of payment are subject to the prior approval of the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

The Directors may in their absolute discretion accept payment for Shares in specie, and may allot Shares in the relevant Sub-Fund provided that arrangements are made to vest in the Depositary on behalf of the ICAV investments which would form part of the assets of the relevant Sub-Fund and provided that (a) the Depositary is satisfied that there is unlikely to be any material prejudice to existing Shareholders in the relevant Sub-Fund; and (b) such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, strategies and restrictions. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE".

Where any subscription amounts are not an exact multiple of the subscription price per Share of the Sub-Fund or Class applied for the number of shares issued will be rounded up or down to the nearest whole number.

**Minimum Investment.** Refer to individual Supplements.

**Additional Contributions.** Refer to individual Supplements.

**Minimum Holding.** Refer to individual Supplements.

**Subscription Currency.** Subscription monies may be tendered to the ICAV in US Dollars, Euros Pounds Sterling and, in the case of any subscriptions into Share Classes of Sub-Funds denominated in that currency, Singapore Dollars, and will be converted to the currency of the relevant Share Class of the Sub-Fund being invested in at the spot rate at the time of receipt of the funds. Payments for Shares should be made net of all bank charges to the bank account identified in the Subscription Form or as otherwise notified by the Administrator. When another Sub-Fund managed by the Investment Manager subscribes for Shares, these subscriptions will be accepted on the basis of cleared funds received within 10 Business Days after the Dealing Day provided that the necessary Subscription Forms are received by the Subscription Cut-Off Time.

**Substantial Transactions and Anti-Dilution Levy.**

In calculating the subscription or redemption price for the Sub-Fund, the Directors may on any dealing day, when there are net subscriptions or redemptions representing more than 5% of the Net Asset Value of the Sub-Fund, adjust the subscription or redemption price by adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund.

Subject to the overall control and supervision by the Directors or the Manager of the ICAV, the Investment Manager will make all decisions regarding the levying of a substantial transactions levy and/or accepting contributions in kind of securities in accordance with the Investment Manager's published policy from time to time.

**Proviso.** Shares are issued subject to the provisions of the IOI and the terms of this Prospectus. The Directors may decline to accept a subscription to purchase Shares for whatever reason. The rights and obligations of the Shareholders shall be governed by and construed in accordance with the laws of Ireland, notwithstanding the place where the account opening and subscription is executed or the citizenship or residency of Shareholders. The courts of Ireland shall have exclusive jurisdiction over any disputes Shareholders may have relating to their Shareholdings.

**Anti-Money Laundering and Counter Terrorist Financing Requirements.**

Measures provided for in Anti-Money Laundering and Countering Terrorist Financing Legislation, which are aimed towards the prevention of money laundering and counter terrorist financing require a subscriber to verify his/her identity and the source of the subscription monies to the ICAV and the Administrator.

An individual may be required to produce a duly certified copy of a passport or identification card together with evidence of their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a

certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners (who may also be required to provide proof of identity).

Depending on the circumstances of each application, a detailed verification may not be required where (a) the investor is a regulated credit or financial institution, or (b) the application is made through a regulated financial intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located in a country which has ratified the recommendations of the Financial Action Task Force and has equivalent anti-money laundering legislation to that in place in Ireland. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.

The details given above are by way of example only and the ICAV and the Administrator each reserve the right to request such documentation as is necessary to verify the identity of the applicant and the source of the subscription monies and to ensure compliance with the ICAV's or Administrator's obligations under the Anti-Money Laundering and Countering Terrorist Financing Legislation. In the event of delay or failure by the applicant to produce any information and documentation required for verification purposes, the Administrator or the ICAV may refuse to accept or process the application and subscription monies and return all subscription monies or compulsorily repurchase such Shareholder's Shares and/or payment of repurchase proceeds may be delayed (no repurchase proceeds will be paid nor will any interest accrue thereto if the Shareholder fails to produce such information and documentation) and the ICAV, the Directors, the Manager, the Investment Manager and the Administrator, each parent, subsidiary, affiliate and shareholder thereof and each of the respective officers, directors, trustees, employees and agents of the foregoing shall not be liable, and shall be held harmless and fully indemnified by the applicant, for any and all claims, liabilities, losses, damages, costs and expenses (including without limitation, legal fees and expenses) arising out of any failure to process the application or redemption or otherwise if any such requested information has not been provided by the applicant or if Shares are compulsorily repurchased in such circumstances. If an application is rejected, the Administrator will, at the cost and risk of the applicant and subject to any applicable laws, return application monies or the balance thereof to the account from which they had been originally remitted (minus any handling charge incurred in any such return) as soon as reasonably practicable by electronic transfer (but without interest, cost or compensation). Subscription monies will only be returned if such return is permissible under Irish money laundering and counter terrorist financing laws. No redemption proceeds will be paid where the requisite information and documentation for verification purposes has not been produced by a Shareholder or has been provided in incomplete form.

#### **Data Protection**

Prospective investors should note that by completing the Account Opening Form they are providing to the ICAV personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be

used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the ICAV, its delegates and agents. By signing the Account Opening Form, investors acknowledge that they are providing their consent to the ICAV, the Administrator, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal information for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the ICAV and any related accounts on an on-going basis;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal, tax and regulatory obligations applicable to the investor and the ICAV;
- (e) for disclosure or transfer whether in Ireland or countries outside the European Economic Area including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, taxation authorities, auditors, tax advisers, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above;
- (f) for disclosure to the U.S. Inland Revenue Service to meet the ICAV's obligations under FATCA as further disclosed in the section entitled "Tax Considerations" below; and
- (g) for other legitimate business interests of the ICAV.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by making a request in writing.

The ICAV as a Data Controller, within the meaning of Data Protection Legislation, undertake to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

By signing the Subscription Agreement, prospective investors consent to the recording of telephone calls made to and received from investors by the ICAV, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

The Administrator may and will hold all or part of the data provided in accordance with applicable laws even after the investor has fully redeemed .



## REGISTRATION OF SHAREHOLDING

**Applicant.** Shares may only be registered in the names of individuals of at least 18 years of age, or companies or partnerships. Persons investing in a special capacity (for example as the parent or guardian of a person under 18 years old or as a trustee or executor) should register the investment in their own name or in that of a nominee. Amendments to an investor's registration details and payment details will only be made following receipt of a original written instructions from the relevant Shareholder.

**Joint Applicants.** Shares registered in the names of more than one individual will be treated as being owned by joint applicants. In such a case, all the joint applicants must sign both the Account Opening and Subscription Form. In the case of the death of one of the joint Shareholders, the survivor or survivors will be the only person or persons recognised by the ICAV as having any title to or interest in the Shares registered in the names of such joint Shareholders.

**Evidence of Transaction.** A contract note providing details of a trade on a Shareholder's account will normally be issued within 10 Business Days after the Net Asset Value per Share for the relevant Dealing Days has been published.

**Form of Shareholding.** All Shares are registered and non-certificated (issued without certificates). Title to the Sub-Fund Shares shall be evidenced solely by written entry in the ICAV's register of Shareholders.

**Market Timing.** The Directors may in their absolute discretion refuse to accept a new subscription. In particular, the Directors may exercise this discretion if they believe the Shareholder has been or intends to engage in market timing activities. For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares in a Sub-Fund generally to take advantage of variations in the price of Shares between the Valuation Points of the Sub-Funds. Short term trading of this nature may be detrimental to long term Shareholders; in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance. Investments may be made into the Sub-Funds via nominee or similar omnibus accounts.

## HOW TO REDEEM OR TRANSFER SHARES

**The Redemption Form.** A Redemption Form is required for each redemption. The Redemption Form may be obtained from the Administrator. Redemption Forms may be sent to the Administrator by post or facsimile. The Shareholder bears the risk of non-receipt of any instructions sent by facsimile.

**Redemption Cut-Off Times.** Shareholders may, subject to the provisions set out below, redeem part or all of their shareholding on a Dealing Day. Redemption requests *must* be received by the Administrator no later than the Redemption Cut-Off Time. The Redemption Cut-Off Time means 1:00 pm Irish time on a Business Day that is one Business Day before the Valuation Point and two Business Days before the Dealing Day. For example, the Redemption Cut-Off Time would normally be 1:00 pm on a Thursday before a Friday Valuation

Point with Shares being redeemed on the Monday. Shares will be redeemed at the Net Asset Value per Share.

**Minimum Redemption:** Refer to individual Supplements.

**Withdrawal of Redemption Requests.** Unless the Directors consent to the withdrawal of any redemption request, a redemption request will be irrevocable. If at any time the determination of Net Asset Value is suspended and redemption rights are also suspended, then, during the period of suspension, the redemption request may be withdrawn but if not so withdrawn, then redemption will take place on the next Dealing Day following the end of the period of suspension.

**Payment.** Redemption proceeds will normally be paid in US Dollars, Euros, Pounds Sterling or Singapore Dollars with conversion at the spot rate on the day of payment. Redemption proceeds can only be paid into an account of record specified in the original Account Opening Form submitted. Any amendments to Shareholders' payment instructions can only be effected by way of original documentation.

Redemption proceeds shall not be paid unless the Administrator is in possession of the fully completed signed Redemption Form and appropriate supporting documentation including anti-money laundering documentation as requested and all anti-money laundering procedures have been completed.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Sub-Fund and the Shareholder will rank as a general creditor of the ICAV until such time as the Administrator is satisfied that its anti-money laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released.

Provided that the proper completed documentation has been received, payment of redemption proceeds will normally be made by the Redemptions Settlement Date. This allows the Sub-Fund sufficient time to make arrangements to meet such payments.

No interest will be paid on the redemption proceeds between the relevant Dealing Day and the date of actual payment.

**Designated Recipient.** Payments of the redemption proceeds will be made by SWIFT/electronic transfer to an account in the name of the Shareholder indicated by the Shareholder, at the Shareholder's risk.

All costs of effecting any telegraphic transfer will be borne by the Shareholder and may be deducted from the monies to be paid. No redemption of Shares may be effected during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE").

**Early Redemption Fees.** The ICAV or the Investment Manager may, in their discretion, levy a redemption charge of 1.75% of the Net Asset Value of any Sub-Fund in respect of Shares that are redeemed within 12 months of the original subscription date, solely for the benefit of the existing Shareholders.

**Substantial Redemptions.** The Directors or the Manager may in their discretion limit the number of Shares of any Sub-Fund repurchased on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Sub-Fund calculated on the Dealing Day on which the redemption is processed before giving effect to the redemption being repurchased by the ICAV (but after giving effect to any redemptions in kind of securities on that Dealing Day). In this event, the Directors or the Manager may scale down the number of Shares to be redeemed to such extent as may be necessary to ensure such limit is not exceeded. The limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund repurchased on that Dealing Day. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a pro rata basis as if the redemption request for such Shares was received on the next Dealing Day.

**Substantial Transactions and Anti-Dilution Levy.**

In calculating the subscription or redemption price for the Sub-Fund, the Directors may on any dealing day, when there are net subscriptions or redemptions representing more than 5% of the Net Asset Value of the Sub-Fund, adjust the subscription or redemption price by adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund.

**Payment In Specie.** As an alternative to a cash redemption, the ICAV may, with the consent of the redeeming Shareholder, and subject to the overall control and supervision of the Directors and the Manager satisfy a redemption request in whole or in part by a distribution of investments of the relevant Sub-Fund in specie, provided that such a distribution would not be materially prejudicial to the interests of the remaining Shareholders of that Sub-Fund and the allocation of the investments to be distributed is subject to the prior approval of the Depositary. A determination to provide redemption in specie may be solely at the discretion of the ICAV where the redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of the ICAV. In this event, the ICAV will, if requested, sell the assets on behalf of the Shareholder. The cost of the sale can be charged to the Shareholder.

In all cases, the particular assets to be transferred will be determined by the Directors in consultation with the Investment Manager on such basis as the Directors in their discretion, with the approval of the Depositary, consider not to be prejudicial to the interests of the remaining Shareholders in the Sub-Fund. The value of the assets to be transferred will be determined on the same basis as used in calculating the Net Asset Value of the Sub-Fund and may be adjusted as the Directors in consultation with the Investment Manager may determine to reflect the liabilities of the Sub-Fund as a result of the transfer of such assets, provided that the asset allocation is subject to the approval of the Depositary. Any

shortfall between the value of the assets transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption will be satisfied in cash. Any decline in the value of the assets to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which such assets are delivered to the redeeming Shareholder will be borne by the redeeming Shareholder.

**Compulsory Redemption.** Shares may be compulsorily redeemed or transferred if it comes to the notice of the ICAV that those Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority, by any person who shall belong to or be comprised within any class of persons from time to time determined by the Directors or the Manager or in circumstances (whether directly or indirectly) which, in the opinion of the Directors or the Manager, may result in regulatory, pecuniary, legal, tax or material administrative disadvantage for the ICAV, the relevant Sub-Fund or its Shareholders as a whole.

Any Sub-Fund may be terminated by the Directors, at their discretion, by notice in writing to the Depositary and the holders of Shares in such Sub-Fund if the Net Asset Value of the relevant Sub-Fund is below US\$ 1,000,000 or its equivalent in another currency, or such other level as may be determined by the Directors in their discretion. With effect from the date at which any Sub-Fund is to terminate, no Shares of the relevant Sub-Fund or Class or Classes within that Sub-Fund may be issued or sold by the ICAV and neither the ICAV nor any holder of the relevant Shares shall have any right to require the repurchase of any such Shares.

The ICAV shall, on the instructions of the Directors or the Manager, realise all the Investments then comprised in the relevant Sub-Fund and, from time to time, distribute (upon production of written confirmation of entry or other evidence as to title relating to the Shares as the ICAV may require) to the relevant Shareholders in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund, subject to the retention of any monies in its hands as part of the relevant Sub-Fund to pay full provisions for all costs, charges, expenses, claims and dividends incurred, made or apprehended by the ICAV or the Directors in connection with or arising out of the termination of the relevant Sub-Fund.

Any unclaimed proceeds or other cash held by the ICAV hereunder may, at the expiration of twelve months from the date upon which the same were payable, be paid into a bank account subject to the right of the ICAV to deduct such expenses therefrom as is necessary to make such payment.

**Transfers.** A Shareholder may transfer ownership of his/her holdings to an acceptable investor by forwarding a completed Transfer Form to the Administrator. The Transfer Form may be obtained from the Administrator .

**HOW TO SWITCH FUNDS**

Subject to the minimum investment and holding requirements of the relevant Class, Shareholders can switch between Sub-

Funds and different Classes within the same Sub-Fund on any Dealing Day provided the Administrator has received the Shareholder's completed Switch Form by the Subscription Cut-Off Time. For clarity, holders of Shares will not be able to switch their holdings into other Share Classes unless they meet the conditions for investment in that Class as set out in the relevant Class Supplement. Instructions received after the aforesaid time will be dealt with on the next following Dealing Day. There is no charge for this service. Requests to switch Sub-Funds should be made by completing the Switch Form and sending it to the Administrator specifying the number or value of Shares to be exchanged and the relevant Sub-Fund selected for reinvestment. Switch Forms can be sent by post or facsimile at the number given in the Switch Form. Shares switched will be issued and repurchased (as appropriate) at the Net Asset Value per Share calculated on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE".

#### **SUSPENSION OF ISSUES, REDEMPTIONS AND SWITCHING RIGHTS**

The Directors, in consultation with the Manager and the Investment Manager, may at any time declare a temporary suspension of subscriptions, redemptions, switches and transfers of Shares or of any one or more Sub-Funds or of the calculation of the Net Asset Value of any such Sub-Fund during:

(i) any period when any market on which a substantial part of the investments of the relevant Sub-Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays;

(ii) any period when dealings on any such market are restricted or suspended;

(iii) the existence of any state of affairs as a result of which disposal of the Investments of the relevant Sub-Fund cannot, in the opinion of the Directors or the Manager, be effected normally or without seriously prejudicing the interests of the holders of that Sub-Fund;

(iv) any breakdown in the means of communication normally employed in determining the value of net assets of the relevant Portfolio or when, for any other reason, the value of any assets of the relevant Portfolio cannot be promptly and accurately ascertained;

(v) any period during which the Depositary is unable to repatriate funds required for making payments due on redemption of Shares,

(vi) any period during which the realisation of Investments or the transfer of funds involved in such realisation cannot, in the opinion of the Directors or the Manager, be effected at normal prices or normal rates of exchange; or

(vii) any period when a substantial part of the Investments of the relevant Sub-Fund cannot be valued in accordance with the valuation method of the relevant Investments as set out in the IOI and as described in the Section of this Prospectus entitled "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE".

Notice of any such temporary suspension in respect of any Sub-Fund will be given to any Shareholder tendering his Shares for

redemption or switching and notice will be similarly given upon the termination of such temporary suspension.

In the event that valuations and redemptions are suspended temporarily, such temporary suspensions shall be notified immediately on the same Business Day to the Central Bank without delay, and where possible, all reasonable steps will be taken to bring any period of temporary suspension to an end as soon as possible.

Applicants for Shares and Shareholders wishing to redeem or switch Shares will be notified of the declaration and termination of any temporary suspension and may withdraw their applications and requests for redemption or switching so long as such temporary suspension continues. Unless withdrawn, applications for subscriptions, redemptions and switches will be considered on the first Dealing Day following the termination of a temporary suspension.

Should the Directors or the Manager declare a temporary suspension the Administrator will give notice of such temporary suspension to Shareholders. At the end of the period of suspension the Administrator will again give notice to Shareholders indicating that the suspension has ended.

**Cash Accounts.** Subscription monies will be paid into a cash account in the name of the ICAV which will be operated in accordance with the IOI. Dividends and redemption monies will also be paid into the cash account in the name of the ICAV for onward transmission to investors. This cash account will be deemed to be an asset of the ICAV. Any balances in this cash account at year end, which may be due to early receipt of monies or blocked payments due to be paid, will be reflected in the financial statements for the ICAV.

#### **FEES AND EXPENSES**

##### **THE MANAGER'S FEE**

Details of the fees and expenses payable to the Manager relating to each Sub-Fund are set out in the relevant Supplement.

##### **THE INVESTMENT MANAGER'S FEE**

The Investment Manager shall be entitled to receive out of the assets of the ICAV management fees and performance fees.

Details of the fees and expenses payable to the Investment Manager relating to each Sub-Fund are set out in the relevant Supplement.

##### **THE ADMINISTRATOR'S FEE**

Details of the fees and expenses payable to the Administrator relating to each Sub-Fund are set out in the relevant Supplement.

##### **THE DEPOSITARY'S FEE**

Details of the fees and expenses payable to the Depositary relating to each Sub-Fund are set out in the relevant

Supplement.

#### FEES PAYABLE TO THE NORTHERN TRUST COMPANY

Details of the fees and expenses payable to the Northern Trust Company under the KIID Services Agreement (as defined below) relating to each Sub-Fund are set out in the relevant Supplement.

#### SUBSTANTIAL TRANSACTIONS AND ANTI-DILUTION LEVY

In calculating the subscription or redemption price for the Sub-Fund, the Directors may on any dealing day, when there are net subscriptions or redemptions representing more than 5% of the Net Asset Value of the Sub-Fund, adjust the subscription or redemption price by adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the Sub-Fund.

#### OTHER FUND EXPENSES

The costs of forming the ICAV, including the fees and expenses of legal advisors, product development fees and expenses, regulatory and listing fees and expenses and any other fees and expenses arising on the formation and launch of the ICAV, which are not expected to exceed €65,000 (net of amounts directly settled by the Investment Manager), will be borne by the ICAV and amortised over a period of one year.

#### ONGOING CHARGES AND EXPENSES

In addition to the Manager's fees and the Investment Manager's fees, the ICAV may pay the following expenses out of the assets of any one or more of the Sub-Funds:-

- (a) expenses incurred in acquiring and disposing of Investments;
- (b) expenses incurred in distributing income to Shareholders;
- (c) fees in respect of the publication and circulation of details of the Net Asset Value of each Sub-Fund and each Class of Shares of each Sub-Fund;
- (d) the fees and expenses of the auditors and legal, tax and other professional advisors of the ICAV and of the Directors;
- (e) the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Sub-Fund or in any particular Class within a Sub-Fund);
- (f) the costs of printing and distributing reports, accounts and any Prospectus;
- (g) the costs of publishing prices and other information which the ICAV is required by law to publish and any other administrative expenses;
- (h) taxes and duties payable by the ICAV;
- (i) interest on and charges incurred in relation to borrowings;
- (j) fees and expenses in connection with the listing of Shares on any stock exchange;
- (k) any costs incurred in modifying the Instrument of Incorporation of the ICAV or the Prospectus;
- (l) insurance which the ICAV may purchase and/or maintain for the benefit of and against any liability

incurred by any Director of the ICAV in the performance of his or her duties;

- (m) liabilities on amalgamation or reconstruction arising where the assets of a body corporate or another collective investment scheme are transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of the assets had it arisen before the transfer and, in the absence of any express provision in the IOI forbidding such payment, the Directors or the Manager are of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;
- (n) any costs incurred in forming a Sub-Fund or a Class of Shares (details of which will be set out in the relevant Supplement or Appendix);
- (o) any other costs or expenses that may be taken out of the ICAV's assets in accordance with the IOI and the rules of the Central Bank.
- (p) any fees payable to the Central Bank;
- (q) any fees or costs associated with the provision of additional value added services to the ICAV, including cash management;
- (r) any fees or expenses of the Depositary;
- (s) any fees or expenses of the Administrator; and
- (t) any other costs or expenses that may be taken out of the ICAV's property in accordance with the Instrument of Incorporation and the rules of the Central Bank, including any fees and expenses incurred by the ICAV when engaging paying agents and other representatives in the jurisdictions where the ICAV markets its Shares provided always that such fees and expenses are at normal commercial rates.

