**MontLake UCITS Platform ICAV**

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

**MLC Management Limited**

**PROSPECTUS FOR GERMANY**

**This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with, the Supplement for the Shares of the Fund being offered.**

Dated 18 April 2016

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## IMPORTANT INFORMATION

Capitalised words and expressions are defined in the body of this Prospectus or under "DEFINITIONS" below.

**Responsibility**

The Directors (whose names appear under the heading "The ICAV" below), accept responsibility for the information contained in this Prospectus and each Relevant Supplement. 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 (as complemented, modified or supplemented by the Relevant Supplement), when read together with the Relevant Supplement, is in accordance with the facts as at the date of the Relevant Supplement and does not omit anything likely to affect the import of such information.

**This Prospectus**

In deciding whether to invest in the ICAV, investors should rely on information in this Prospectus, the relevant KIID and the relevant Fund's most recent annual and/or semi-annual reports.

Each Class that is available for subscription will have a KIID issued in accordance with the Central Bank Rules. Prospective investors should consider the KIID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in the event that a KIID may not be available. Prospective investors should contact the Manager directly to determine whether the relevant Class is available for subscription.

Each Fund must calculate and disclose in