The Directors, other than such persons who are executives of the Investment Manager, will be entitled to remuneration which will be accrued on each Dealing Day for each Sub-Fund for their services as Directors, provided that the aggregate emoluments of such Directors in respect of any twelve month Accounting Period shall not exceed €150,000 or such other amount as the Directors may determine from time to time and notify in advance to Shareholders. Such Directors may also be reimbursed for expenses reasonably incurred on behalf of the ICAV, such as in attending board meetings.

#### DIVIDENDS, REPORTS, STATEMENTS AND MEETINGS

##### DIVIDENDS

Dividends will, unless otherwise stated in the relevant Supplement, normally be declared twice a year, in January and July.

Dividends may be paid out of capital and net income, being the accumulated revenue (consisting of all revenue accrued including interest and dividends) earned by the Sub-Funds less all expenses of the Sub-Funds and/or realised and unrealised capital gains on the disposal/valuation of investments less realised and unrealised capital losses of the Sub-Funds. The ICAV does not employ equalisation and consequently does not distinguish between income and capital elements which make

up the Net Asset Value at the point that Shares are either issued or redeemed. Therefore, the amount of any dividends payable may be affected by the level of issue and redemption of shares in a particular Class. Dividends payable to Shareholders in certain Classes will be re-invested for additional Shares of the same Class in the relevant Sub-Fund unless a cash distribution is required. Dividends will be payable to Shareholders in certain other Classes only via a cash distribution. Additional Shares will be issued to Shareholders on the same day if it is a Dealing Day, or if not, on the next Dealing Day at a price calculated in the same way as for other issues of the relevant Class of Shares on this. There is no minimum number of such further Shares which may be so subscribed. In the event that a cash distribution is required, dividends will be paid by electronic transfer to Shareholders within the timeframes specified above.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the Sub-Fund until such time as the Administrator is satisfied that its anti-money laundering and anti-fraud procedures have been fully complied with, following which such dividend will be paid.

All unclaimed dividends may be invested or otherwise made use of for the benefit of the relevant Sub-Fund until claimed. Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Sub-Fund without the necessity for any declaration or other action by the ICAV.

If the dividend policy is changed in respect of any Sub-Fund or Class within a Sub-Fund in the future, full details will be provided in a Supplement or Appendix to the Prospectus and all Shareholders of the Sub-Fund or Class will be notified in advance.

### Reports, Statements and General Meetings

The annual Accounting Period of the ICAV will end on 31 December each year. Annual reports of the ICAV will be published within four months following the end of the annual Accounting Period. Half-yearly reports for the period to 30 June will be published within two months following the end of the half-yearly accounting period. Such reports and accounts will contain a statement of the Net Asset Value of each Sub-Fund and of the Investments comprised therein as at the year-end or the end of such semi-annual period.

The annual audited financial reports for the ICAV will be sent to Shareholders and prospective investors upon request.

Annual reports for the ICAV will be sent to the Central Bank within four months of the end of the period to which they relate and semi-annual reports will be sent to the Central Bank within two months of the period to which they relate.

General meetings of the ICAV may be convened from time to time by the Directors by notice in writing to Shareholders.

All financial statements (if requested by shareholders), notices and other documents will be sent, in the case of joint holders of Shares, to the holder who is named first in the Register of members of the ICAV at his registered address by the Administrator.

### TAXATION

**The attention of potential investors is drawn to the tax risks associated with investing in the ICAV set out in Appendix V to this Prospectus. Shareholders and potential investors are advised to consult their own professional advisors regarding their tax treatment in the jurisdiction(s) applicable to them. Shareholders should only rely upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them.**

### VALUATION AND PRICES

#### CALCULATION OF NET ASSET VALUE

**Time.** Subject to the suspension provisions set out below, the Net Asset Value for each Sub-Fund and the Net Asset Value of each Sub-Fund attributable to each Class shall be determined separately by reference to the Portfolio pertaining to that Sub-Fund and to each such determination the following provisions shall apply.

The Net Asset Value of each Portfolio shall be determined and shall be equal to the value as at the Valuation Point of all the investments, less all the liabilities, of that Portfolio. The Net Asset Value per Share shall be rounded to the nearest six decimal places.

**Net Asset Value Calculation.** For the purposes of calculating the Net Asset Value of each Sub-Fund the following provisions will apply:

(A) The assets of the Sub-Fund shall include:

- all cash in hand, on loan or on deposit, or on call including any interest accrued thereon,
- all certificates of deposit, treasury bills, trade bills, bank acceptances, bills of exchange, bills, demand notes, promissory notes and accounts receivable,
- all bonds, time notes, shares, stock, debentures, debenture stock, subscription rights, warrants, options, securities of whatever description, any form of interest in any of the foregoing and other Investments and securities owned or contracted for, other than rights and securities issued by it,
- all stock and cash dividends and cash distributions which the Directors or the Manager consider will be received by the ICAV in respect of the Portfolio but which have not yet been received by it but have been declared payable to stockholders of record on a date before the relevant Valuation Point,
- all interest accrued on any interest-bearing securities forming part of the Portfolio except to the

extent that the same is included or reflected in the principal value of the security,

- all other assets of the Portfolio of every kind and nature including prepaid expenses relating to that Sub-Fund and a proportion of any prepaid expenses relating to the ICAV generally, such prepaid expenses to be valued and defined from time to time by the Directors.

(B) The liabilities of the Sub-Fund shall be deemed to include:

- all bills, notes and accounts payable;
- all management, performance and administrative fees and charges payable and/or accrued;
- the aggregate amount of all borrowings and interest, commitment fees and other charges in connection therewith;
- all known liabilities present and future including the amount of any unpaid dividends declared upon the Shares, contractual obligations for the payment of money and outstanding payments on any Shares previously redeemed;
- an appropriate provision for taxes as determined from time to time by the Investment Manager; and
- all other liabilities of the Sub-Fund of whatsoever kind and nature except liabilities represented by Shares and reserves (other than reserves authorized or approved by the Investment Manager for duties and charges and contingencies). In determining the amount of such liabilities the Investment Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

(C) The IOI provides for the method of valuation of the assets and liabilities of each Sub-Fund. Assets shall be valued as follows:

- (a) The value of any investments listed or dealt in on a market shall be the "last market price" being the last traded price for such a security last available on the relevant market at the relevant Valuation Point. Where any investment is listed or dealt in on more than one market the Directors or the Manager shall select in their absolute discretion the market which constitutes the main market or the market which they determine provides the fairest criteria in a value for the security. The Directors or the Manager shall apply this policy on a consistent basis.
- (b) The value of any investment which is not listed or dealt in on a market or of any Investment which is normally listed or dealt in on a market but in respect of which the last market price is currently unavailable or the current price of which does not in the opinion of the Directors or the Manager

represent fair market value shall be the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person appointed by the Directors, and approved for such purpose, by the Depositary. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Investment Manager, who in the each case, shall be sufficient.

- (c) Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.
- (d) Exchange traded derivative instruments will be valued at the settlement price for such instruments on the relevant market. If no settlement price is currently available, such instruments shall be valued on the basis of their probable realisation value determined with care and with good faith by the Directors or a competent person appointed by the Directors provided that the Depositary shall approve such competent person for the purpose of making such valuation.
- (e) Off-exchange derivative instruments will be valued at the settlement price as provided by the counterparty and the counterparty shall value these instruments daily. The valuation of off-exchange derivative instruments will be verified at least weekly by a person independent of the counterparty who is approved by the Directors and approved for that purpose by the Depositary.

Off-exchange derivatives may also be valued using an alternative method of valuation if the Directors or the Manager deem it necessary and the alternative method must be approved by the Depositary and the rationale/methodologies used shall be clearly documented.

Forward foreign exchange contracts shall be valued by reference to freely available market quotations, namely, the price at which a new forward contract could be undertaken, or, if unavailable, at the settlement price as provided by the counterparty and the counterparty shall value such contracts daily. The valuation of such contracts will be verified at least weekly by a person independent of the counterparty who is approved by the Directors and approved for that purpose by the Depositary.

- (f) If in any case a particular value is not ascertainable as provided above, the value shall be the probable realisation value estimated by the Directors with care and in good faith or by a competent person appointed by the Directors and approved for the purpose by the Depositary.
- (g) The valuation of units or shares in any collective investment scheme which provides for the units or shares therein to be redeemed at the option of the

holder out of the assets of that undertaking shall be valued at the last available Net Asset Value per unit or share as published by the collective investment scheme or other relevant participation as at the relevant Valuation Point or, if bid and offer prices are published, at the bid price.

- (h) For non-money market Sub-Funds, the amortised cost method of valuation may be used to determine the value of money market instruments with a residual maturity of less than three months and which have no specific sensitivity to market parameters, including credit risk. Under the amortised cost method, the ICAV's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. The Directors or the Manager shall have in place an escalation procedure to ensure that any material discrepancy between the market value and the amortised cost value of a money market instrument is brought to the attention of the Investment Manager.
- (i) Currencies or values in currencies other than in the currency of designation of a particular Sub-Fund shall unless the Directors or the Manager determine otherwise be converted or translated at the prevailing exchange rate in the foreign exchange market or such other market as the Directors or the Manager, or their delegate, may consider appropriate having regard (*inter alia*) to any premium or discount which may be relevant and to costs (if any) of exchange into the currency of designation of that Sub-Fund.
- (j) Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary (i) permit some other method of valuation to be used for any asset if they consider that such valuation better reflects the fair value of that asset or (ii) adjust the value of any investment if taking into account currency, marketability and/or such other considerations as they may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.
- (k) In the absence of negligence, fraud or willful default, every decision taken by the Directors or the Administrator, the Depositary or any duly authorized person on behalf of the ICAV in calculating the Net Asset Value of a Sub-Fund or Class or the Net Asset Value per Share shall be final and binding on the ICAV and on present, past or future Shareholders.
- (l) For the purpose of valuing the ICAV's investments as aforesaid the Directors may rely upon the opinions of any person(s) who appear to them to be competent to value investments by reason of any appropriate professional qualification or of experience of any relevant market.

The liabilities of a Portfolio shall be deemed to include all liabilities (including charges incurred on the acquisition and realisation of investments and operating expenses that the Directors consider to be attributable to a particular Portfolio, and such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by Shares in the ICAV. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance.

In the case of a Sub-Fund having more than one Class of Shares, the Net Asset Value of the Sub-Fund attributable to each Class of Shares within such Sub-Fund shall be determined by taking into account such adjustments to the Net Asset Value of the relevant Portfolio as the Directors shall specify by reference to the different rights attaching to each such Class of Shares.

All valuations will be binding on all persons and in no event shall the Directors, the Investment Manager or their respective delegates incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of manifest error or bad faith.

Prospective investors should be aware that situations involving uncertainty as to the valuation of positions could have an adverse effect on a Sub-Fund's net assets and could lead to inequalities between investors subscribing for Sub-Fund Shares on different Dealing Days, if the ICAV or the Investment Manager's judgment regarding appropriate valuations should prove incorrect.

Details of the most recently calculated Net Asset Value price per Share shall be available from Bloomberg.

**Number of Shares.** For the purpose of calculating the number of Shares in issue or deemed to be in issue at a Valuation Point, Shares to be issued on a Dealing Day are deemed not to be in issue until the following day, and Shares to be redeemed on a Dealing Day are deemed to remain in issue until the following day.

**NAV per Sub-Fund Share Valuation.** This calculation is made by dividing the Net asset Value of the Sub-Fund attributable to a particular Class of Shares by the number of Shares of that Class in issue, all determined as indicated in this section. The Directors, or their delegate, may select another Valuation Point if it more appropriately represents the time of closing of business in a market or markets relevant for the valuation of the assets or liabilities of the relevant Sub-Fund. Any certification of the Net Asset Value per Share given in good faith by or on behalf of the Directors is binding on all parties.

#### **INSTRUMENT OF INCORPORATION OF THE ICAV**

The IOI comprises the constitution of the ICAV.

The objects of the ICAV are set out in full in Clause 4 of the IOI.

The IOI provide, *inter alia*, as follows:

#### **Incorporation and Share Capital**

The ICAV was registered on 15 March 2016 as an Irish collective asset-management vehicle under the laws of Ireland under registration number C144567. The ICAV is authorised in Ireland as an Irish collective asset-management vehicle pursuant to the UCITS Regulations.

The authorised share capital of the ICAV is EUR 1,000 divided into 1,000 Subscriber Shares of EUR 1 each and 500,000,000,000 Shares of no par value each having the rights provided for and as hereinafter appearing. The minimum issued share capital of the ICAV is EUR 2 and the maximum issued share capital of the ICAV is EUR 500,000,000,000 or its equivalent in any other currency.

The Directors may establish one or more Sub-Funds and one or more Classes referable to each such Sub-Fund, in accordance with the regulations of the Central Bank.

The IOI provides that un-issued Shares are at the disposal of the Directors who may offer, allot, issue, or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors see fit.

The ICAV may by ordinary resolution increase its share capital, consolidate its Shares or subdivide any of them into Shares of a smaller amount or cancel authorised but unissued Shares.

The holders of Shares shall:

- (i) have the right to vote at a general meeting.
- (ii) be entitled to such dividends as the Directors may from time to time declare; and
- (iii) in the event of a winding up or dissolution of the ICAV, have the entitlements referred to under "Liquidation" below.

#### **Variation of Rights**

The rights attached to any separate Class of Shares may, subject to the laws of Ireland and unless otherwise provided by the terms of issue of the Shares of that Class, be varied or abrogated with the consent in writing of the holders of three fourths of the issued Shares of that Class or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of the Class by a majority of two thirds of the votes cast at that meeting. The rights attached to the Shares of the Class are deemed not to be varied by the creation or issue of any other separate Class of Shares or by the creation or issue of any Shares of the same Class ranking *pari passu* with them.

#### **Portfolio**

Each Share when allotted and issued must be designated by reference to a Sub-Fund and the proceeds from the allotment and issue of each such share shall be applied in the books of the ICAV to the Sub-Fund established for that share and designated by reference to it. The assets and liabilities and income and expenditure attributable thereto shall be applied to each Sub-Fund by the Directors.

The assets of each Sub-Fund 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 such purpose.

#### **Quorum and Voting rights**

If the ICAV has only one Shareholder entitled to vote at a general meeting the quorum shall be that one Shareholder present in person or by proxy or (in the case of a corporation or other non- natural person) by a duly authorised representative. In all other cases at least two Shareholders present in person or by proxy who are entitled to vote shall be a quorum for all purposes at any general meeting of the ICAV.

Subject to any special terms as to voting for the time being attached to any Shares, at any general meeting on a show of hands every holder of a share who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.

#### **Dividends**

Dividends shall only be payable to the holders of Shares and out of the funds of the ICAV lawfully available therefore. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the ICAV.

#### **Directors**

The Directors shall be entitled to such sums (if any) by way of fees as shall from time to time be determined by the Directors. Such sums shall be divided among the Directors as the Directors may determine.

Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general and Class meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the ICAV's business or in the discharge of his duties as a Director. Any Director who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine.

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

No Director or intending Director shall be disqualified from his office by contracting with the ICAV either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the ICAV in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established,



provided that the nature of his interest shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested.

The chairman of a director's meeting shall have a casting vote at any meetings of the Directors.

The Directors may exercise the ICAV's powers to borrow and to charge its assets.

#### **Alteration of the IOI**

The IOI may at any time be altered or added to by special resolution and in accordance with the requirements of the Central Bank.

#### **WINDING UP**

The ICAV may be wound up pursuant to the Act by a special resolution of the ICAV passed at a general meeting of the ICAV. A special resolution requires at least 75% of the votes cast at the meeting to be voted in favour of the resolution in question. The winding up would be governed by the applicable provisions of the Act. The assets available for distribution among the holders of the Shares would be distributed in a winding up in accordance with their respective interest in the respective Sub-Funds on the following basis:

- (a) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of the ICAV on the basis that any liability incurred or attributable to a Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.
- (b) The assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (i) First, in the payment to the holders of the Shares of each Sub-Fund or Class of a sum in the currency in which that is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Sub-Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Sub-Fund to enable such payments to be made. In the event that, as regards any Sub-Fund or Class of Shares, there are insufficient assets available in the relevant Sub-Fund to enable such payment to be made recourse shall be had:

firstly, to the assets of the ICAV not comprised within any of the Sub-Funds; and

secondly, to the assets remaining in the Sub-Funds for the other Sub-Funds or Classes of Shares, after payment to the holders of the Shares of the Sub-Funds or Classes to which they relate of the amounts to which they are respectively entitled under this paragraph (i) pro rata to the total value of such assets remaining within each such Sub-Fund.

- (ii) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any of the Sub-Funds remaining after any recourse thereto under paragraph (b)(i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds.
  - (iii) Thirdly, in the payment to the holders of each Sub-Fund or Class of Shares of any balance then remaining in the relevant Sub-Fund, such payment being made in proportion to the number of Shares of that Sub-Fund or Class held.
  - (iv) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Sub-Funds, such payment being made in proportion to the number of Shares held.
- (c) If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders provided always that should such resolution be passed, the liquidator shall at the request in writing of a Shareholder arrange for the Shareholder's pro-rata share of the said assets to be realised and a sum equivalent to the net realisation proceeds shall be paid to the Shareholder. The liquidator may, with the like authority, vest any part of the assets in trustees on such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is any liability.

## GENERAL INFORMATION CONCERNING THE ICAV

None of the Shares of the ICAV are under option, or agreed, conditionally or unconditionally to be put under option.

As at the date of this Prospectus the ICAV has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the ICAV and are, or may be, material:

- (i) the Management Agreement between the Manager and the ICAV entered into on 17 June 2016, regarding the ICAV and each of its Sub-Funds, pursuant to which the Manager has been appointed as manager to the ICAV. The Management Agreement will continue in force, unless terminated. Either party is entitled on giving not less than ninety (90) days written notice to terminate the Agreement. As detailed in the Management Agreement, the Management Agreement may be terminated immediately in certain circumstances.
- (ii) the Investment Management and Distribution Agreement between the ICAV, the Investment Manager and the Manager entered into on 17 June 2016, regarding the ICAV and each of its Sub-Funds, pursuant to which the Investment Manager has been appointed as investment manager and distributor to the ICAV and each of its Sub-Funds. Either party is entitled on giving not less than 90 days written notice to terminate the Agreement. The Agreement may be terminated immediately in certain circumstances.
- (iii) the Sub-Investment Management Agreement between the Investment Manager and the Sub-Investment Manager entered into on 17 June 2016, pursuant to which the Sub-Investment Manager has been appointed to assist the Investment Manager with all aspects of the Investment Manager's investment management duties to the ICAV. The Sub-Investment Management Agreement may be terminated upon 90 days prior written notice by either party or immediately in certain circumstances.
- (iv) the Administration Agreement dated 17 June 2016 between the ICAV, the Manager and the Administrator pursuant to which the Administrator has been appointed as administrator to administer the affairs of the ICAV subject to the overall supervision of the Directors. The Administration Agreement provides that the appointment of the Administrator will continue unless and until terminated by the ICAV or the Administrator giving to the other party not less than 90 days' written notice although in certain circumstances the Administration Agreement may be terminated immediately by either party. The Administration

Agreement contains certain indemnities in favour of the Administrator (and its officers and employees) which are restricted to exclude, inter alia, matters arising by reason of the negligence, wilful default or fraud of the Administrator or its permitted delegates in the performance of its obligations and duties.

- (v) The Depositary Agreement dated 17 June 2016 between the ICAV, the Manager and the Depositary under which the Depositary has been appointed as depositary of the ICAV's assets subject to the overall supervision of the Directors. The Depositary Agreement provides that the appointment of the Depositary will continue unless and until terminated by the ICAV or the Depositary giving to the other party not less than 90 days' written notice. In certain circumstances, the Depositary Agreement may be terminated immediately by the ICAV or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed and provided further that if within a period of 90 days' from the date on which the Depositary notifies the ICAV of its desire to retire or from the date on which the ICAV notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the ICAV shall apply to the High Court for an order to wind up the ICAV or convene an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV. The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.
- (vi) The amended and restated Key Investor Information Document Services Agreement ("**KIID Services Agreement**") dated 9 June 2016 between the ICAV and Northern Trust Company ("**NT**") whereby NT has been appointed by the ICAV to provide certain services to the ICAV in respect of the production of KIIDs for certain Sub-Funds of the ICAV.

The KIID Services Agreement contains certain indemnities in favour of NT (and its officers and employees) which are restricted to exclude, inter alia, matters arising by reason of the negligence, wilful default or fraud of NT or its permitted delegates in the performance of NT's obligations and duties. The ICAV is entitled on giving not less than three months prior notice in writing to terminate the KIID Services Agreement. NT is entitled on giving not less than six months prior notice in writing to terminate the KIID Services Agreement. As detailed in the KIID Services Agreement, the KIID Services Agreement may be terminated immediately in certain circumstances.

### INDEMNITY

Clause 39 of the IOI of the ICAV contain provisions indemnifying the Directors, Secretary and other officers and servants of the ICAV from liability in certain circumstances.

The ICAV has agreed to provide indemnities to each of the Investment Manager, the Sub-Investment Manager, the Administrator and the Depositary on terms set out in the Investment Management and Distribution Agreement, Administration Agreement and Depositary Agreement.

#### **MISCELLANEOUS**

The ICAV has not established and does not intend to establish a place of business in the United Kingdom or the United States.

#### **LITIGATION**

The ICAV is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened by or against the ICAV.

#### **PAYING AGENTS**

The ICAV may engage paying agents and other representatives in jurisdictions where the ICAV markets its Shares. These appointments will be made in accordance with the rules of the Central Bank.

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

#### **TRADING ALLOCATIONS AND BROKERAGE COMMISSIONS**

Subject to the Directors' overall control and supervision, the Investment Manager is primarily responsible for the execution of the Sub-Funds' investment transactions and the allocation of the brokerage commissions. The Investment Manager may appoint a third party to execute trades on its behalf, in which case the Sub-Funds will incur the brokerage commissions incurred as a result of the broker selections of the third party.

The Investment Manager has no obligation to deal with any specific broker or group of brokers in executing transactions in portfolio securities. Such transactions may be subject to a commission or dealer mark-up which may not be the lowest commission or spread available. In the event that the Investment Manager enters into soft commission arrangement(s) it shall ensure that such arrangement(s) shall (i) be consistent with best execution standards and (ii) assist in the provision of investments services to the relevant Fund.

The Investment Manager and Sub-Investment manager will have complete discretion in deciding which broker the Sub-Fund will use and in negotiating its commission rates. In

this case, the Investment Manager will not be obligated to seek the lowest available "execution only" commission cost.

Thus, the Sub-Fund might be deemed to pay for products and services provided by the broker that would be included in the commission rate.

The Investment Manager may also take into account the broker's facilities, reliability, financial responsibility, costs of products or services, and responsiveness to the Investment Manager.

The Investment Manager may consider the value of the products and services received and which are described in its "Appointment of Brokers and Soft Dollar Arrangements" which is available from the Investment Manager on request. A broker will not be excluded from receiving brokerage business because it does not provide products and services.

Securities held by the Sub-Fund also may be held by other funds or investment advisory clients for which the Investment Manager or its affiliates acts as advisor. Securities may be held by, or be an appropriate investment for, the Sub-Funds as well as other clients of the Investment Manager or its affiliates. Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If purchases or sales of securities for the Sub-Funds or other clients for which the Manager act as investment manager or advisor arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the Sub-Funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of Sub-Fund securities for one or more clients have an adverse effect on other clients.

#### **DIRECTORS**

Since the incorporation of the ICAV, no benefits in kind or loans have been granted to the Directors, and the ICAV has not provided any guarantee for the benefit of any Director. Save as disclosed elsewhere herein:

- (i) no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the ICAV;
- (ii) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the ICAV; and
- (iii) no Director (nor any spouse or child under 18 of a Director or any connected person of a Director the existence of which is known or could with reasonable diligence be ascertained by that Director) has been granted any options or has any interests in respect of Shares of the ICAV. Such persons may acquire Shares on the same terms as other investors.

The Directors may vote on any transaction in which they have a material interest if they first disclose the nature of their interest to the ICAV. The IOI contain no provision requiring Directors to retire on attaining a particular age.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any Class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

## CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Investment Manager, Administrator, Sub-Investment Manager, Depositary and any of their directors, officers, employees, agents, affiliates and the Directors ("Interested Parties") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the ICAV. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisors, or agents of other funds or other companies. In particular it is envisaged that the Sub-Investment Manager and the Investment Manager may be involved in managing other investment funds which may have similar or overlapping investment objectives to or with the ICAV. The Sub-Investment Manager and the Investment Manager may provide services to third parties similar to those provided to the ICAV and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Sub-Investment Manager or the Investment Manager, as appropriate, will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, the ICAV, the Sub-Investment Manager and the Investment Manager may be faced with conflicts of interest with regard to such duties; however, they will endeavour to ensure that investment opportunities in those circumstances will be allocated fairly.

In addition, the Investment Manager (or a related party) may be involved in determining the probable realisation value of certain securities which are not listed or traded on any stock exchange or over-the-counter market. The probable realisation value of such securities will be reflected in the Net Asset Value. The Investment Manager's fees are calculated by reference to the most recently calculated Net Asset Value and accordingly the fees payable to the Investment Manager will increase as the Net Asset Value increases.

Transactions and dealings in the investments of any Sub-Fund may take place with entities related to the Depositary, the Administrator, the Investment Manager or any agent of any of them. The Investment Manager may buy and deal in Shares and sell securities and other property from and to the ICAV. Banking and similar transactions may also be undertaken with or through the Depositary or any associate of the Depositary. Any such transactions are permissible provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and are in the best interests of Shareholders and

- (i) a certified valuation of such transaction by a person approved by the Depositary (or in the case of a transaction involving the Depositary, by the Directors) as independent and competent has been obtained; or
- (ii) such transaction has been executed on best terms reasonably obtainable on organised investment exchanges under their rules; or
- (iii) where (i) and (ii) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of such transaction entered into by the Depositary, the Directors are) satisfied conform to normal commercial terms negotiated at arm's length and in the best interests of the shareholders of the ICAV.

The Directors, Investment Manager, Sub-Investment Manager, the Depositary, the Administrator and/or associated or group companies of any of them may buy, hold and deal in any investments of any kind, nature or description whatsoever notwithstanding that similar investments may be held by the ICAV, provided that any such dealings are carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the ICAV, or is interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the ICAV effected by it for the account of the ICAV and which may or may not be for the benefit of the ICAV. Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for the ICAV, the rebated commission shall be paid to the ICAV. The Investment Manager may be paid/reimbursed out of the assets of the ICAV for fees charged by the Investment Manager and reasonable properly vouched costs and expenses directly

incurred by the Investment Manager in this regard.

Certain of the Directors are also directors of related parties and other collective investment schemes. The fiduciary duties of the Directors may compete with or be different from the interests of the ICAV. Only the Directors may terminate the services of the Investment Manager and other agents of the ICAV. The Directors and the service providers may have conflicts of interest in relation to their duties to the ICAV. However, each shall, at all times, pay regard to its obligation to act in the best interests of the ICAV and the Directors will endeavour to ensure that all such potential conflicts of interest are resolved fairly and in the interests of Shareholders.

The Investment Manager shall be entitled to effect transactions with or through the agency of another person with whom the Investment Manager has an arrangement under which that person will from time to time provide to or procure for the Investment Manager services or other benefits, the nature of which are such that they are lawful and appropriate aids to the Investment Manager in carrying out its investment decision making responsibilities and the benefits provided assist in the provision of investment services to the ICAV and for which it makes no direct payment but instead undertakes to place business with that person. Any such arrangements shall provide for best execution standards. A report shall be included in the ICAV's annual reports which shall describe the Investment Manager's soft commission practices. Such benefits may not directly accrue to the ICAV. The Investment Manager may not retain cash rebates and any cash rebates received must revert back to the ICAV. The Investment Manager, Sub-Investment Manager, Depositary, Administrator, and other service providers may have conflicts of interest in relation to their duties to the ICAV. However, each shall, at all times, have regard to the best interests of the ICAV in discharging their duties.

Subject to the policy described above, the Investment Manager, the Sub-Investment Manager, the Depositary, the Administrator, any of their associates and directors of the foregoing may have an interest in the ICAV or its Sub-Funds or any transaction effected with or for the ICAV or Sub-Funds or have a relationship of any description with any other person which may involve a potential conflict of their respective duties to the ICAV or deal with or otherwise use the services of any associate in connection with the performance of such duties; and none of them will be liable to account for any profit or remuneration derived from so doing. In addition the Investment Manager and Sub-Investment Manager will also provide services to other clients and the Investment Manager and Sub-Investment Manager will endeavour to ensure that any conflict of interest arising from the allocation of investment opportunities among other clients will be resolved fairly.

## **INSPECTION OF DOCUMENTS**

Copies of this Prospectus, the Key Investor Information Documents, the IOI of the ICAV, the Act, the reports of the auditors, the annual reports and half-yearly reports of the ICAV, a list of past and current directorships and partnerships held by each Director over the last 5 years and the agreements with the Investment Manager, the Administrator, and the

Depositary summarised herein may be inspected and copied and are obtainable from the office of the Secretary at the address set out in the Directory by Shareholders and prospective investors, free of charge, during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted).

## **FUND PRICES AND SHAREHOLDER QUERIES**

The latest daily Net Asset Value price per Share of the Sub-Funds are available from Bloomberg- - pages CDIFORD VI, CDIFBBB VI, CDIFCCC VI and CDIFPPP VI.

While this Prospectus is intended to answer most questions, if you have any further enquiries, please do not hesitate to contact the appropriate party indicated below:

### ***Investment Queries***

CIM Investment Management Limited

Email: [confirms@ciminvest.com](mailto:confirms@ciminvest.com)

Website: [www.ciminvest.com](http://www.ciminvest.com)

### ***Tax Queries***

Questions regarding taxation, estate planning or other legal matters are best answered by a professional advisor.

## GLOSSARY

For the purposes of this Prospectus, the following expressions have the following meanings:

1933 Act	means the United States Securities Act of 1933 as amended.
1940 Act	means the United States Investment Company Act 1940 as amended.
“Accounting Period”	means the annual accounting period for the ICAV ending on 31 December in each calendar year.
“Account Opening Form”	means the form that needs to be completed before a Subscription may be accepted.
“Act”	means the Irish Collective Asset-Management Vehicles Act 2015 as amended, supplemented or re-enacted from time to time.
“Administrator”	means Northern Trust International Fund Administration Services (Ireland) Limited or any successor appointed by the Manager on behalf of the ICAV as administrator of the ICAV in accordance with the requirements of the Central Bank.
“Administration Agreement”	means the agreement by which the Manager has appointed the Administrator to provide administrative services to the ICAV.
“American Depository Receipts (ADRs)”	represent the ownership in the shares of a foreign company trading on US financial markets. The stock of many non-US companies trades on US exchanges through the use of ADRs. ADRs enable investors to buy shares in foreign companies without undertaking cross-border transactions. ADRs carry prices in US dollars, pay dividends in US dollars, and can be traded like the shares of US-based companies. Each ADR is issued by a US depository bank and can represent a fraction of a share, a single share, or multiple shares of foreign stock. An owner of an ADR has the right to obtain the foreign stock it represents. The price of an ADR is often close to the price of the foreign stock in its home market, adjusted for the ratio of ADRs to foreign company shares. Depository banks have numerous responsibilities to an ADR holder and to the non-US company the ADR represents.
“Anti-Money Laundering and Counter Terrorist Financing Legislation”	means the Criminal Justice (Money Laundering and Terrorist Financing Act 2010, as amended by the Criminal Justice Act 2013, as amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.
“Base Currency”	means the Base Currency disclosed in the relevant Supplement.
“Business Day”	means a day on which the banks in Ireland are open for normal banking business, or in any financial centre that the Directors may determine to be relevant for the operations of the Sub-Fund and as disclosed in the relevant Supplement as applicable, or any such other day(s) as the Directors may determine.
“Central Bank”	means the Central Bank of Ireland and any successor thereto.
“Central Bank UCITS Regulations “	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

“China A Shares”	means securities of companies that are incorporated in the PRC and denominated and traded in Renminbi on the Shanghai and Shenzhen Stock Exchanges.
“Class” or “Share Class”	means a class of Shares within a Sub-Fund for which a separate Portfolio shall not be maintained.
“Class Supplement”	means the relevant supplement for each Class of a Sub-Fund.
“Courts Service”	The Court Service is responsible for the administration of moneys under the control or subject to the order of the Courts.
Data Protection Legislation	means the Data Protection Act 1988, as amended by the Data Protection (Amendment) Act, 2003 as amended from time to time.
“Dealing Day”	means the day on which the Shares of the Sub-Funds may be subscribed for or redeemed, being the Business Day following the relevant Valuation Point or such other days in substitution therefor as determined by the Directors and notified in advance to Shareholders, provided that there shall be at least one Dealing Day per fortnight.
“Depositary”	means Northern Trust Fiduciary Services (Ireland) Limited, and any other company for the time being duly appointed Depositary with the prior approval of the Central Bank.
“Depositary Agreement”	means the agreement by which the ICAV has appointed the Depositary to provide depositary services to the ICAV in respect of the assets of the Sub-Funds.
“Directors”	means the directors for the time being of the ICAV or assembled as a board or committee thereof.
“Equities and Equity-Related Securities”	includes but is not limited to, equities, depository receipts (such as American Depository Receipts and Global Depository Receipts), REITs and preferred shares.
“Euros” and “EUR”	means the basic unit of currency among participating European Union countries.
“Exempt Irish Investor”	<p>means the categories of persons Resident in the Republic of Ireland or Ordinarily Resident in the Republic of Ireland (the “State”), as listed below, that are exempt from tax on the occurrence of a chargeable event where a Relevant Declaration has been provided to the ICAV. However, it is important to note that full details and conditions for each type of Exempt Irish Investor can be found in Sections 739B and 739D TCA. In all cases where an investor considers they it be an “Exempt Irish Investor” it should contact its own taxation advisers to ensure that it meets all necessary requirements:</p> <ul style="list-style-type: none"> <li>(i) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the TCA applies;</li> <li>(ii) a company carrying on a life assurance business within the meaning of Section 706 of the TCA;</li> <li>(iii) an investment undertaking within the meaning of Section 739(B)(1) of the TCA;</li> <li>(iv) an investment limited partnership within the meaning of Section 739J which has made a declaration to the investment undertaking in accordance with paragraph 4A of Schedule 2B of the TCA;(v) a special investment scheme within the meaning of Section 737 of the TCA;</li> <li>(vi) a unit trust to which Section 731(5)(a) of the TCA applies;</li> <li>(vii) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;</li> <li>(viii) a qualifying fund manager within the meaning of Section 784A(1)(a) of the TCA</li> </ul>

where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

- (ix) a qualifying management company within the meaning of Section 739B of the TCA;
- (x) a personal retirement savings account ("PRSA") administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA and the Shares are assets of a PRSA;
- (xi) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (xii) a company that is or will be within the charge to corporation tax in accordance with Section 739G(2) of the TCA, in respect of payments made to it by the ICAV, that has made a declaration to that effect and that has provided the ICAV with its tax reference number but only where the Sub-Fund is a money market fund;
- (xiii) the National Pensions Reserve Fund Commission;
- (xiv) the National Asset Management Agency;
- (xv) a company which is within the charge to corporation tax in accordance with section 110 (2) of the TCA, in respect of payments made by it to the ICAV;
- (xvi) an Intermediary acting on behalf of Shareholder listed at i) to xvii) above;
- (xvii) an Intermediary acting on behalf of persons who are neither Resident nor Ordinarily Resident in Ireland for tax purposes.
- (xiii) any other Irish Resident or Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV.

provided that they have completed the Relevant Declaration under Schedule 2B of the TCA.

"Global Depository Receipts (GDRs)"	means certificates issued by a depository bank, which purchases shares of foreign companies and deposits on the account. GDRs represent ownership of an underlying number of shares. Global Depository Receipts facilitate trade of shares, and are commonly used to invest in companies from developing or emerging markets. Prices of GDRs are often close to values of related shares, but they are traded and settled independently of the underlying share. Several international banks issue GDRs, such as JPMorgan Chase, Citigroup, Deutsche Bank, Bank of New York. They trade on the International Order Book (IOB) of the London Stock Exchange. Normally 1 GDR = 10 Shares.
"Global Distributor"	means CIM Investment Management Limited or any successor company appointed by the Manager on behalf of the ICAV to provide distribution services to the ICAV in accordance with the requirements of the Central Bank.
"ICAV"	means CIM Investment Fund ICAV.
"Initial Offer Period"	means the initial offer period for each Class of Shares in the Sub-Funds, the dates of which are set out in the relevant Supplement(s), or such other dates as the Directors may determine and notify to the Central Bank.
"Intermediary"	means a person who: <ul style="list-style-type: none"><li>• carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons;</li><li>or</li><li>• holds Shares in an investment undertaking on behalf of other persons.</li></ul>



"Investment"	means any of the investments or assets of a Sub-Fund as more particularly set out in the Prospectus.
"Investment Manager"	means CIM Investment Management Limited or any successor company appointed by the Manager on behalf of the ICAV as investment manager of the ICAV in accordance with the requirements of the Central Bank.
"Investment Management Agreement"	means the agreement by which the Manager has appointed the Investment Manager to manage the ICAV's investments.
"IOI"	means the Instrument of Incorporation of the ICAV.
"Ireland"	means the Republic of Ireland.
"Irish Resident"	means any person resident in the Republic of Ireland (the State) for tax purposes.

An individual will be regarded as resident in Ireland for a particular tax year if he/she is present in Ireland: (a) for a period of at least 183 days in that tax year, or (b) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each period. In determining days present in Ireland, as respects the year 2009 and subsequent years, an individual shall be deemed to be present in Ireland for a day if the individual is present in Ireland at any time during that day.

A trust will generally be Irish resident where all of the trustees are resident in Ireland.

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:

- the company or related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty company under a double taxation treaty between Ireland and that country;
- or
- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which is incorporated in Ireland and managed and controlled in a country with which Ireland has a double taxation treaty will be treated as Irish tax resident where the company would otherwise:

- (i) be treated as tax resident in the other double taxation treaty country if incorporated there instead of in Ireland,
- (ii) be treated as Irish tax resident if managed and controlled in Ireland instead of that double taxation treaty country, and
- (iii) in the absence of the above requirements, be treated as not tax resident in Ireland or any other double taxation treaty country.

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

"Main Market"	means the main market of the Irish Stock Exchange.
"Manager"	means Carne Global Fund Managers (Ireland) Limited or any successor company appointed by the ICAV as manager of the ICAV in accordance with the requirements of the Central Bank.
"Management Agreement"	means the agreement by which the ICAV has appointed the Manager to manage the ICAV.
"Minimum Subscription"	means the amount as specified in the Supplement.
"Net Asset Value"	means the net asset value of the relevant Sub-Fund or of the ICAV determined in accordance with the IOI as described in the Section entitled "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE".
"OECD Member State"	means a member state of the Organisation for Economic Co- operation and Development.
"Ordinarily Resident in Ireland"	<p>means, for the present purposes:</p> <ul style="list-style-type: none"><li>(a) In the case of an individual, an individual who is ordinarily resident in Ireland for tax purposes; and</li><li>(b) In the case of a trust, a trust that is ordinarily resident in Ireland for tax purposes.</li><li>(c) 'Ordinary residence' is distinct from 'residence' in relation to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual will be regarded as ordinarily resident in Ireland for a particular tax year if she/he has been Resident for the previous three tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has not been Resident in Ireland for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2014 to 31 December 2014 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2017 to 31 December 2017.</li></ul> <p>The concept of a trust's ordinary residence is somewhat obscure and is linked to its tax residence.</p>
"Personal portfolio investment undertaking" or "PPIU"	<p>means an investment undertaking, under the terms of which some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by -</p> <ul style="list-style-type: none"><li>i. the investor,</li><li>ii. a person acting on behalf of the investor,</li><li>iii. a person connected with the investor,</li><li>iv. a person connected with a person acting on behalf of the investor,</li><li>v. the investor and a person connected with the investor, or</li><li>vi. a person acting on behalf of both the investor and a person connected with the investor.</li></ul>

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

“Portfolio”	means the separate portfolio of investments less the liabilities attributable to a Sub-Fund of the ICAV determined according to the IOI.
“PRC”	means the People’s Republic of China.
“Prospectus”	means this document and the Supplements.
“Qualified Purchaser”	means a “qualified purchaser” as defined in Section 2(a)(51)(A) of the 1940 Act.
“Rating Agency”	means each of S&P, Moody's and Fitch or any other internationally recognised external credit assessment institution, reasonably chosen by the Investment Manager.
“Recognised Exchange”	means the list of any regulated markets or exchanges set out on Appendix 1 of this Prospectus.
“Recognised Clearing System”	The Revenue Commissioners have designated the following systems, and others, for clearing units as recognised clearing systems for the purposes of Chapter 1A in Part 27 of the TCA: Bank One NA, Depository and Clearing Centre, Central Moneymarkets Office, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear, Monte Titoli SPA, Netherlands Central Institute voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG.
“Redemption Cut-Off Time”	means the deadline for submitting redemption requests disclosed in the relevant Supplement.
“Redemption Form”	means the form that needs to be completed to apply for redemption of Shares in the Sub-Fund.
“Redemptions Settlement Date”	means three Business Days after the relevant Dealing Day. Redemption proceeds shall not be paid unless the Administrator is in possession of a fully completed signed Redemption Form and appropriate supporting documentation including anti-money laundering documentation. Further details are set out in this Prospectus under the section entitled “How to redeem or transfer Shares”.
“REITs”	means real estate investment trusts, a form of collective investment vehicle which invests exclusively in property, and is traded openly on the stock market.
“Relevant Period”	An eight year period beginning with the acquisition of the Shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.
“Relevant Declaration”	means a completed and signed declaration on an Irish Revenue prescribed form as set out in Schedule 2B of the TCA. A declaration by a non-Irish resident investor or an

Intermediary is only a Relevant Declaration where the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

“SEC”	means the United States of America Securities and Exchange Commission.
“Securities Financing Transaction or SFT”.	means:  (a) a repurchase transaction;  (b) securities or commodities lending and securities or commodities borrowing;  (c) a buy-sell back transaction or sell-buy back transaction;  (d) a margin lending transaction;  as defined in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.
“Shareholder”	means a person who is registered on the register of members of the ICAV as the holder of a Share.
“Shares”	means participating Shares in a Sub-Fund.
“Share Class”	means a class of Shares within a Sub-Fund for which a separate Portfolio shall not be maintained.
“Sub-Investment Management Agreement”	means the agreement by which the Investment Manager has appointed the Sub-Investment Manager to provide discretionary investment management services to the Investment Manager.
“Sub-Investment Manager”	means Santa Lucia Asset Management Limited Pte. Ltd or any successor company appointed by the Investment Manager as sub-investment manager of the ICAV in accordance with the requirements of the Central Bank.
“Sub-Fund”	means each sub-fund representing a particular Portfolio which may be further sub-divided into Classes of Shares.
“Subscriber Share”	means a subscriber share in the capital of the ICAV issued in accordance with the IOI.
“Subscription Cut-Off Time”	means the Subscription Cut-Off Time disclosed in the relevant Supplement.
“Subscriptions Settlement Date”	means three Business Days after the day upon which a valid subscription for Shares is received by the Administrator prior to the Subscription Cut-Off Time. If cleared funds are not received from the subscriber by the Subscriptions Settlement Date, then any interest costs and/or directly related charges will be reimbursed by the subscriber unless otherwise agreed by the Directors at their absolute discretion. Further details are set out in this Prospectus under the section entitled “How to purchase Shares”.
“Subscription Form”	means the form that needs to be completed to subscribe for Shares in the Sub-Fund.

"Supplement"	means the relevant supplement for each Sub-Fund.
"TCA"	means the Taxes Consolidation Act 1997 (of Ireland) as amended.
"UCITS Directive"	means Council Directive No. 2014/91/EU of 23 July 2014 amending Council Directive No. 2009/65/EC of 13 July 2009 on the Co-ordination of laws, regulations and administrative provisions relating to UCITS as amended, supplemented or replaced from time to time.
"UCITS Regulations"	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as may be amended from time to time.
"US" or "United States"	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.
"US Dollars", "USD" and "US\$"	means the currency of the United States of America, being the base currency of the Sub-Funds.
"US Person"	means (a) "US person" as such term is defined in Regulation S under the 1933 Act, (b) a person that is not a "Non-United States person" as such term is defined in Part 4 of the CFTC's regulations, or (c) a "Specified US person" under the Foreign Account Tax Compliance Act.
"Valuation Point"	means the point in time by reference to which the Net Asset Value of a Sub-Fund is calculated as is specified in the Supplement for the relevant Sub-Fund.
World Federation of Exchanges	means the trade association for the operators of regulated financial exchanges.

## APPENDIX I RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets in which the assets of the ICAV may be invested from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities investment will be restricted to the stock exchanges and markets below. The Central Bank does not issue a list of approved stock exchanges or markets.

- (1) Any stock exchange which is located in any Member State of the European Union or located in any of the following countries:

Australia;  
Canada;  
Japan;  
New Zealand;  
Norway;  
Switzerland;  
United States of America;  
Hong Kong;

- (2) Or any stock exchange included in the following list:

Argentina	- Bolsa de Cereales de Buenos Aires;
Argentina	- Mercado a Término de Buenos Aires S.A. (BCBA);
Argentina	- Bolsa de Comercio de Buenos Aires;
Argentina	- Bolsa de Comercio de Cordoba;
Argentina	- Bolsa de Comercio de Rosario;
Argentina	- Bolsa de Comercio de Mar del Plata;
Argentina	- Bolsa de Comercio de Mendoza S.A;
Argentina	- Bolsa de Comercio de Santa Fe;
Argentina	- Mercado Abierto Electrónico (MAE);
Argentina	- Mercado a Término de Rosario;
Argentina	- Mercado de Valores de Rosario;
Argentina	- Mercados de Futuros y Opciones SA (Merfox);
Argentina	- Rosario Futures Exchange (ROFEX);
Bangladesh	- the Dhaka Stock exchange Ltd (DSE);
Bangladesh	- the Chittagong Stock exchange Ltd (CSE);
Botswana	- the stock exchange in Botswana;
Brazil	- Bolsa Brasileira de Futuros;
Brazil	- Bolsa de Mercadorias e Futuros (BM&F);
Brazil	- Bolsa de Valores Bahia, Sergipe, Alagoas;
Brazil	- Bolsa de Valores do Extremo Sul;
Brazil	- Bolsa de Valores Minas, Espirito Santo, Brasília;
Brazil	- Bolsa de Valores do Paraná;
Brazil	- Bolsa de Valores de Pernambuco e Paraíba;
Brazil	- Bolsa de Valores Regional;
Brazil	- Bolsa de Valores de Rio de Janeiro;
Brazil	- Bolsa de Valores de São Paulo (BOVESPA);
Brazil	- Bolsa de Valores de Santos;
Chile	- Bolsa de Comercio de Santiago;
China	- the stock exchanges in Shanghai and Shenzhen;
Colombia	- the stock exchanges in Bogota and Medellin;
Egypt	- the stock exchanges in Cairo and Alexandria;
Iceland	- the stock exchange in Reykjavik;

India	- the stock exchanges in Bombay , Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
Indonesia	- the stock exchanges in Jakarta and Surabaya;
Israel	- the stock exchange in Tel Aviv;
Jordan	- the stock exchange in Amman;
Kenya	- the stock exchange in Nairobi;
Korea	- Korea Futures Exchange (KOFEX)
Korea	- Korea Stock Exchange (KSX)
Korea	- Korean Securities Dealers Association, Automated Quotation (KOSDAQ)
Malaysia	- the stock exchange in Kuala Lumpur;
Mexico	- Bolsa Mexicana de Valores
Mexico	- Mercado Mexicana de Derivados
Morocco	- the stock exchange in Casablanca;
Pakistan	- the stock exchange in Karachi or any successor exchange ;
Peru	- the stock exchange in Lima;
Philippines	- Philippine Stock Exchange
Singapore	- the stock exchange in Singapore;
South Africa	- the stock exchange in Johannesburg;
Sri Lanka	- the stock exchange in Colombo;
Taiwan (Republic of China)	- GreTai Securities Market (GTSM)
Taiwan (Republic of China)	- Taiwan Futures Exchange (TAIFEX)
Taiwan (Republic of China)	- Taiwan Stock Exchange
Thailand	- Market for Alternative Investments (MAI)
Thailand	- Stock Exchange of Thailand (SET)
Turkey	- the stock exchange in Istanbul;
Uruguay	- the stock exchange in Montevideo;
Venezuela	- the stock exchanges in Caracas and Maracaibo.
Russia	- the Moscow stock exchange;
Ukraine	- the stock exchange in Kiev;
Vietnam	- the stock exchange in Ho Chi Minh City;
Vietnam	- the stock exchange in Hanoi.

(3) Any of the following:

- (a) the market operated by the members of the International Capital Market Association;
- (b) the market conducted by the “**listed money market institutions**”, as described in the Financial Conduct Authority publication: “The Investment Business Interim Prudential Sourcebook” (which replaces the “**Grey Paper**”) as amended from time to time;
- (c) the market in United States government securities conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;
- (d) the over-the-counter market in the United States conducted by primary and secondary dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- (e) NASDAQ Europe,
- (f) NASDAQ;
- (g) SESDAQ;
- (h) KOSDAQ, the Korean stock exchange for high-tech start-ups and small to medium sized enterprises (the general level of liquidity may not compare favourably to that found on more established markets);
- (i) TAISDAQ- the over-the-counter stock market in Taiwan (the general level of liquidity may not compare favourably to that found on more established markets);
- (j) the over-the-counter Market in Japan regulated by the Securities Dealers Association of Japan;

(k) The over-the-counter Canadian Government Bond market as regulated by the Investment Dealers Association of Canada; or

(l) AIM, the Alternative Investment Market in the United Kingdom regulated and operated by the London Stock Exchange.

(4) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

(a) in a Member State;

(b) in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein);

(c) in the United States of America, on the:

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Board of Trade; or
- New York Mercantile Exchange;

(d) in China, on the Shanghai Futures Exchange;

(e) in Hong Kong, on the Hong Kong Futures Exchange;

(f) in Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange; or
- Tokyo Stock Exchange;

(g) in New Zealand, on the New Zealand Futures and Options Exchange; or

(h) in Singapore, on the

- Singapore International Monetary Exchange; or
- Singapore Commodity Exchange.

(i) on the Johannesburg Stock Exchange (JSE) financial futures and options market SAFEX.

(j) on the Australian Securities Exchange (ASX).

For the purposes only of determining the value of the assets of the ICAV, the term “**Recognised Exchange**” shall be deemed to include, in relation to any derivatives contract utilised by the ICAV, any organised exchange or market on which such contract is regularly traded.

The markets and exchanges described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

The ICAV may in the future also invest in other stock exchanges and markets which are regulated, operate regularly and are recognised and open to the public provided such stock exchanges and markets are referred to in the IOI. Details of such regulated stock exchanges and markets will be included in the subsequent semi-annual and annual audited accounts of the ICAV and noted in an Addendum or Supplement to the Prospectus.



## APPENDIX II INVESTMENT RESTRICTIONS

The permitted investments and investment restrictions applying to the ICAV, in accordance with the qualifications and exemptions contained in the UCITS Regulations, and in the Central Bank UCITS Regulations are set out below.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the ICAV are placed. Any such further restrictions shall be in accordance with the requirements of the Central Bank UCITS Regulations.

It is intended that any Sub-Fund should have power to avail of any change in the investment restrictions laid down in the UCITS Regulations which would permit investment by the Sub-Fund's in securities, derivative instruments or in any other forms of investment in which investment is as at the date of this Prospectus, restricted or prohibited under the UCITS Regulations. Any change in investment restrictions will be reflected in an updated Prospectus.

### **A GENERAL**

#### **1. Permitted Investments**

Investments of the ICAV are confined to:

- 1.1 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, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market.
- 1.4 Units/shares of UCITS.
- 1.5 Units/shares of non-UCITS as set out in the Central Bank UCITS Regulations.
- 1.6 Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
- 1.7 Financial derivative instruments as prescribed in the Central Bank UCITS Regulations.

#### **2. Investment Restrictions**

- 2.1 Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Each Sub-Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by each Sub-Fund in certain US securities known as rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the ICAV.

- 2.3 Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Sub-Fund.
- 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 Each Sub-Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. Deposits with any one credit institution, other than a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein), 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 States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of the Net Asset Value of the Sub-Fund. This limit may be raised to 20% in the case of deposits made with the Depository.
- 2.8 The risk exposure of each Sub-Fund to a counterparty to an over the counter derivative may not exceed 5% of its Net Asset Value. 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 Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Sub-Fund:-
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of Net Asset Value.
- 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 Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 Each Sub-Fund may invest up to 100% of its Net Asset Value in transferable securities and money market instruments issued by 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 following are permitted issuers for the purpose of the investment restriction:-

OECD Governments (provided the relevant issues are Investment Grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African Development Bank, the International Bank for Reconstruction and Development (The

World Bank), the Inter-American Development Bank, the European Union, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank and the Tennessee Valley Authority.

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

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

Save in respect of a Sub-Fund which has an investment objective and policy that is more restrictive in respect of investment in CIS, the following will apply:-

- 3.1 Each Sub-Fund may invest no more than 20% of its Net Asset Value in any one CIS.
- 3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of its Net Asset Value.
- 3.3 The CIS which each Sub-Fund may invest in are prohibited from investing more than 10 per cent of their own Net Asset Value in other open-ended CIS.
- 3.4 When a Sub-Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company may not charge subscription, conversion or redemption fees on account of a Sub-Fund's investment in the shares/units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Manager or the Investment Manager by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of the relevant Sub-Fund.
- 3.6 Each Sub-Fund will not take or seek to take legal or management control over any collective investment scheme in which it invests.

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

- 4.1 Each Sub-Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the 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 paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified in exceptional market conditions.

### **5. General Provisions**

- 5.1 Each Sub-Fund 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 Each Sub-Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuing body;
  - (ii) 10% of the debt securities of any single issuing body;
  - (iii) 25% of the shares/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 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 any Sub-Fund in the capital of a company incorporated in a non-State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 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, 5.5 and 5.6 are observed;
  - (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares / units at shareholders / unit holders' request exclusively on their behalf.
- 5.4 Each Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2 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 any Sub-Fund, or as a result of the exercise of subscription rights, then that Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 Neither the Investment Manager, nor any of the Sub-Funds, may carry out uncovered sales of:
- transferable securities;
  - money market instruments\*;
  - units of CIS; or
  - financial derivative instruments.

*\*any short selling of money market instruments by the ICAV is prohibited.*

- 5.8 Each Sub-Fund may hold ancillary liquid assets.

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

- 6.1 Each Sub-Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) 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. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3 Each Sub-Fund may invest in FDIs dealt over-the-counter ("OTCs") provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

- 6.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank, which are set out in the Central Bank UCITS Regulations, as amended from time to time.
- 6.5 The following discusses the types of FDI a Sub-Fund may potentially use in general terms. The intended use of FDI in respect of each Sub-Fund will be set out in the Sub-Fund's supplement to the Prospectus:

#### **Futures**

Subject to the above conditions, the Sub-Fund may buy or sell exchange-traded futures (contracts) whose underlying security is a relevant assets or indices in respect of the investment policies of the Sub-Fund.

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index frequently results in lower transaction costs being incurred.

#### **Options**

Subject to the above conditions, each Sub-Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlying securities are relevant assets, instruments (such as futures) or indices in respect of the investment policies of the Sub-Fund.

An option is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium. Put options are contracts that give the option buyer the right to sell to the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Call options are contracts that give the option buyer the right to buy from the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled.

The commercial purpose of options can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

#### **Warrants**

Subject to the above conditions, each Sub-Fund may hold warrants.

A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. There are other types of warrants, including (without limitation) currency warrants and index warrants which are issued by financial institutions and may or may not be exchange traded. Such warrants may have the characteristics of call or put options.

From a commercial aspect, warrants work in a similar way as options.

### **Forwards**

Subject to the above conditions, each Sub-Fund may use forward foreign exchange contracts as well as other forwards for hedging and investment purposes.

A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract.

The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares.

### **Participation Notes ("PNotes")**

PNotes may be used which are designed to provide a return which is directly linked to the performance of a particular security. Participation notes may include low strike price warrants and equity-linked notes.

Participation notes generally are issued by banks or broker-dealers and are promissory notes that are designed to replicate the performance of a particular underlying equity security or market.

Where the PNotes are structured as low price warrants they will be subject to the risks and same operational issues as further described above under Warrants.

Where the PNotes are equity-linked notes, if they are exchange traded and meet the other requirements of a Transferable Security they can be treated as Transferable Securities and will not come under the requirements for FDIs.

### **Risks Associated with the Use of FDI**

While the prudent use of FDI can be beneficial, FDI also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments including: (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the price movements of the derivatives and price movements of related investment; (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities; (4) the possible absence of a liquid market for any particular instrument at any particular time; (5) possible impediments to effective portfolio management or the ability to meet redemptions; and (6) possible losses arising from an unexpected application of law or regulation or arising as a result of the unenforceability of a contract. The Sub-Fund will not be leveraged in excess of 100 per cent of its assets. The use of leverage creates special risk and may significantly increase a Sub-Fund's investment risk.

The following provisions apply whenever a Sub-Fund proposes to engage in transactions in FDI where the transactions are entered into for hedging purposes or instead of investing directly in transferable securities in order to avail of cost or other efficiencies and, where the intention is disclosed in the Sub-Fund's investment policy, for investment purposes. The Sub-Fund will employ a risk management process to enable it to monitor, manage and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Sub-Fund's portfolio. The Sub-Fund will submit its risk management process to the Central Bank in accordance with the Central Bank UCITS Regulations, prior to engaging in FDI transactions. The Sub-Fund will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of the investment.

The Sub-Fund may enter into transactions in OTC markets that expose it to the credit of its counterparty and its ability to satisfy the terms of such contracts. Where a Sub-Fund enters into OTC FDI, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and may incur a significant loss. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Sub-Fund, for instance, bankruptcy, supervening illegality, a substantial decline in the Net Asset Value or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Sub-Fund's policy to net exposures against its counterparties.

The Sub-Fund may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. The Sub-Fund may enter into contracts for differences with a view to effecting synthetic short positions in certain securities, sectors or indices.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Sub-Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, achieving the Sub-Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by a Sub-Fund that might in turn require, if there is insufficient cash available in the portfolio, the sale of the Sub-Fund's investments under disadvantageous conditions.

#### **B RESTRICTIONS ON BORROWING, LENDING AND DEALING**

- (1) Each Sub-Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of the Sub-Fund. Such borrowings may, however, only be made on a temporary basis. The Depositary may give a charge over the assets of the Sub-Fund in order to secure borrowings. A Sub-Fund may not invest in partly paid securities.
- (2) Each Sub-Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations and (1) above, provided that the offsetting deposit:-
  - (i) is denominated in the Base Currency of the Sub-Fund;
  - (ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 70 of the UCITS Regulations and (1) above.

- (3) Each Sub-Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Sub-Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.
- (4) Without prejudice to the powers of each Sub-Fund to invest in transferable securities, each Sub-Fund may not lend or act as guarantor on behalf of third parties.
- (5) Each Sub-Fund may engage in stock lending for the purpose of efficient portfolio management, in accordance with the guidelines set out by the Central Bank.
- (6) Each Sub-Fund may not use borrowings to cover exposure to financial derivative instruments.

## APPENDIX III EFFICIENT PORTFOLIO MANAGEMENT

### A USE OF FINANCIAL DERIVATIVE INSTRUMENTS AND PORTFOLIO MANAGEMENT TECHNIQUES

Each Sub-Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Sub-Fund under the conditions and within the limits stipulated by the Central Bank and set out below. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: (i) The reduction of risk; (ii) the reduction of cost; or (iii) the generation of additional capital or income for a Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund. Such investment techniques and instruments may be used for hedging purposes as described below, but will not be used for performance enhancement, unless otherwise specified for a particular Sub-Fund. The financial derivative instruments which may be used for the purposes of hedging (whether against market movements, currency exchange or interest rate risks or otherwise) are futures and forward foreign currency contracts. Performance may be strongly influenced by movements in currency rates because the Sub-Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Sub-Fund are denominated. Each Sub-Fund may enter into interest rate, equity, index and government bond futures and may also purchase and write call and put options on securities, securities indices, government bond futures and interest rate futures.

The ICAV employs an investment risk management process, which enables it to accurately measure, monitor and manage the risks attached to financial derivative instrument positions. Financial derivative instruments which have not been included in this Prospectus will not be utilised until a revised risk management process and prospectus incorporating those instruments has been prepared and submitted to the Central Bank. The Investment Manager will provide on request to Shareholders supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

A description of the main techniques and instruments that may be used for hedging purposes are set out below.

**Forward Foreign Currency Contracts.** A currency forward is a form of OTC derivative that obliges one party to purchase a currency from another party at a fixed future date for a price and currency specified in the terms of the contract. Initiating a position in a forward does not require any financial outlay and so allows for leveraged positions to be taken. Currency forwards may be used to increase or reduce exposure to currency price movements.

**Futures.** Futures are a standardised form of exchange traded forward designed to simplify trading and to provide increased liquidity. They differ from forwards in that they have standardised terms, and are marked to market at the end of each trading day. Margin payments may be used to settle daily movements, and funds must retain sufficient liquidity to meet their margin requirements according to regulations governing likely future movements of the market. Futures may be used to increase or reduce bond, currency or equity market exposure.

**Equity Index Futures.** The value of index futures remain in one-to-one correlation with their underlying assets. Settlement can be effected either in cash or stock according to contractual terms. As with all futures contracts they may be used to improve or introduce increased liquidity, to take either long or short positions, to take positions in baskets of stocks (i.e. indexes), and to introduce leverage by taking an exposure without the need for initial contractual outlay.

### B PERMITTED FINANCIAL DERIVATIVE INSTRUMENTS

1. Each Sub-Fund may invest in financial derivative instruments ("FDI") provided that:
  - (i) the relevant reference items or indices, consist of one or more of the following: instruments referred to in Appendix II, paragraphs 1.1 to 1.6 of this Prospectus, financial indices, interest rates, foreign exchange rates or currencies; and
  - (ii) the FDI do not expose the Sub-Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Sub-Fund cannot have a direct exposure);



- (iii) the FDI do not cause the Sub-Fund to diverge from its investment objectives;
  - (iv) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank UCITS Regulations, as may be amended from time to time; and
  - (v) where a Sub-Fund enters into a total return swap or invests in other FDI with similar characteristics, the assets held by the Sub-Fund must comply with Regulations 70,71,72,73 and 74 of the UCITS Regulations.
2. Credit derivatives are permitted in the circumstances outlined in the Central Bank UCITS Regulations, as amended from time to time, except in relation to any Sub-Funds which are registered and marketed in South Africa.
  3. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.
  4. Notwithstanding paragraph 3, each Sub-Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
    - (i) the counterparty is a credit institution listed in Appendix II, paragraph 2.7 of this Prospectus or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, in an EEA Member State or is an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission;
    - (ii) In the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A2 or equivalent, or is deemed by the Sub-Fund to have an implied rating of A2. Alternatively, an unrated counterparty will be acceptable where the Sub-Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 or equivalent;
    - (iii) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of:
      - the entities set out in paragraph 4. (i) above or;
      - a central counterparty ("CCP") authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
    - (iv) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard the Sub-Fund shall calculate the exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The Sub-Fund may net the derivative positions with the same counterparty, provided that the Sub-Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Sub-Fund may have with the same counterparty.
  5. Collateral may be provided by the ICAV to counterparties in the form of cash to enable a Sub-Fund to trade in FDI. The level of cash which may be deployed by the ICAV as collateral is limited to 5% of the Net Asset Value of a Sub-Fund.
  6. The ICAV has in place a clear haircut policy for cash provided as collateral. When devising the haircut policy, the ICAV has taken into account the characteristics of the relevant counterparties. The haircut policy is

documented and justifies each decision to apply a specific haircut or to refrain from applying a haircut in respect of cash provided as collateral.

7. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the Sub-Fund with collateral. The ICAV may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.
8. Collateral passed to an OTC derivative counterparty by or on behalf of a Sub-Fund must be taken into account in calculating exposure of that Sub-Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Sub-Fund is able to legally enforce netting arrangements with this counterparty.

#### **Calculation of issuer concentration risk and counterparty exposure risk**

9. The Sub-Funds must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.
10. The risk exposures to a counterparty arising from OTC derivatives and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.
11. The Sub-Funds must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange traded or OTC FDI, which is not protected by client money rules or other similar arrangements to protect the Sub-Fund in question against the insolvency of the broker, within the OTC counterparty limit referred to in Regulation 70 (1) (c) of the UCITS Regulations.
12. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through the use of FDIs. Net exposure refers to the amount receivable by the Sub-Fund less any collateral provided by that Sub-Fund.
13. When calculating exposure for the purposes of Regulation 70 of the UCITS Regulations, the Sub-Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.
14. 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. 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 Regulations 70 and 73 of the UCITS Regulations. When calculating issuer concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by the ICAV, regardless of whether it uses VaR for global exposure purposes.

This provision does not apply in the case of index based FDI providing the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.

15. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the Central Bank UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or

rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a standalone derivative;

- (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has significant impact on the risk profile and pricing of the transferable security or money market instrument.
16. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.

#### **Cover requirements**

17. Each Sub-Fund must ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. A Sub-Fund may not therefore be leveraged in excess of 100% of Net Asset Value.

Each Sub-Fund must, at any given time, be capable of meeting its payment and delivery obligations incurred by transactions involving FDI. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Sub-Funds.

18. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Sub-Fund must be covered as follows:
- (i) in the case of FDI which automatically, or at the discretion of the Sub-Fund, are cash settled the Sub-Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
  - (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the Sub-Fund. Alternatively the Sub-Fund may cover the exposure with sufficient liquid assets where:
    - the underlying assets consists of highly liquid fixed income securities; and/or
    - the Sub-Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in paragraph 18 below, and details are provided in the Prospectus.

#### **Risk Management**

19. (i) Each Sub-Fund must employ a Risk Management Process to accurately measure, monitor and manage the risks attached to FDI positions.
- (ii) Each Sub-Fund must provide the Central Bank with details of its proposed Risk Management Process with details of its FDI activity. The initial filing is required to include information in relation to:
- Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
  - Details of the underlying risks;
  - Relevant quantitative limits and how these will be monitored and enforced;
  - Methods for estimating risks.
- (iii) Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments rejected by the Central Bank may not be made.

20. Each Sub-Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 11(ii) above, must be submitted with the annual report of the ICAV. A Sub-Fund must, at the request of the Central Bank, provide this report at any time.

## APPENDIX IV RISK FACTORS

**Prospective investors should give careful consideration to the risk factors set out below, which are not exhaustive, in evaluating the merits and suitability of an investment in the Sub-Funds.**

**General.** There is no assurance that the investment approach of the Sub-Fund will be successful or that the Sub-Fund will achieve its investment objective. It should be remembered that the price of Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they invested. Past performance data is not necessarily indicative of future performance.

An investment in the Shares involves certain risks relating to the investment strategies to be utilised by the Investment Manager. The performance of the Sub-Fund will reflect the volatility in the Sub-Funds underlying investments. Investors should note that, due to the investment policy of the ICAV, the Net Asset Value of the ICAV is likely to have a high volatility.

The Sub-Funds' performance record does not guarantee future results of the Sub-Funds or of the Investment Manager.

At times the Sub-Funds' assets may be concentrated in certain countries, industry sectors, or even individual issuers, although the extent of this will be limited by the investment restrictions in Appendix II.

Changes in economic conditions, including, for example, interest rates, currency rates, inflation rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Sub-Funds. None of these conditions will be within the control of the ICAV or the Investment Manager.

World stock markets can be volatile, driven by economic, political, legislative conditions or market sentiment. Since the Sub-Funds may be largely invested in selected global equities, the value of an investment in the Sub-Funds could fluctuate with the markets.

Individual shares purchased can and often do fall in value for many reasons such as changes in a company's internal operations, management actions, changes in its business environment or investor sentiment. Share prices can be volatile and dividend payments from shares may also vary over time.

As with all managed funds, there are risks particular to the Sub-Funds, including that they could terminate, the fees and expenses could change and the investment professionals could change.

**Global Economic and Market Conditions - Emerging Markets Economies.** The Sub-Funds may invest in emerging market securities. Investments in the emerging markets are inherently more volatile than investments in more developed markets. For example, emerging markets are more likely to experience hyperinflation and currency devaluations, political instability and economic fluctuations which adversely affect returns on investments. In addition, the securities markets in many of these countries have far lower trading volumes and less liquidity than developed markets. There may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of the acquisition or disposition of securities. Since many of these markets are small, they may be more likely to suffer sharp and frequent price changes or long term price depression because of adverse publicity, investor perceptions or the actions of a few large investors. In addition, traditional measures of investment value used in the developed markets, such as price to earnings ratios, may not apply to certain small markets.

Many emerging market countries may be subject to a greater degree of economic, political and social instability than is the case in developed market countries. Such instability may result from, among other things: (i) authoritarian governments or military involvement in political and economic decision-making, including changes in government through extra-constitutional means; (ii) popular unrest associated with demands for improved political, economic and social conditions; (iii) internal insurgencies; (iv) hostile relations with neighbouring countries; and (v) ethnic, religious and racial disaffection. In addition, governments in many emerging market countries participate to a significant degree

in their economies and securities markets, which may impair investment and economic growth. As a result, their governments are more likely to take actions that are hostile or detrimental to private enterprise or foreign investment than those of more developed countries.

Markets in emerging market countries have different clearance and settlement procedures than those in developed markets, and in certain financial markets there have been times when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when a portion of the Sub-Fund's assets is uninvested and no return is earned thereon. The inability of a Sub-Fund to make intended securities purchases due to settlement problems could cause the Sub-Fund to miss potential investment opportunities. Inability to dispose of securities due to settlement problems either could result in losses to the Sub-Fund due to subsequent declines in the value of the securities or, if the Sub-Fund has entered into a contract to sell the securities, could result in possible liability to the purchaser.

The manner in which foreign investors may invest in companies in certain emerging markets, as well as limitations on such investments, also may have an adverse impact on the operations of the Sub-Fund. For example, the Sub-Fund may be required in certain countries to invest initially through a local broker, custodian or other entity and then have the shares purchased re-registered in the name of the Sub-Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which the Sub-Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions. There also may be instances where the Sub-Fund places a purchase order but is subsequently informed, at the time of re-registration, that the permissible allocation of the investment to foreign investors has been filled, depriving the Sub-Fund of the ability to make its desired investment at that time.

Throughout the last two decades, many emerging markets have experienced and continue to experience high rates of inflation. In certain countries, inflation has at times accelerated rapidly to hyper inflationary levels, creating a negative interest rate environment and sharply eroding the value of outstanding financial assets in those countries. Increases in inflation could have an adverse effect on securities and other investments that are not U.S. Dollar denominated or Dollar linked and on the issuers of emerging markets instruments generally.

The legal systems in certain emerging market countries also may have an adverse impact on the Sub-Fund. For example, while the potential liability of a shareholder in a U.S. corporation with respect to acts of the corporation is generally limited to the amount of the shareholder's investment, the notion of limited liability is less clear in certain emerging market Asia-Pacific countries. Similarly, the rights of investors in developing market Asia-Pacific companies may be more limited than those of shareholders of U.S. corporations. Legal remedies available to investors in certain emerging market countries may be less extensive than those available to investors in developed market countries. It may be difficult or impossible to obtain and/or enforce a judgment in a developing market country.

The economies of emerging markets may differ favourably or unfavourably from the economies of developed countries in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position. The securities markets, values of securities, yields and risks associated with securities markets in different countries may change independently of each other. There can be no assurance that such risks will not cause the Sub-Fund to suffer a loss of interest or principal in respect of any of its holdings.

In certain emerging markets, registrars are not subject to effective government supervision nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer, or refusal to recognize ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Investors should therefore be aware that the Sub-Fund or a portfolio investment could suffer loss arising from these registration problems, and may not be able to make a successful claim for compensation under the applicable legal system.

**Market Risk.** Some of the Recognised Exchanges on which the Sub-Funds may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which a Sub-Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that some Sub-Funds may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the relevant Sub-Fund.

The trading and settlement practices of some of the stock exchanges or markets on which the Sub-Funds may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Sub-Funds. In addition, Sub-Funds will be exposed to credit risk of parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where this is normal practice in the particular market and the Investment Manager believes that this form of settlement is appropriate. Where settlement is made on a delivery free of payment basis, delivery of securities will be made to a counterparty in advance of the payment for securities. This form of settlement may be appropriate in certain underdeveloped markets. Shareholders should be aware, however, that this may result in a loss to a Sub-Fund if a transaction fails to settle and the Depositary will not be liable to the Sub-Fund or to the Shareholders for such a loss if the Depositary is acting pursuant to specific proper instructions.

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed OECD member countries and there may be less publicly available information on the issuers than is published by or about issuers in such OECD member countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed OECD member countries. In particular, greater reliance may be placed by the auditors on representations from the manager of a company and there may be less independent verification of information than would apply in many developed OECD member countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

All banks, custodians, brokers and dealers with which the Sub-Fund will be doing business may encounter financial difficulties that impair the operational capabilities or capital position of the Sub-Funds. The Investment Manager will generally have sole discretion to select the financial institutions through which their investment transactions are executed for the underlying investments.

**Political Risks.** The performance of a Sub-Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Sub-Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

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

**Risks associated with US Assets.** Sections 1471 through 1474 of the US Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto (**FATCA**) which apply to certain payments, are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid the 30% withholding tax on certain United States source payments made after 30 June 2014 (in the case of gross proceeds, after 31 December 2016), the ICAV will be required to comply with the Intergovernmental Agreement ("IGA") signed by Ireland and the US to implement FATCA, pursuant to which they will be required to identify and report on certain direct and indirect United States owners or investors (see section entitled "FATCA" in Taxation for further details).

Each Shareholder will be required to (and by applying for Shares agrees to) provide the necessary information to comply with such information reporting as required under the Ireland - US IGA and draft implementing regulations. Any such

information provided to the ICAV may be shared with the IRS. Shareholders are deemed to have given their consent to the disclosure of information. If a Shareholder either fails to provide correct, complete and accurate information that may be required for the ICAV to comply with FATCA or is a non-participating foreign financial institution (**NPFFI**), the ICAV will be obliged to include the relevant Shareholder as a reportable account under the IGA. The ICAV may also repurchase the Shareholder's Shares, or take certain other actions to mitigate the consequences of a Shareholder's failure to comply with the requirements described above.

The ICAV will endeavour to satisfy the requirements imposed on the ICAV by the IGA to avoid the imposition of FATCA withholding tax. However, in the event of significant non-compliance by the ICAV with the requirements imposed by the IGA and the ICAV suffering US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the ICAV may be adversely affected and the ICAV may suffer significant loss as a result. It is however the intention of the ICAV to comply with its obligations under the terms of the IGA.

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

We refer you to the section entitled "FATCA" in the Taxation section for a definition of Specified US Persons.

**Securities Act Liability Exposure.** The ICAV may have potential liability under Section 11 and Section 12(2) of the 1933 Act to parties to whom it has sold securities issued without registration under US securities laws. When the ICAV buys securities without registration, it generally will acquire rights to have such securities (or underlying securities, when the securities purchased are convertible securities or warrants) registered under the 1933 Act, and then the ICAV can sell registered securities pursuant to such registration. Under certain circumstances, the 1933 Act, subject to certain conditions, imposes liability upon persons selling securities pursuant to a registration statement and prospectus if there are false or misleading statements or omissions. Additionally, the ICAV may have potential liability in connection with misstatements or omissions in a registration statement under the 1933 Act if the ICAV is deemed to be an underwriter of any securities which it is selling.

**Interest Rate Movements.** Markets in general and the prices of individual securities can be extremely sensitive to interest rate cycles in both a positive and negative direction. The Sub-Fund makes no prediction regarding the direction of interest rate fluctuations or their duration nor does the Sub-Fund intend to hedge this exposure.

**Impact of Interest Rates on Net Asset Value.** The Sub-Fund will be exposed to impact of changes in interest rates on the value of the underlying holdings both up and down. When interest rates move the change in value could be volatile, especially if certain securities are considered to be priced at least in part in relation to their yield as against some benchmark government bond such as a T Bill or Gilt. The Sub-Fund makes no prediction regarding the direction of interest rate fluctuations or their duration.

**Dividend Policies of Equity Investments.** Companies which appear to offer high yields may choose to review their pay out due to internal or external circumstances or simply because they feel their dividend is too high in relation to their share price.

**Default on Fixed Income Instruments.** The Sub-Fund will tend to own securities with a higher degree of risk than that inherent in government securities of established countries with strong credit ratings. Both government and corporate issuers have under certain circumstances withheld or cancelled payment of interest due to investors, or sought to renegotiate terms. If any of these events were to occur they could reduce the amount of income available for distribution and negatively affect the Sub-Fund's Net Asset Value.

**Increased Regulation.** Events during the past few years (including recent market volatility and disruptions and the bankruptcy, failure, improper practices and adverse financial results of certain financial institutions, trading firms and private investment funds) have focused attention upon the necessity of firms engaging in the trading of highly leveraged securities, commodities and derivatives to maintain adequate risk controls and compliance procedures. In addition, these events have led to increased governmental and regulatory authority scrutiny of various trading participants and the "hedge fund" industry in general, particularly with regard to business practices, transparency and monitoring of trading positions and protection of customer funds. Government both in the United States and in the European Union



have enacted legislation which has had or is expected to have a material impact on the operation of investment funds, including potentially on the Sub-Funds.

**Dependence upon the Investment Manager and the Sub-Investment Manager.** The success of the Sub-Funds will depend heavily upon the efforts of the Investment Manager and the Sub-Investment Manager. In the event that any of the current executives cease to participate in the operations of the Investment Manager or the Sub-Investment Manager for any reason, including death or disability, the operations and activities of the Sub-Funds could be adversely affected.

**Currency Risk.** Assets of a Sub-Fund and share classes of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and the currency of a share class of a Sub-Fund and the currency of such assets may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency or the relevant share Class. The Investment Manager may or may not try to mitigate this risk by using financial instruments. A Sub-Fund may invest in emerging markets and the currencies of emerging markets are more likely to experience a significantly higher degree of volatility and possibly currency devaluations than established markets which could adversely affect returns on investments.

A Sub-Fund may also enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of that Sub-Fund. For example, a Sub-Fund could enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Base Currency of that Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

The adoption of a currency hedging strategy for a Class of Share may substantially limit the holders of such Class from benefiting if the currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated.

Investments in any Sub-Fund in which the base currency is different to the currency of a Share Class of the Sub-Fund or subscriptions or redemptions to a Class of Shares denominated other than in US Dollars means an exposure to possibly adverse currency fluctuations. Investors should note that currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates.

If the ICAV considers it appropriate, any Class of Shares that is not designated in the base currency of the Sub-Fund can be hedged as an overlay on the Sub-Fund base currency Net Asset Value. Therefore it cannot be assumed that there is no currency exposure.

The Sub-Funds may employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses.

**Hedged Currency Classes.** The Investment Manager may (but is not obliged to) enter into certain currency-related transactions in order to hedge, fully or partially, the currency exposure of the assets of a Sub-Fund attributable to a particular Class into the currency of denomination of the relevant Class. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange-rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant Sub-Fund. Any financial instruments used to implement such strategies with respect to one or more Classes will be assets/liabilities of a Sub-Fund as a whole but will be attributable solely to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Units is to be hedged, this will be disclosed in the Supplement for the Sub-Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of

any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

While not the intention of the Investment Manager, over-hedged or under-hedged positions may arise due to factors outside of its control. Such over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class at the time the Investment Manager entered into or rolled over the hedging transaction. Hedged positions will be kept under review with the aim of ensuring that over-hedged positions do not exceed the permitted level and that positions materially in excess of 100% will not be carried forward to the next month. Hedge positions will not be adjusted to reflect the performance of a Class between successive Valuation Days. Subject to the provisions outlined above, a Class will not be leveraged as a result of currency hedging transactions. The annual report of the ICAV will indicate how transactions undertaken to provide protection against exchange-rate risks have been utilised.

Currency hedging costs will not reduce the performance of a Sub-Fund for the purposes of calculating any performance fees due to the Investment Manager.

**Risks associated with investing in Russia.** Investments in Russia through the Moscow Stock Exchange are subject to increased risk with regard to ownership and custody of securities.

There are significant risks inherent in investing in Russia including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the governments of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union.

The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner.

Evidence of legal title in many cases will be maintained in "book-entry" form and the Sub-Fund could lose its registration and ownership of securities through fraud, negligence or oversight. Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to, the ICAV, the Depositary or their local agents in Russia.

Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Records") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian markets and there is therefore a risk that a Sub-Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia has no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

Although the Russian Federal Commission for Securities introduced regulations governing registrar activities, enforcing these regulations may prove difficult and the establishment of widely accepted industry standards remains in the developmental stage. This means there is potential for risk of error and there are no assurances that any given registrar will comply with the applicable regulations. Because the Depositary does not maintain physical possession of Russian securities, it is not considered to be performing a physical safekeeping or custody function in the traditional sense. The

registrars are neither agents of, nor responsible to, the Depositary.

**Valuation Risk.** Sub-Funds may invest some of their assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investments will be valued at the value as determined in accordance with the provisions set out in the section "Valuation and Prices- Calculation of Net Asset Value". Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. A Sub-Fund may, for the purpose of efficient portfolio management, invest in derivative instruments and there can be no assurance that the value as determined in accordance with the section "Valuation and Prices- Calculation of Net Asset Value " reflects the exact amount at which those instruments may be "closed out".

**Potential Conflict of Interest.** The Sub-Funds pay fees to the Investment manager based on the Net Asset Value. As the Investment Manager may provide valuation services to the Sub-Fund there is a potential conflict of interest between the Investment Manager and the Sub-Fund because of the impact of such valuations of the Net Asset Value.

**Indemnification of the ICAV's Directors, Officers, Manager, Investment Manager, Sub-Investment Manager, Administrator, Depositary and their directors offices and employees.** The ICAV's Directors, Officers, Investment Manager, Sub-Investment Manager, Administrator, Depositary and their respective affiliates, officers, directors and agents are entitled to be indemnified in certain circumstances. As a result, there is a risk that the ICAV's assets will be used to indemnify such persons, companies or their employees or satisfy their liabilities as a result of their activities in relation to the Sub-Funds.

**Custodial Risk.** As the Sub-Funds may invest in markets including Emerging Market Countries (as defined below), where trading, custodial and/or settlement systems are not fully developed, the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk in circumstances where the Depositary will have no liability. "Emerging Market Country" means any market **not** included in the following group of industrialised countries: Australia, Austria, Belgium, Bermuda, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and the United States.

**Credit Risk.** Monies subscribed in advance of a Dealing Day and held pending investment on the Dealing Day, may be viewed by the courts as assets of a Sub-Fund in the event of the insolvency of a Sub-Fund prior to that Dealing Day

**Umbrella Structure and Cross-Liability Risk.** The ICAV is structured as an umbrella fund in that different Sub-Funds may be established with one or more Share Classes. Each Sub-Fund represents a single portfolio of assets with one or more Share Classes per Sub-Fund. Each Sub-Fund will be responsible for paying its fees and expenses, regardless of the level of its profitability.

Each Sub-Fund of the ICAV enjoys segregation of liabilities between the ICAV's Sub-Funds. Therefore, the assets, income, earnings and profits generated by the Sub-Fund are kept separate and segregated in the Sub-Fund to which they relate. Under Irish law the ICAV will not be liable as a whole to third parties and there will not be the potential for cross-liability between the Sub-Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Sub-Funds would necessarily be upheld.

**Cross Class Liability.** While there is more than one class of Share in a Sub-Fund it should be appreciated that none of the classes of such Shares will be a separate legal entity. Any third party creditor will be a creditor of the Sub-Fund generally and accordingly such creditor could have recourse to all of the assets of the Sub-Fund and all liabilities of the Sub-Fund will be borne by the Sub-Fund without distinction between the classes.

**Financial Derivatives, Techniques and Instruments Risks.** A range of financial derivatives, for example futures and options, may be used to manage risk in the Sub-Funds. The Investment Manager expects to use derivatives within tight guidelines (refer to Investment Restrictions above). Derivatives introduce an extra element of risk to the Sub-Fund that may be hard to quantify.

The prices of derivative instruments, including futures, options and swap prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by any of the Sub-Funds, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemptions.

Each Sub-Fund may from time to time utilise both exchange traded and over the counter credit derivatives, such as collateralised debt obligations as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over the counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

**Collateral Risk.** Collateral or margin may be passed by a Sub-Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

**Liquidity Risk.** There may be times when securities may not be readily sold (for example, in a falling market where Shares may become less liquid). The Investment Manager expects that trading volumes will generally be sufficient to satisfy liquidity requirements when necessary, however unexpectedly large withdrawals from the Sub-Funds in a short period of time could affect liquidity. Neither the ICAV nor the Investment Manager or the Sub-Investment Manager guarantees the liquidity of the Sub-Fund's investments. Furthermore, securities in emerging markets can have far lower trading volumes and less liquidity than developed markets. Liquidity in these markets can reduce disproportionately compared to those in developed markets in the event of market downturns or specific share price falls. These factors could have a material effect on the overall liquidity of the Sub-Funds.

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 contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Sub-Fund from liquidating unfavourable positions.

**Futures and Options Risk.** The Investment Manager may engage in various portfolio strategies on behalf of the Sub-Funds through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom each Sub-Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to each Sub-Fund. On execution of an option, the Sub-Funds may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

**Over-the-Counter Markets Risk.** Where any Sub-Fund acquires securities on over-the-counter markets, there is no guarantee that the Sub-Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

**Derivative Instrument Risk.** The Sub-Funds may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

**Counterparty and Settlement Risk.** The Sub-Funds are subject to the creditworthiness of clearinghouses, counterparties and financial intermediaries as well as the risks of clearinghouse failure, broker or dealer failure, or default, delay or inability or refusal of counterparties to perform, any of which could result in a loss of all or a portion of the investments with or through the relevant clearinghouse, broker, dealer or counterparty. In recent years market turmoil resulted in the risk of default, with a number of large traditional entities facing significant difficulties which at times resulted in defaults and significant losses that created a chain effect across the financial markets. Transactions by the Sub-Funds will not be limited to transactions on, or effected under the rules of major securities exchanges and a significant number of trades may be effected off-exchange, directly with counterparties. The Sub-Funds will take a credit risk on the parties with which it trades. The Sub-Funds will also bear the risk of settlement default by clearing houses and exchanges. Any default by counterparty or on settlement could have a material adverse effect on the Sub-Funds. In addition, when participating in private placements and transactions in unlisted securities, certificates of title will, for a time, not be in the possession of the custodians or brokers instructed by the Sub-Funds.

There is also the possibility that the institutions, including brokerage firms and banks, with which a Sub-Fund does business or with whom securities may be entrusted for custodial or depositary purposes, will encounter financial difficulties or fraud that may impair the operational capabilities or the capital of a Sub-Fund. Although the Investment Manager and Sub-Investment Manager utilize multiple broker-dealers, if the Depositary or one or more of the Sub-Fund's broker-dealers or any sub-custodian of the Depositary were to become insolvent or the subject of fraud or liquidation proceedings (both in and out of bankruptcy), there exists the risk that the recovery of the Sub-Fund's securities and other assets from such Depositary, broker-dealer or custodian will be delayed or result in a recovery that is less than the value of the securities or assets originally entrusted to such broker-dealer, or Depositary. These risks may be especially significant where the Sub-Fund's assets are held by foreign custodians, depositaries and clearing agencies.

**Competitive Market for Suitable Securities.** The availability of securities identified for investment may be limited, and the ability of the Investment Manager or the Sub-Investment Manager to acquire preferred holdings at a reasonable price and in sufficient quantities may be circumscribed. While purchase activities are not confined to the market, blocks of suitable stock may take a considerable time to obtain; and there is no guarantee that such stock will be obtainable at a price that the Investment Manager or the Sub-Investment Manager considers satisfactory to achieve the objectives of a Sub-Fund.

**Legal and Documentation Risk.** In relation to OTC contracts there is a risk of loss due to an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

**Forward Trading Risk.** A Sub-Fund, or the underlying investment funds in which a Sub-Fund may invest, may enter into forward contracts and options thereon. Forward contracts do not have standard terms and are not traded on exchanges. Each transaction is carried out by individual agreements, with banks and dealers acting as principals. Trading in forwards and "cash" trading are both largely unregulated; there is no limitation on daily price movements and speculative position limits are not applicable to the markets, which can be highly illiquid because the principals involved are not obliged to make markets in the currencies or commodities they trade. At times, participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market because of unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading, to the possible detriment of a Sub-Fund. Market illiquidity or disruption could result in major losses to a Sub-Fund. The Sub-Fund may be exposed to credit risks on the counterparties and to risks associated with settlement default. Such risks

could result in substantial losses to a Sub-Fund.

**Lending of Securities.** The ICAV may lend its securities to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. The ICAV continues to be entitled to payments of amounts equal to the interest, dividends or other distributions payable in respect of the loaned securities, which affords the ICAV an opportunity to earn interest on the amount of the loan and on the loaned securities' collateral. In connection with any such transaction, the ICAV will receive collateral that will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities. However, the ICAV might experience loss if the institution with which the ICAV has engaged in a portfolio loan transaction breaches its agreement with the ICAV.

**Portfolio Turnover.** The turnover of a Sub-Fund's investment portfolio may be significant, involving substantial brokerage commissions, fees and other transaction costs.

**Material Risks Relating to the Investment Manager's Investment Approach and Methods of Analysis as applied to a Sub-Fund.**

**Issuer-Specific Changes.** Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of declines in asset prices or even default by an issuer or counterparty, which can affect the Net Asset Value of a Sub-Fund. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, less effective management, a more vulnerable competitive position, and limited financial resources, any one of which can increase the risk level of an investment.

The shares of smaller companies can also be more prone to declines in share trading volumes in times of declining markets.

**Relative Value Risk.** In the event that the perceived mispricing underlying the Investment Manager's or Sub-Investment Manager's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Investment Manager or Sub-Investment Manager, a Sub-Fund might incur a loss.

**Lack of Diversification.** A Sub-Fund's portfolio will not necessarily be as diversified among a wide range of types of securities, countries or industry sectors as certain other investment funds. Accordingly, a Sub-Fund's portfolio may be subject to more rapid change in value than would be the case if the Investment Manager were required to maintain a wider diversification among types of securities and other instruments, and more concentration can lead to higher risk levels.

**REITs.** Real Estate Investment Trusts ("REITs") in which a Sub-Fund may sometimes invests are affected by underlying real estate values, which may have an exaggerated effect to the extent that REITs in which the Investment Manager invests concentrate investments in particular geographic regions or property types. Investments in REITs are also subject to the risk of interest rate volatility. Further, rising interest rates will cause investors in REITs to demand a higher annual yield from future distributions, which will in turn decrease market prices for equity securities issued by REITs. REITs are subject to risks inherent in operating and financing a limited number of projects because they are dependent upon specialized management skills, and have limited diversification. REITs depend generally on their ability to generate cash flow to make distributions to investors.

**Fixed-Income and Debt Securities.** Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolio to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in lower rated debt securities will also subject a Sub-Fund to the risk that the securities may fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

**Lack of Management Control by Investors.** Investors will become Shareholders of the relevant Sub-Funds. The Shareholders cannot take part in the management or control of the ICAV's business, which is the sole responsibility of the Directors of the ICAV, although the Investment Manager and the Sub-Investment Manager have been appointed to manage and control the ICAV's assets and investments. The Investment Manager and the Sub-Investment Manager have wide latitude in making investment decisions for the Sub-Funds.

**Securities Act Liability Exposure.** A Sub-Fund may have potential liability under Section 11 and Section 12(2) of the 1933 Act to parties to whom it has sold securities issued without registration under US securities laws. When a Sub-Fund buys securities without registration, it generally will acquire rights to have such securities (or underlying securities, when the securities purchased are convertible securities or warrants) registered under the 1933 Act, and then the Sub-Fund can sell registered securities pursuant to such registration. Under certain circumstances, the 1933 Act, subject to certain conditions, imposes liability upon persons selling securities pursuant to a registration statement and prospectus if there are false or misleading statements or omissions. Additionally, a Sub-Fund may have potential liability in connection with misstatements or omissions in a registration statement under the 1933 Act if the ICAV is deemed to be an underwriter of any securities which it is selling.

**The Nature of Collective Investment.** A Sub-Fund might invest in underlying investments and market sectors which are heavily populated by other funds. If those other funds come under pressure to redeem their own shares, they may need to sell shares in companies in which a Sub-Fund is also invested and this can lead to a depression of the Net Asset Value for reasons unconnected with the investee companies themselves or the relevant Sub-Fund.

**Trading Strategies may not be successful.** There can be no assurance that any trading method employed by the Investment Manager or the Sub-Investment Manager on behalf of a Sub-Fund will produce profitable results. Moreover, past performance is not necessarily indicative of future profitability.

Profitable trading is often dependent on anticipating trends or trading patterns. In addition, markets experiencing random price fluctuations, rather than defined trends or patterns, may generate a series of losing trades. There have been periods in the past when the markets have been subject to limited and ill-defined price movements, and such periods may recur. Any factor which may lessen major price trends (such as governmental controls affecting the markets) may reduce the prospect for future trading profitability. Any factor which would make it difficult to execute trades, such as reduced liquidity or extreme market developments resulting in prices moving the maximum amount allowed in a single day, could also be detrimental to profits or cause losses. Increases in margin levels on securities (including options) may occur in the future. Such increased margin and other potential regulatory changes may adversely impact the trading strategies. No assurance can be given that the trading techniques and strategies of a Sub-Fund's investment vehicles will be profitable in the future.

**Effects of Substantial Redemptions.** Substantial redemptions by Shareholders within a short period of time may require the Investment Manager or the Sub-Investment Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the remaining Shares. In addition, regardless of the period of time in which redemptions occur, the resulting reduction in a Sub-Fund's assets could make it more difficult to generate a positive rate of return or recoup losses due to a reduced equity base and could cause a Sub-Fund to suspend redemptions and/or calculation of Net Asset Value.

**Accounting Standards.** Various accounting standards could cause a Sub-Fund to be required to reserve for certain expenses or taxes or could otherwise impact the Net Asset Value of a Sub-Fund. A prospective shareholder should be aware that, among other things, these accounting standards could have a material adverse effect on the periodic calculations of the Net Asset Value of the ICAV, including reducing the Net Asset Value of a Sub-Fund to reflect reserves for expenses or taxes that may be payable in respect of prior periods by a Sub-Fund. This could adversely affect certain shareholders, depending upon the timing of their purchase and redemption of their Shares. Furthermore, accounting standards in certain emerging markets are not as highly developed and do not always align with internationally recognised accounting standards. The reported financial performance of companies in such jurisdiction whose shares are selected for investment by the ICAV may thus be subject to significant uncertainty. This could result in losses in the ICAV related to those investments.

**Risks relating to Cash Accounts.** The ICAV may hold cash assets in a single account in the name of the ICAV. For the purposes of this Section, "Cash Assets" refer to subscription monies received from investors and redemption or dividend payments due to investors. In the event that Shares are allotted prior to settlement of subscription monies, the ICAV reserves the right to reverse such allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event that the redemption proceeds are less than the amount originally subscribed for.

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

Subscription monies will become the property of the ICAV upon receipt and accordingly investors will be treated as unsecured general creditors of the ICAV during the period between receipt of subscription monies and the issue of Shares. In the event of an insolvency of a Sub-Fund, there is a possibility that money held in the cash account, correctly owned by another Sub-Fund, may be incorrectly allocated to the insolvent Sub-Fund. In such an event the ICAV and the Depositary will provide all relevant details and supporting documentation to the insolvency practitioner and assist and petition the insolvency practitioner as necessary to ensure the timely recovery of the monies due to the other Sub-Fund. This may, however, result in a delay in payment of redemption or dividend monies to investors, or a delay in the issuance of Shares.

#### **Risks Applicable to investing via Stock Connects**

A Sub-Fund may invest in China A Shares through the Shanghai Hong Kong Stock Connect scheme, or the Shenzhen Hong Kong Stock Connect scheme.

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by the Hong Kong Exchanges and Clearing Limited ("**HKEx**"), the Shanghai Stock Exchange ("**SSE**") and the China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by the HKEx, the Shenzhen Stock Exchange ("**SZSE**") and ChinaClear.

The aim of the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (the "**Stock Connects**") is to achieve mutual stock market access between the PRC and Hong Kong. The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the ICAV), through their Hong Kong brokers, sub-custodians and a securities trading service company established by the Stock Exchange of Hong Kong ("**SEHK**"), may be able to trade eligible China A Shares listed on the SSE ("**SSE securities**") by routing orders to SSE. Under the Southbound Hong Kong Trading Link under Shanghai-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.

The Shanghai-Hong Kong Stock Connect commenced trading on 17 November 2014 under a joint announcement issued by the Securities and Futures Commission of Hong Kong ("**SFC**") and the China Securities Regulatory Commission ("**CSRC**") on 10 November 2014.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the relevant Funds), through their Hong Kong brokers, sub-custodians and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SZSE ("**SZSE securities**") by routing orders to SZSE. Under the Southbound Hong Kong Trading Link under Shenzhen-Hong Kong Stock Connect, investors in the PRC will be able to trade certain stocks listed on the SEHK.



The Shenzhen-Hong Kong Stock Connect commenced trading on 5 December 2016 under a joint announcement issued by the SFC and the CSRC on 25 November 2016.

Under the Stock Connects, the ICAV on behalf of the relevant Sub-Fund, through its Hong Kong brokers may trade certain eligible shares listed on the SSE. These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following: E SSE-listed shares which are not traded in Renminbi and E SSE-listed shares which are included in the “risk alert board”.

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

#### Trading Quota

Trading under the Stock Connects will be subject to a daily quota (“**Daily Quota**”). The Northbound Shanghai Trading Link and the Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect and the Northbound Shenzhen Trading Link and the Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect, will be subject to a separate set of Daily Quota respectively. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connects each day. The Northbound Daily Quota is currently set at approximately RMB13 billion for each of the Stock Connects.

SEHK will monitor the Daily Quota and publish the remaining balance of the Northbound Daily Quota regularly on the HKEX’s website.

#### Trading Fees

Under the Stock Connects, Hong Kong and overseas investors (including the ICAV) will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, Hong Kong Securities Clearing Company Limited (“**HKSCC**”) or the relevant Mainland Chinese authority when they trade and settle SSE securities and SZSE securities. Further information about the trading fees and levies is available online at the website:

[http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm).

#### Safekeeping by the Depositary under UCITS requirements

In accordance with the UCITS requirements and the conditions imposed by the Central Bank, the Depositary shall provide for the safekeeping of a Sub-Fund’s assets in the PRC through its global custody network. Such safekeeping requires the Depositary to retain control over the SSE securities and SZSE securities at all times.

#### Quota Limitations

The Stock Connects are subject to quota limitations, as detailed above. In particular, the Stock Connects are subject to a Daily Quota which does not relate to the relevant Sub-Fund(s) and can only be utilised on a first-come-first-serve basis. Once the remaining balance of the Northbound Daily Quota drops to zero or is exceeded during the opening call auction session, new buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Fund’s ability to invest in SSE securities and SZSE securities through the Stock Connects on a timely basis, and the relevant Sub-Fund(s) may not be able to effectively pursue its investment strategy.

#### Taxation Risk

Pursuant to the Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81) (Notice No. 81) and the Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127) (Notice No. 127) promulgated by the Ministry of Finance of the People’s Republic of China, the State Administration of Taxation of the People’s Republic of China and the CSRC on 14 November 2014 and 5 November 2016 respectively, corporate income tax (CIT) is temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the ICAV) on the trading of China A Shares through the Stock Connects. For both Stock Connects,

during the business tax to value-added tax transformation pilot programme, value-added tax shall be exempt on the income earned by Hong Kong and overseas investors (including the ICAV) from the trading of SSE securities and SZSE securities.

Based on Notice No. 81 and Notice No. 127, and having consulted professional and independent tax advisers, no provision for gross realised or unrealised capital gains derived from trading of China A Shares via the Stock Connects is made by the ICAV on behalf of the relevant Sub-Fund(s). The duration of the period of temporary exemption has not been stated and is subject to termination by the PRC tax authorities with or without notice and worst case, retrospectively. In addition, the PRC tax authorities may implement other tax rules with retrospective effect which may adversely affect the ICAV. If the temporary exemption is withdrawn, a foreign investor would be subject to PRC taxation in respect of gains on China A Shares and the resultant tax liability would be payable by the relevant Sub-Fund, and thus borne by its investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

#### Legal/Beneficial Ownership

The SSE securities and SZSE securities in respect of the relevant Sub-Funds will be held by the Depository/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System maintained by the HKSCC as central securities depository in Hong Kong. HKSCC in turn holds the SSE securities and SZSE securities, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear, HKSCC is only a nominee holder and ICAV remains the beneficial owner of the SSE securities and SZSE securities. The ICAV's title or interests in, and entitlements to SSE securities and SZSE securities (whether legal, equitable or otherwise) will therefore be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. CCASS Rule 824 confirms that all proprietary interests in respect of China A Shares held by HKSCC as nominee holder belong to CCASS participants or their clients (as the case may be).

Also as set out in CCASS Rule 824, HKSCC is prepared to provide assistance to the beneficial owners of China A Shares, where necessary, to provide certification to ChinaClear for the purpose of providing evidential proof of the CCASS participant's or its client's holding in China A Shares; and to assist the CCASS participant or its client bringing the legal action in the PRC in the manner as may be required under PRC law, after having regard to its statutory duties and subject to such conditions as HKSCC may reasonably require (including payment of fees and costs upfront and indemnities to the satisfaction of HKSCC). Although the China Securities Regulatory Commission ("**CSRC**") regulations and ChinaClear rules generally provide for the concept of a nominee holder and recognise the Hong Kong and overseas investors (including the ICAV) as the ultimate owners who would be recognised under the laws and regulations of the PRC as having beneficial ownership in the China A Shares traded via the Stock Connects, how an investor such as the ICAV, as the beneficial owner of the China A Shares, under the Stock Connects structure, exercises and enforces its rights over the China A Shares in the PRC courts are to be tested.

#### Clearing and Settlement Risk

HKSCC and ChinaClear have established clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on the one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote. In the remote event of a ChinaClear default, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear, but it is not obliged to do so. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if available. In the event of a ChinaClear default, the ICAV may suffer delays in the recovery process or may not fully recover its losses from ChinaClear.

#### Suspension Risk

Each of the SEHK, SSE and SZSE reserves the right to suspend trading of SSE securities and SZSE securities purchased on the Stock Connects if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension of Northbound trading is triggered. Where a suspension in the Northbound trading through the Stock Connects is effected, the ICAV's ability to access the PRC market through Stock Connects will be adversely affected.

#### Differences in Trading Day

The Stock Connects will only operate on days when the Shanghai or Shenzhen and Hong Kong markets are open for trading and when banks in both sets of markets are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the SSE or SZSE market but the ICAV cannot carry out any SSE securities or SZSE securities trading via the Stock Connects. The ICAV may be subject to a risk of price fluctuations in SSE securities and SZSE securities during any time when the Stock Connects are not trading.

#### Restrictions on Selling Imposed by Front-end Monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on SSE securities and SZSE securities sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If the ICAV intends to sell certain SSE securities and SZSE securities it holds, it must ensure the availability of those securities is confirmed by its broker(s) before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the ICAV may not be able to dispose of its holdings of SSE securities and SZSE securities in a timely manner.

#### Operational Risk

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

#### Regulatory Risk

The current regulations relating to the Stock Connects are untested and there is no certainty as to how they will be applied. Using the Stock Connects as a means of investment will result in trades being subject to additional restrictions to those usually traded directly on exchange, which may result in investments being subject to greater or more frequent rises and falls in value and the investments may be harder to liquidate. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The ICAV may be adversely affected as a result of such changes.

#### Recalling of Eligible Stocks

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

#### No Protection by Investor Compensation Fund

Investment in SSE securities and SZSE securities via the Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers in their obligations. Investments of the relevant Sub-Funds through Northbound trading under the Stock Connects are not covered by the Hong Kong Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SSE securities and SZSE securities via the Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the ICAV is exposed to the risks of default of the broker(s) it engages in its trading in SSE securities and SZSE securities through the Stock Connects.

#### Risks associated with the Small and Medium Enterprise board and/or ChiNext market

The ICAV may invest in the Small and Medium Enterprise (SME) board and/or the ChiNext market of the SZSE via the Shenzhen-Hong Kong Stock Connect. Investments in the SME board and/or ChiNext market may result in significant losses for a relevant Sub-Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices: Listed companies on the SME board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

#### Over-valuation risk

Stocks listed on the SME board and/or ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. The stock price may be more susceptible to manipulation due to fewer circulating shares.

- Differences in regulations: The rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME board.
- Delisting risk: It may be more common and faster for companies listed on the SME board and/or ChiNext market to delist. This may have an adverse impact on the ICAV if the companies that it invests in are delisted.

## APPENDIX V TAXATION

*The following is of a general nature and does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. Accordingly, its applicability will depend on the particular circumstances of each shareholder. This summary does not constitute legal or tax advice. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case*

***with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the date of this Prospectus will apply at any other date.***

***Shareholders and potential investors are advised to consult their own professional advisors concerning possible taxation, exchange control and other implications or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.***

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

#### Ireland

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

#### The ICAV

#### Residence

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

#### Chargeable event

The Directors have been advised that the ICAV qualifies as an Investment Undertaking as defined in Section 739B TCA. Under current Irish law and practice, the ICAV is not liable to Irish tax on its income and gains. However, tax can arise on the happening of a "chargeable event" for an investor. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, deemed disposal (a deemed disposal will occur at the expiration of a Relevant period), cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer.

No tax will arise on chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. With effect from 3 April 2010, a chargeable event will not arise if at the time of the chargeable event appropriate equivalent measures have been put in place by the ICAV to ensure that Shareholders in the ICAV are neither Irish Resident nor Irish Ordinarily Resident and the ICAV has received approval from the Irish Revenue Commissioners to this effect and the approval has not been withdrawn.

A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;
- Any transactions (which might otherwise be a chargeable event) in relation to Shares in the ICAV held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners, irrespective of the tax status of the Shareholder holding the Shares;
- A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses, subject to certain conditions; or

- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking; or
- The cancellation of Shares arising from an exchange in relation to a scheme of amalgamation (as defined in Section 739HA of the TCA).

Where the Shares are not held in a Recognised Clearing System, the ICAV will not be subject to Irish tax on chargeable events for certain types of investors including, inter alia, non-resident investors (see “*Definitions*” section on residence for further information) and particular types of Irish investors such as charities, pension schemes, life assurance companies etc. known as “Exempt Irish Investors”, if the Relevant Declaration has been provided to the ICAV and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Resident in the Republic of Ireland or Ordinarily Resident in the Republic of Ireland.

Where the ICAV becomes liable to account for Irish tax when a chargeable event occurs, the rate of tax is currently 41%. However, where a chargeable event arises in connection with a Corporate Shareholder who is Irish resident, tax will be deducted at the rate of 25% provided the Corporate Shareholder provides a declaration to the ICAV evidencing its corporate status, which includes its tax reference number. The ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event.

#### *Exempt Irish investors*

The ICAV will not be subject to Irish tax on chargeable events for certain types of investors including, inter alia, non-resident investors (see “*Definitions*” section on residence for further information) and particular types of Irish investors such as charities, pension schemes, life assurance companies etc. known as “Exempt Irish Investors”, if the Relevant Declaration has been provided to the ICAV and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Resident in the Republic of Ireland or Ordinarily Resident in the Republic of Ireland.

#### *Deemed chargeable event*

The ending of a ‘Relevant Period’ is also considered a chargeable event, whereby an automatic exit tax applies for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the ICAV at the ending of a Relevant Period. Similar to other forms of chargeable event a gain may arise unless the Shareholder giving rise to the chargeable event is either (1) Non-Irish Resident and Non-Irish Ordinarily Resident or (2) an Exempt Irish Investor (provided in either case the investor has provided a Relevant Declaration). For those investors (both companies and individuals) impacted by the ending of the Relevant Period, it is essentially a deemed disposal for Irish tax purposes. They will be charged to tax at the prevailing rate of tax applicable at the time on any deemed gain, calculated without the benefit of indexation relief, accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later. There are provisions which seek to ensure double taxation does not arise where an actual disposal follows a deemed disposal. In the case of Shares held in a Recognised Clearing System, no chargeable event is deemed to arise and the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the ICAV will have to deduct the difference. Where the tax arising on the subsequent chargeable

event is less than that which arose on the preceding deemed disposal, the ICAV will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### *15% Threshold*

Where Shareholders who are Irish Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) hold less than 15% of the ICAV (calculated by value of Shares) or in the case of an umbrella fund, 15% of the relevant sub-fund (calculated by value of Shares) immediately before the deemed disposal and (i) a refund of tax arises (e.g. due to a subsequent loss on an actual disposal), (ii) the ICAV has made an appropriate election in accordance with Section 739E(1A)(b)(ii)(II) of the TCA and (iii) the ICAV has advised the relevant Shareholder accordingly in this regard and has supplied the Shareholder with sufficient information to make the claim, then, in such circumstances, the relevant Shareholder(s) must (if they wish to receive a refund of tax), seek to be refunded the amount of excess of the first tax (i.e. tax paid on the first deemed disposal) over the “second tax” (i.e. tax paid on subsequent actual or deemed disposals) directly from the Irish Revenue Commissioners as opposed to the ICAV seeking same (on receipt of a claim by the Shareholder) but see “other administrative matters” below.

The ICAV may elect not to account for Irish tax in respect of deemed disposals in certain circumstances.

#### *10% Threshold*

Where the total value of the Shares held by Shareholders who are Irish Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) is less than 10% of the Net Asset Value of the Sub-Fund or in the case of an umbrella fund, 10% of the Net Assets Value of the relevant sub-fund immediately before a deemed disposal, then the ICAV can elect in writing that the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis (“self-assessors”) as opposed to the ICAV (or its service providers) provided:

- the ICAV has made an appropriate election in accordance with Section 739E(2A)(a)(ii) of the TCA; and
- the ICAV has advised the relevant Shareholder accordingly in this regard.

To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

#### *Equivalent measures*

With effect since 3 April 2010, a chargeable event will not arise if at the time of the chargeable event appropriate equivalent measures have been put in place by the ICAV, in accordance with Section 739D(7B) TCA, to ensure that Shareholders in the ICAV are neither Irish Resident nor Irish Ordinarily Resident and the ICAV has received approval from the Irish Revenue Commissioners to this effect and the approval has not been withdrawn.

#### *Other Administrative Matters*

To avoid multiple deemed disposal events for multiple units, an irrevocable election under Section 739D(5B) can be made by the ICAV to value the units held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the end of the Relevant Period, rather than on the date of the end of the Relevant Period itself. While the legislation is ambiguous, the ICAV understands the intention is to permit a Sub-Fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the ICAV on a chargeable event.

In accordance with the IOI, the Directors (or their agent) may (1) deduct from any payment to a Shareholder all sums necessary or (2) compulsorily repurchase from a Shareholder's holding of Shares, Shares of such value as is necessary to offset any liability to taxation or withholding tax arising in respect of a holder of Shares, holding of Shares of his/her beneficial ownership of them (whether arising as a result of a distribution to, a redemption of by or transfer by a Shareholder). The relevant shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax in relation to the relevant shareholder if no such deduction or redemption has been made.

Where an item has been correctly included in a return of exit tax arising in relation to a chargeable event but, within one year of making this return, the ICAV proves to the satisfaction of the Revenue Commissioners of Ireland that it is just and reasonable that such an amount of appropriate tax which has been paid should be repaid to the ICAV, then such amount may be repaid to the ICAV. Similarly, where an item has been incorrectly included in a withholding tax return as appropriate tax, the Revenue Commissioners of Ireland may make such adjustment as is necessary to ensure that the resulting liabilities are as far as possible as they would have been if the item had not been included in the withholding tax return.

#### *Withholding Tax*

Dividends received by the ICAV from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the ICAV can make an appropriate declaration to the payer that it is an investment undertaking beneficially entitled to the dividends on Irish equities which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

Foreign interest, dividends and other annual payments entrusted to any person in Ireland for payment to the ICAV are exempt from Irish encashment tax.

#### *Stamp Duty*

Generally, no stamp duty or other tax is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV, provided that no application for Shares or repurchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

Irish Stamp Duty applies at the rate of 1% of the value, on the acquisition of Irish stocks and marketable securities by the ICAV. No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA) which is registered in Ireland, and provided that the conveyance or transfer does not take place in Ireland.

#### *VAT*

Where VAT is chargeable in respect of the consideration for a supply or supplies to the ICAV, the ICAV shall pay such VAT to the supplier or, in respect of certain supplies, account to the Irish Revenue Commissioners for such VAT.

#### *Return of Values*

As a result of provisions introduced by Finance Act 2012 (and the subsequent Return of Values (Investment Undertakings) Regulations 2013), the ICAV is obliged to report certain details in relation to Shares acquired by investors from 1 January, 2012 onwards. The details to be reported include the name, address, date of birth (if an individual) and the value of the Shares held. For new Shares acquired on or after 1 January, 2014, the details to be reported will also include the tax reference number, or in the absence of the number, a special marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;



- Exempted Irish Investors (provided the Relevant Declaration has been made); or
- Shareholders whose shares are held in a Recognised Clearing System; or

Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided a Relevant Declaration has been made).

### **Taxation of Shareholders**

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

### **Shareholders whose shares are held in a Recognised Clearing System**

Where Shares are held in a Recognised Clearing System, the obligation falls on the Shareholders, (rather than the ICAV) to self-account for any tax arising on a chargeable event. Thus, the ICAV will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Resident or Ordinarily Resident in Ireland, or whether a non-resident shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares. In the case of an individual, tax, currently at the rate of 41 per cent. should be accounted for by the Shareholder on distribution payments, irrespective of the frequency with which they are made and on gains on a cancellation, redemption or transfer of Shares and on the ending of a Relevant Period. Where the investment constitutes a personal portfolio investment undertaking ("PPIU") the tax on payments shall be made in accordance with the rates outlined in the PPIU section below.

In the case of Shareholders who are companies, in general such Shareholders will be subject to tax currently at the rate of 25%, where the distributions or gains are not received in respect of a trade carried on by such companies.

Where the Shareholder is an individual and has not correctly included the income in their tax return the rate of 80 per cent will apply in the case of an investment that constitutes a PPIU. In the case of an investment that does not constitute a PPIU and where the Shareholder is an individual and has not correctly included the income in their tax return, the rate of 41 per cent will apply.

It should be noted that a Relevant Declaration is not required to be made where the Shares, the subject of the application for subscription or registration of transfer on a transfer of Shares, are held in a Recognised Clearing System so designated by the Irish Revenue Commissioners. Where Shares are not held in a Recognised Clearing System, prospective investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the ICAV or being registered as a transferee of the Shares (as the case may be).

Where Shares are denominated in a currency other than Euro certain Irish Resident Shareholders will be liable to tax on chargeable gains at 33 per cent on the foreign exchange difference between the foreign currency and the Euro for the duration of the Shareholding period. Persons who are neither Resident in the Republic of Ireland nor Ordinarily Resident in the Republic of Ireland would normally only be liable to this charge if the Shares are held for the purpose of trade carried on through a Branch or agency in the Republic of Ireland.

Where a non-Exempt Irish Investor realises a loss on disposal of Shares that loss cannot normally be utilised unless a gain from the Shares would be considered trading income.

To the extent any Shares are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the above paragraph in relation to a chargeable event arising on a deemed disposal), the following tax consequences will arise on a chargeable event.

### **Shareholders who are neither Irish Resident nor Ordinarily Resident in the Republic of Ireland and the Shares are not held in a Recognised Clearing System**

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder who does not hold Shares in connection with a trade or business carried on in Ireland through a branch or agency if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or (d) the ICAV has put in place appropriate equivalent measures to ensure that Shareholders in the ICAV are neither Irish Resident nor Irish Ordinarily Resident and the ICAV has received the appropriate approval from the Revenue Commissioners. In the absence of a Relevant Declaration or the approval from the Irish Revenue Commissioners referred to above, tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or if the ICAV has received approval from the Irish Revenue Commissioners that appropriate measures are in place and this approval has not been withdrawn.

Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland and who have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or if the ICAV has received approval from the Irish Revenue Commissioners that appropriate measures are in place and this approval has not been withdrawn should not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholders, Irish legislation does not provide for a refund of tax to non-corporate Shareholders or to corporate Shareholders who are not Resident in the Republic of Ireland and who are not within the charge to Irish corporation tax other than in the following circumstances::

- The appropriate tax has been correctly returned by the ICAV and within one year of the making of the return the ICAV can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid, to be repaid to the ICAV.
- Where a claim is made for a refund of Irish tax under Sections 189, 189A and 192 (relieving provisions relating to certain incapacitated persons).

**Shareholders who are Irish Resident or Ordinarily Resident in Ireland and the shares are not held in a Recognised Clearing System**

Unless a Shareholder is an Exempt Irish Investor, makes a Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, or unless the Shares are purchased by the Courts Service, tax, currently at the rate of 41%, will be required to be deducted by the ICAV from a distribution or gain to a Shareholder, other than a Corporate Shareholder, who is Irish Resident or Ordinarily Resident in Ireland. Where Shares are held by the Courts Service no tax is deducted by the ICAV on payments made to the Courts Service. The Courts Service will be required to operate the tax on payments to it by the ICAV when it allocates those payments to the beneficial owners.

In the case of a Corporate Shareholder, tax, currently at the rate of 25%, will have to be deducted by the ICAV on any distribution or gain arising on an encashment, redemption, cancellation or transfer of shares by the corporate shareholder. Tax will also have to be deducted in respect of Shares held at the end of a Relevant Period (in respect of any excess in value over the cost of the relevant Shares) to the extent that the Shareholder is Resident in the Republic

of Ireland or Ordinarily Resident in the Republic of Ireland and is not an Exempted Irish Investor who has made a Relevant Declaration.

In general, non-corporate, non-Exempt Shareholders who are Irish Resident or Irish Ordinarily Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been correctly deducted by the ICAV on payments received by the Shareholder. Where a foreign currency gain is made by a Shareholder on the disposal of his/her Shares, such Shareholder may be liable to Irish capital gains tax in the year of assessment in which the Shares are disposed of.

Irish Resident Corporate Shareholders who receive distributions or realise a gain on an encashment, redemption, cancellation or transfer of their Shares from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the TCA from which tax, currently at the rate of 25%, has been deducted. Corporate non-Exempt Irish Investors whose Shares are held on a trading account in connection with a trade will be taxable on any income or gains (grossed up for any tax deducted) as part of that trade with a set-off against corporation tax payable for any tax deducted by the ICAV. Any Corporate Shareholders who are Resident in the Republic of Ireland and receive a payment from the ICAV from which tax has not been deducted will be fully taxable on that payment under Case IV of Schedule D (except where the Shares are held on a trading account in which case they are taxable under Case I of Schedule D). However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares or the ending of a Relevant Period, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholders for the acquisition of the Shares. Such Shareholders may also be liable to tax on foreign currency gains as outlined in the interpretation section above.

#### **Personal Portfolio Investment Undertaking (PPIU)**

An investment undertaking will be considered a PPIU in relation to a specific investor where that investor has influence over the selection of some or all of the property held by the investment undertaking, either directly or through persons acting on behalf of or connected to the investor. Depending on an individual's circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals who can "influence" selection. Those individuals who can "influence" the selection of investments will be taxed at a penal rate of 60% on the occurrence of a chargeable event. Specific exemptions apply where the property invested in has been widely marketed and made available to the public. An investment undertaking is not a personal portfolio investment undertaking if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required. As a result, it is unlikely the provisions in respect of PPIUs will apply in respect of this investment undertaking.

Any Shareholder who is Irish Resident or Ordinarily Resident in Ireland and receives a distribution or receives a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

In respect of non-corporate Irish resident Shareholders, if the details of any relevant payment from the PPIU is not subject to the appropriate exit tax by the ICAV and is not correctly included in the Shareholder's tax return, or if the return is filed late, the Shareholder should be subject to tax at 80%.

#### **Capital Acquisitions Tax**

The disposal of Shares in the ICAV by the Shareholders may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax) at 33%. However, provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B of the TCA), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

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

The FATCA provisions of the US Hiring Incentives to Restore Employment Act were enacted to identify Specified US Persons (as defined below) either directly investing outside the US or indirectly earning income inside or outside the US by using foreign entities. The obligations of Irish financial institutions under FATCA are covered by the provisions of the Ireland / US Intergovernmental Agreement ("IGA") (signed in December 2012) , which is a model I IGA, and supporting Irish legislation/regulations. Any Irish Financial Institutions as defined under the IGA will be required to report annually to Irish Revenue (which commenced in 2015) details on its US account holders including the name, address and taxpayer identification number ("TIN") and certain other details. Such institutions are required to maintain their account on-boarding procedures with effect from 1 July 2014 in order to easily identify US new account holders and report this information to Irish Revenue. The ICAV, in conjunction with assistance from its service providers where necessary, endeavours to ensure that it satisfies any obligations imposed on it under the IGA.

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

A "Specified US Person" for the purposes of FATCA means:

- a US citizen or resident individual,
- a partnership or corporation organized in the United States or under the laws of the United States or any State thereof,
- a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust,
- or an estate of a decedent that is a citizen or resident of the United States,

but excludes:

- a corporation the stock of which is regularly traded on one or more established securities markets;
- any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i);
- the United States or any wholly owned agency or instrumentality thereof;
- any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code;
- any bank as defined in section 581 of the U.S. Internal Revenue Code;
- any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code;
- any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64);

- any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code;
- any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code;
- a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or
- a broker as defined in section 6045(c) of the U.S. Internal Revenue Code.

## **UNITED STATES TAXATION**

The tax status of the ICAV and its Shareholders under the tax laws of the United States is summarized below. The summary is based on the assumption that the ICAV and each Sub-Fund is owned, managed and operated as contemplated. The summary addresses only the U.S. federal income tax consequences of an investment to persons generally subject to U.S. federal income taxation on a worldwide basis. It does not address the consequences of an investment to U.S. tax-exempt investors or non-U.S. investors.

The summary is considered to be a correct interpretation of existing laws as applied at the date of this Prospectus, but no representation is made or intended by the ICAV (i) that changes in such laws or their application or interpretation will not be made in the future or (ii) that the United States Internal Revenue Service (the "IRS") will agree with the above-described interpretation as applied to the method of operation of the ICAV. Persons interested in subscribing for the ICAV's Shares should consult their own tax advisers with respect to the tax consequences, including the income tax consequences, if any, to them of the purchase, holding, redemption, sale or transfer of Shares.

### **Taxation of the ICAV**

The treatment of entities with segregated sub-funds such as the ICAV is not entirely clear for U.S. federal income tax purposes. Such entities may be treated as a single entity for such purposes or each segregated sub-fund could be treated as a separate entity for such purposes. The ICAV intends to treat each Sub-Fund as a separate entity for U.S. federal income tax purposes, although there is no assurance that the IRS will agree with this treatment. The remainder of this discussion assumes that each Sub-Fund of the ICAV will be treated as a separate entity for U.S. federal income tax purposes. Each Sub-Fund intends to be treated as a corporation for U.S. federal income tax purposes.

Section 864(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code"), provides a safe harbor pursuant to which a foreign corporation that engages in the United States in trading securities for its own account will not be deemed to be engaged in a United States trade or business. The Sub-Fund intends to conduct its activities in a manner so as to meet the requirements of this safe harbor. Thus, the ICAV's securities trading activities should not constitute a United States trade or business, and the ICAV generally should not be subject to the regular United States federal income tax on its trading profits.

Assuming that the ICAV qualifies for the safe harbor discussed above, the only United States federal income taxes which will be payable by the ICAV on its income from dividends and interest is the 30% withholding tax applicable to dividends and certain interest income considered to be from sources within the United States. This tax will apply even if the ICAV complies with its obligations under the Hiring Incentives to Restore Employment Act (the "HIRE Act") (as discussed below).

The Foreign Account Tax Compliance Act (FATCA) provisions of United States Hiring Incentives to Restore Employment Act (the "HIRE Act") provide that the ICAV must disclose the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the ICAV, as well as certain other information relating to any such interest pursuant to an Intergovernmental Agreement between the United States and Ireland. If the ICAV fails to comply with these requirements, then a 30% withholding tax will be imposed on payments to the ICAV of United States source income and proceeds from the sale of property that could give rise to United States source interest or dividends. The withholding tax provisions of the HIRE Act became effective on July 1, 2014 (and will become effective on January 1, 2019, in the case of proceeds from the sale of property). Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of the HIRE

Act, the value of Shares held by all shareholders may be materially affected, although the ICAV generally expects to charge the amounts to relevant investors, as applicable.

#### **United States Taxation of U.S. Taxable Shareholders**

For United States income tax purposes, the ICAV will likely be characterised as a passive foreign investment company (“PFIC”). (The ICAV will probably not be characterised as a controlled foreign corporation (“CFC”) which is a foreign corporation that is more than 50% owned by 10% US shareholders, and therefore this Private Placement Memorandum does not discuss the CFC rules.) The taxation of a United States investor in the ICAV which is not a tax-exempt investor depends on whether the investor elects to have the ICAV treated as a “qualifying electing fund” (“QEF”) with respect to that investor for the first taxable year that the investor holds Shares (a “timely QEF election”).

A shareholder who makes a timely QEF election (an “Electing Shareholder”) must report for US federal income tax purposes his or her pro rata share of the ordinary earnings and the net capital gain, if any, of the ICAV for the taxable year of the ICAV that ends with or within the taxable year of the Electing Shareholder. The “net capital gain” of the ICAV is the excess, if any, of the ICAV’s net long term capital gains over its net short term capital losses and is reported by the Electing Shareholder as long term capital gain. Any net operating losses or net capital losses of the ICAV will not pass through to the Electing Shareholder and will not offset any ordinary earnings or net capital gain of the ICAV reportable to Electing Shareholders in subsequent years (although such losses would ultimately reduce the gain, or increase the loss, recognized by the Electing Shareholder on the disposition of his or her Shares).

A shareholder makes a QEF election for a taxable year by completing and filing IRS Form 8621 in accordance with the instructions thereto. The ICAV will furnish shareholders with information needed in order to complete IRS Form 8621.

A shareholder who does not make a timely QEF election (a “Non Electing Shareholder”) will not be required to recognise taxable income as a result of his or her investment in the ICAV until he or she receives an “excess distribution”. A Non-Electing Shareholder is considered to have received an excess distribution from the ICAV in any year in which he or she receives distributions from the ICAV that, in the aggregate, exceed 125% of the average amount of the distributions received by such shareholder during the preceding three taxable years (or, if shorter, the Non Electing Shareholder’s holding period for his or her Shares). Any excess distribution received by the Non-Electing Shareholder will be allocated ratably to each day in his or her holding period for the stock. The Non-Electing Shareholder will then be required to include in his or her taxable income for the year in which he or she receives the excess distribution that portion of the excess distribution allocated to the current taxable year, and the “deferred tax amount” on the distribution allocated to prior years will be added to his current year’s tax. The deferred tax amount for a prior taxable year is calculated by multiplying (x) that portion of the excess distribution allocated to each taxable year ended prior to the date on which the Non-Electing Shareholder receives the excess distribution by (y) the maximum tax rate applicable to that shareholder for that prior tax year. The sum of the products calculated for each prior taxable year as described in the previous sentence, plus interest on each such product beginning on the due date for filing a tax return for the prior taxable year and ending on the due date for filing a tax return for the taxable year in which the distribution was made equals the “deferred tax amount”. If a Non-Electing Shareholder disposes of his or her shares, he or she will be required to calculate his or her tax on any gain recognised on the disposition as if the gain were an “excess distribution”. If a Non Electing Shareholder dies while owning Shares, the Non Electing Shareholder’s successor would be ineligible to receive a step-up in tax basis of the Shares.

The ICAV may invest in companies that are PFICs. Shareholders will be subject to the PFIC rules with respect to their indirect ownership interests in such PFICs. There can be no assurance that a shareholder will be able to make a QEF election with respect to PFICs in which the ICAV invests.

#### **United States Income Taxation of US Tax-Exempt Investors**

Shareholders that are United States tax-exempt entities, including, but not limited to charities, private foundations, pensions, Keogh plans and individual retirement accounts (IRAs), are subject to US federal income tax on unrelated business taxable income (“UBTI”). Under current United States tax law, in general and absent other circumstances such as the investment in the ICAV itself being considered a leveraged investment, dividends to tax-exempt shareholders of

the ICAV and capital gains on disposition of the shares of the ICAV should not be considered UBTI; however, prospective tax-exempt shareholders should consult with and rely solely upon their own tax advisors on this issue.

### **Information Reporting Requirements**

Any US person within the meaning of the Code owning 10% or more (taking certain attribution rules into account) of the total voting power or total value of the shares of a foreign corporation such as the ICAV will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. The ICAV has not committed itself to provide the information about the ICAV or its shareholders needed to complete the return. In addition, a US person within the meaning of the Code that transfers cash to a foreign corporation such as the ICAV may be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of the shares of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000. Further, shareholders may be required to file an information return with respect to an investment in the ICAV pursuant to Code Section 6038D. Shareholders are urged to consult their own tax advisors concerning these and any other reporting requirements.

The IRS has released final Treasury Regulations expanding previously existing information reporting, record maintenance and investor list maintenance requirements with respect to certain "tax shelter" transactions (the "Tax Shelter Regulations"). The Tax Shelter Regulations may potentially apply to a broad range of investments that would not typically be viewed as tax shelter transactions, including investments in investment companies and portfolio investments of investment companies. Under the Tax Shelter Regulations, if the ICAV engages in a "reportable transaction," a shareholder would be required, under certain circumstances, to (i) retain all records material to such "reportable transaction"; (ii) complete and file IRS Form 8886, "Reportable Transaction Disclosure Statement" as part of its US federal income tax return for each year it participates in the "reportable transaction"; and (iii) send a copy of such form to the IRS Office of Tax Shelter Analysis at the time the first such tax return is filed. The scope of the Tax Shelter Regulations may be affected by further IRS guidance. Non compliance with the Tax Shelter Regulations may involve significant penalties and other consequences. Each shareholder should consult its own tax advisers as to its obligations under the Tax Shelter Regulations.

The advice from Seward & Kissel LLP on Federal tax matters is based on the assumption that the ICAV and each Sub-Fund will be organized and operated in the manner contemplated herein and under present provisions of the laws and regulations issued thereunder and the cases and rulings interpreting such laws and regulations. No assurance can be given that these circumstances will not change in the future or that the positions a Sub-Fund takes on its tax returns, with respect to expenses or otherwise, will be accepted by the IRS.

The tax consequences of an investment in the ICAV may vary depending upon the particular circumstances of each prospective Shareholder. Accordingly, each prospective Shareholder should consult his own tax advisers with respect to the effect of an investment in the ICAV on his personal tax situation and, in particular, the state and local tax consequences to him of an investment in the ICAV.

A Shareholder (and each employee, representative, or other agent of the Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the ICAV and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure.

### **THE UNITED KINGDOM**

The following is a summary of various aspects of the United Kingdom ("UK") taxation regime which may apply to UK resident persons acquiring Shares in a Sub-Fund of the ICAV, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely. Such law and practice may be subject to change, and the below summary is not exhaustive. Further, it will apply only to those UK Shareholders holding Shares as an investment rather

than those which hold Shares as part of a financial trade; and does not cover UK Shareholders which are tax exempt or subject to special taxation regimes.

This summary should not be taken to constitute legal or tax advice and any prospective Shareholder should consult their own professional advisers as to the UK tax treatment of returns from the holding of Shares in a Sub-Fund of the ICAV.

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

### ***UK Taxation of the ICAV***

The Directors intend to conduct the affairs of the ICAV so that it is centrally managed and controlled outside the UK and does not become resident in the UK for the purposes of UK taxation. The ICAV should not, therefore, (provided that it does not carry on a trade in the UK, whether or not through a permanent establishment situated therein) be liable to UK taxation on its income (other than on UK source income). Moreover, current UK legislation contains provision pursuant to which a UCITS which is authorised or registered in a foreign country or territory will not be treated as UK resident for UK tax purposes (provided it is not an excluded entity, which the ICAV should not be). Accordingly, on the basis that the ICAV is authorised in Ireland pursuant to the UCITS Regulations (which give effect to Directive 2009/65/EC), the ICAV should not be subject to UK tax on its income (provided that it does not carry on a trade in the UK and other than on UK source income) regardless of where it is centrally managed and controlled.

The Directors intend to conduct the arrangements of the ICAV with the Investment Manager such that the investment manager exemption set out in section 818 of the Income Tax Act 2007 and section 1146 of the Corporation Tax Act 2010 should apply to the ICAV and therefore the Investment Manager should be treated as an agent of independent status acting in the ordinary course of its business (and not as a UK permanent establishment of the ICAV). Accordingly, the ICAV should not be liable to UK taxation by reason of the activities of the Investment Manager on behalf of the ICAV. The ICAV should also benefit from the statutory limitation on charges to UK income tax broadly restricting its liability to such tax to the amount, if any, deducted at source (provided the ICAV has no rental or similar income).

The ICAV may be subject to UK income tax withholding on interest received from a UK source, or on certain other types of UK source income. There is no UK withholding tax on dividends.

### ***UK Taxation of Shareholders***

Shareholdings in the ICAV are likely to constitute interests in "offshore funds", as defined for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010. Accordingly, the Offshore Funds (Tax) Regulations 2009 are likely to apply, with each Class of the Sub-Funds treated as a separate 'offshore fund' for these purposes.

#### *Dividends and other income distributions from the ICAV*

Subject to their personal tax position, Shareholders resident in the UK may be liable to UK income tax or corporation tax in respect of any dividends or other income distributions of the ICAV and any dividends funded out of realised capital profits of the ICAV. In addition, UK Shareholders holding Shares in a Class with "reporting fund" status at the end of each 'reporting period' (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of the Class's 'reported income', to the extent that this amount exceeds dividends actually received. The terms reporting fund, 'reported income', 'reporting period' and their implications are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident in the UK may under certain circumstances benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar)



assets, distributions or reported income will be treated and taxed as interest in the hands of the individual, with no tax credit.

Under Part 9A of the Corporation Tax Act 2009, dividend distributions made by an offshore fund to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for this purpose.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. The Directors or the Manager intend to manage the affairs of the ICAV so that these upfront and annual duties are met and continue to be met on an on-going basis and, accordingly, the ICAV has applied for reporting fund status in respect of each class of Shares in the initial Sub-Fund (although there can be no guarantee that status as a 'reporting fund' will be obtained or maintained). Such annual duties include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders, which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date six months following the final day of the reporting period. Once reporting fund status is obtained from HMRC for the relevant Classes, it will remain in place permanently so long as the annual requirements are undertaken.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 provides that specified transactions carried out by a regulated fund will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that all Classes which intend to obtain reporting fund status are primarily intended for and marketed to the categories of professional and institutional investors. For the purposes of the regulations, the Directors or the Manager undertake that interests in the ICAV will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

#### *Disposals of interests in the ICAV*

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

Where an offshore fund may have been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. In these circumstances, from the date the offshore fund changes status such elections have specified time limits in which they can be made. If any election is not made, the entire gain will be taxed as income on disposal. Investors should refer to their tax advisors for further information.

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

Investors who are life insurance companies may be deemed to dispose of and immediately reacquire any interest in an offshore fund held by them for the purposes of their long term business at the end of each accounting period at market value. This applies irrespective of whether the fund in question is a reporting fund. It will apply to holdings of Shares

in the ICAV by life assurance companies which are within the scope of UK corporation tax (either through residence or through holding such Shares through a UK permanent establishment). The resultant gain or loss may in some circumstances be spread over seven years.

The attention of individual Shareholders resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the UK Income Taxes Act 2007, which may render them liable to income tax in respect of undistributed income or profits of the ICAV. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of the ICAV on an annual basis. The legislation will, however, not apply if a Shareholder can satisfy HM Revenue & Customs that either:

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
- (iii) all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under Chapter 2 of Part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

The attention of corporate investors resident in the UK is also drawn to the controlled foreign company legislation in Part 9A of the Taxation (International and Other Provisions) Act 2010 (the "**CFC Legislation**"). Under those provisions, companies resident in the UK for taxation purposes having a sufficient interest (broadly, 25%) in a non-UK resident company can, in certain circumstances, be chargeable to UK corporation tax in respect of certain types of undistributed profits of such non-UK resident company. The CFC Legislation will only apply in respect of non-UK resident companies which are either controlled by UK resident persons or controlled by a UK resident person and a non-UK resident person taken together with the UK resident person having at least 40% of the controlling rights. Whether or not the ICAV is a CFC will therefore depend on the tax residence status of the Shareholders. If it is a CFC, there is an exemption for participants in offshore funds which may be of assistance in certain circumstances to Shareholders who would otherwise be subjected to tax under the CFC Legislation. Any UK resident company which is in any doubt about its position in respect of the CFC Legislation should seek its own professional advice.

The attention of investors resident in the UK is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. Under these provisions, in the event that the ICAV would be treated as 'close' under UK tax legislation if it were resident in the UK, part of any chargeable gain accruing to the ICAV may be attributed to a UK resident investor who alone, or together with connected persons, has more than a 25 per cent. interest in the ICAV. Such an investor may (in certain circumstances) be liable to UK tax in respect of such attributed chargeable gain. The part of the chargeable gain attributed to the investor would correspond to the investor's proportionate interest in the ICAV. Section 13 contains a motive test pursuant to which gains will not be apportioned provided that none of the acquisition, holding or disposal of the relevant asset by the ICAV formed part of a scheme or arrangements of which the main purpose, or one of the main purposes, was avoidance of liability to capital gains tax or corporation tax.

Any individual Shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Shareholders should note that other aspects of UK taxation legislation may also be relevant to their investment in the ICAV.

***Stamp Duty and Stamp Duty Reserve Tax ("SDRT")***

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on subscriptions for, or redemptions of, Shares.

A transfer of Shares will not be liable to UK stamp duty if such transfer is executed outside the UK. Where such transfer is executed in the UK, the transfer will, technically, be subject to stamp duty at (currently) 0.5 per cent of the purchase price, but it is highly unlikely in practice that such duty would ever need to be paid. Under current law there is no general obligation to pay stamp duty on such a transfer. Although an unstamped transfer may not be relied on in evidence in a UK Court or for the purposes of a UK registrar or other similar public officer, there is no reason in practice why there should ever be any need to rely on a transfer of Shares in evidence in any such circumstances. UK SDRT will not apply to transfers of Shares provided that the Shares are not registered in a register kept in the UK or paired with shares issued by a UK incorporated company.

### **European Savings Directive**

Ireland has transposed the EU Directive on the taxation of savings income in the form of interest payments (Directive 2003/48/EC) into Irish law. In certain circumstances, the ICAV (or an Irish paying agent) may be obliged to report information to the Irish Revenue Commissioners relating to Shareholders who are individuals resident in the EU (other than in Ireland) or in certain other territories. A reporting obligation may also arise with respect to Shareholders established in these jurisdictions who are not legal persons, persons subject to corporate taxation or UCITS. Any information reported to the Irish Revenue Commissioners would be communicated to the authorities in the jurisdiction of residence (or establishment) of the relevant Shareholders. However, no reporting obligation should arise in Ireland once (broadly) the ICAV, or the relevant sub-fund of the ICAV, invests less than 15% of its total assets (directly or indirectly) in debt claims or other specified assets.

Directive 2003/48/EC was repealed by the Council of the EU on 10 November 2015 and will be replaced by Directive 2014/107/EU which implements the single global standard developed by the Organisation for Economic Co-operation ("OECD") for the automatic exchange of information. This new reporting regime is known as the "Common Reporting Standard" and will enter into force on 1 January 2016. See section below entitled "OECD Common Reporting Standard". Further steps must be undertaken at national level to implement the Directive into domestic legislation. Section 70 of the Finance Bill 2015, as initiated, seeks to implement Directive 2014/107/EU into Irish law.

### **OECD Common Reporting Standard**

The Council of the EU has recently adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 directive provides for the implementation of the regime known as the "Common Reporting Standard" proposed by the Organisation for Economic Co-operation and Development and will, once enacted into national law, generalise the automatic exchange of information within the European Union as of 1 January 2016. It is expected that member states will begin exchanging the information required by the end of September 2017.

Under these measures, the ICAV may be required to report information relating to Shareholders, including the identity and residence of Shareholders, and income, sale or redemption proceeds received by Shareholders in respect of the Shares. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

## APPENDIX VI U.S EMPLOYEE BENEFIT PLANS

### U.S. EMPLOYEE BENEFIT PLANS

#### *General*

The following section sets forth certain consequences under the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), and the Code, which a fiduciary of an “employee benefit plan” as defined in and subject to ERISA or of a “plan” as defined in Section 4975 of the Code who has investment discretion should consider before deciding to invest plan assets in the ICAV (such “employee benefit plans” and “plans” being referred to herein as “**Plans**”, and such fiduciaries with investment discretion being referred to herein as “**Plan Fiduciaries**”). The following summary is not

intended to be complete, but only to address certain questions under ERISA and the Code which are likely to be raised by the Plan Fiduciary's own counsel.

In general, the terms "employee benefit plan" as defined in ERISA and "plan" as defined in Section 4975 of the Code together refer to any plan or account of various types which provide retirement benefits or welfare benefits to an individual or to an employer's employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit-sharing plans, "simplified employee pension plans", KEOGH plans for self-employed individuals (including partners), IRAs and medical benefit plans.

Plan Fiduciaries should give appropriate consideration to among other things, the role that an investment in the plays in the Plan's portfolio, taking into consideration whether the investment is designed reasonably to further the Plan's purposes, an examination of the risk and return factors, the portfolio's composition with regard to diversification, the liquidity and current return of the total portfolio relative to the anticipated cash flow needs of the Plan, the project return of the total portfolio relative to the Plan's objectives and the limited right of Shareholders to redeem all or any part of their shares or to transfer their shares in the ICAV.

In particular, Plans should consider the applicability to them of the provisions related to "unrelated business taxable income".

Whether or not the underlying assets of the ICAV are deemed plan assets under applicable regulations (as discussed below), an investment in the ICAV by a Plan is generally subject to ERISA and/or Section 4975 of the Code. Accordingly, Plan Fiduciaries should consult with their own counsel as to the consequences under ERISA and/or Section 4975 of the Code of an investment in the ICAV.

#### ***Limitation on Investment by Benefit Plan Investors***

The ICAV currently intends to monitor the investments in the ICAV to ensure that the aggregate investment by "benefit plan investors" as defined and determined by Section 3(42) of ERISA (*i.e.*, employee benefit plans subject to Title I of ERISA, plans subject to Section 4975 of the Code, and entities the underlying assets of which include plan assets, ) does not equal or exceed twenty-five per cent (25%) of the value of any class of equity interest in the ICAV (excluding equity interests held by the Investment Manager or its affiliates), so that equity participation by benefit plan investors will not be considered "significant" under ERISA and the applicable Department of Labor regulations, and, as a result, the underlying assets of the ICAV will not be deemed plan assets for purposes of ERISA. Because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also may cause the ICAV to require that existing benefit plan investors redeem their shares in the event that other investors redeem their shares.

#### ***Representation by Plans***

The Plan Fiduciaries of each Plan proposing to invest in the ICAV will be required to represent that they have been informed of and understand the ICAV's investment objectives, policies and strategies, that the Plan is permitted to invest plan assets in the ICAV under the applicable documents and that the investment is consistent with the applicable provisions of ERISA and/or Section 4975 of the Code, including the provisions that require diversification of plan assets and impose other fiduciary responsibilities.

#### ***ERISA Plans having Prior Relationships with Affiliates of the ICAV or Investment Manager***

Certain prospective Plan investors may currently maintain relationships with the ICAV or Investment Manager or entities which are affiliated with the ICAV or Investment Manager. Each of such entities may be deemed to be a party in interest to and/or a fiduciary of any Plan to which it provides investment management, investment advisory or other services. ERISA prohibits plan assets to be used for the benefit of a party in interest and also prohibits a Plan Fiduciary from using its position to cause the Plan to make an investment from which it or certain third parties in which such Plan Fiduciary has an interest would receive a fee or other consideration. In such circumstances, Plan investors should consult with counsel to determine if the investment in the ICAV is a transaction which is prohibited by ERISA or the Code.

The foregoing statements regarding the consequences under ERISA and the Code of an investment in the ICAV are based on the provisions of Section 4975 of the Code and ERISA as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes will not occur that will not make the foregoing statements incorrect or incomplete.

**Schedule C of Form 5500 for ERISA Plans**

All Plans subject to Title I of ERISA (“ERISA Plans”) are required to file annual reports (Form 5500) with the U.S. Department of Labor setting forth the fair market value of all ERISA Plan assets. Under ERISA’s general reporting and disclosure rules, ERISA Plans are required to include information regarding their assets, expenses and liabilities. To facilitate a plan administrator’s compliance with these requirements, it is noted that the descriptions of the fees and expenses contained in this Prospectus, including but not limited the investment management fee and performance fee, as supplemented annually by the ICAV’s audited financial statements and the notes thereto, are intended to satisfy the alternative reporting option for “eligible indirect compensation” on Schedule C of Form 5500.

**Plans Not Subject to ERISA or Section 4975 of the Code**

Employee benefit plans maintained by governmental entities, churches and non-U.S. companies (“Other Plans”) are not subject to ERISA or Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans (**Similar Law**) may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental, church and non-U.S. plans, in consultation with their advisors, should consider the requirements of any applicable Similar Law with respect to investments in the ICAV, as well as the ERISA fiduciary considerations discussed above. The fiduciary of each prospective Other Plan investor will be required to represent and warrant that the investment in the ICAV and the investment program described in this Prospectus is permissible, has been duly authorized, complies in all respects with applicable Similar Law and that their investment in the ICAV will not subject the ICAV’s assets to any Similar Law.

**ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS IS IN NO RESPECT A REPRESENTATION BY THE ICAV OR ANY OTHER PARTY THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENT BY ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN. THE PERSON WITH INVESTMENT DISCRETION SHOULD CONSULT WITH HIS OR HER ATTORNEY AND FINANCIAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE ICAV IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN.**

**APPENDIX VII LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE GLOBAL SUB-CUSTODIAN**

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

Country	Sub-Custodian	Sub-Custodian Delegates
Argentina*	Citibank, N.A.	

Country	Sub-Custodian	Sub-Custodian Delegates
Australia	HSBC Bank Australia Limited	
Austria	UniCredit Bank Austria A.G	
Bahrain	HSBC Bank Middle East Limited	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	HSBC Bank Bermuda Limited	
Bosnia and Herzegovina - Federation of B & H	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.	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc	
Canada	The Northern Trust Company, Canada	
Canada**	Royal Bank of Canada	
Chile	Banco de Chile	
China A	HSBC Bank (China) Company Limited	
China B	HSBC Bank (China) Company Limited	
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria A.G.	Zagrebacka Banka d.d.
Cyprus	Citibank International Limited	
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	
Denmark	Nordea Bank Danmark A/S	
Egypt	Citibank, N.A.	
Estonia	Swedbank AS	
Euro CDs	Deutsche Bank AG, London Branch	
Finland	Nordea Bank Finland plc	
France	Deutsche Bank AG	
Germany	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank International Limited	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Hong Kong SAR	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	UniCredit Bank Hungary Zrt	
Iceland*	Landsbankinn hf	
India	Citibank, N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Bank Leumi Le-Israel BM	
Italy	Deutsche Bank SpA	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Standard Chartered Bank plc, Jordan Branch	
Kazakhstan	JSC Citibank Kazakhstan	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	HSBC Bank Middle East Limited	
Latvia	Swedbank AS	
Lebanon	HSBC Bank Middle East Limited	
Lithuania	AB SEB Bankas	
Malaysia	HSBC Bank Malaysia Berhad	
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico, S.A.	
Morocco	Societe Generale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	Deutsche Bank AG	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Nordea Bank Norge ASA	
Oman	HSBC Bank Oman SAOG	
Pakistan	Citibank, N.A.	
Palestinian Territories	HSBC Bank Middle East Limited	
Panama	Citibank, N.A., Panama Branch	
Peru	Citibank del Peru S.A.	



<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Polska Kasa Opieki SA	
Portugal	BNP Paribas Securities Services	
Qatar	HSBC Bank Middle East Limited	
Romania	Citibank Europe plc	
Russia	AO Citibank	
Saudi Arabia	HSBC Saudi Arabia Limited	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	DBS Bank Ltd	
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	Deutsche Bank SAE	
Sri Lanka	Standard Chartered Bank	
Swaziland	Standard Bank Swaziland Limited	
Sweden	Svenska Handelsbanken AB (publ)	
Switzerland	Credit Suisse AG	
Taiwan	Bank of Taiwan	
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Ltd
Thailand	Citibank, N.A.	
Tunisia	Banque Internationale Arabe de Tunisie	
Turkey	Deutsche Bank A.S.	
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine	PJSC Citibank	
United Arab Emirates - ADX	HSBC Bank Middle East Limited	
United Arab Emirates - DFM	HSBC Bank Middle East Limited	
United Arab Emirates - NASDAQ Dubai	HSBC Bank Middle East Limited	
United Kingdom	The Northern Trust Company, London	
United States	The Northern Trust Company	

<b>Country</b>	<b>Sub-Custodian</b>	<b>Sub-Custodian Delegates</b>
Uruguay	Banco Itau Uruguay S.A.	
Venezuela	Citibank, N.A.	
Vietnam	HSBC Bank (Vietnam) Ltd	
West Africa***	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia plc	
Zimbabwe	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank (Zimbabwe) Ltd

\*Market Suspended

\*\* The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.

\*\*\* West Africa, via the regional exchange, Bourse Régionale des Valeurs Mobilières SA (BRVM) located in Abidjan, clients can access the following 8 UEMOA markets: Benin, Burkina Faso, Guinea-Bissau, Côte d'Ivoire, Mali, Niger, Senegal and Togo.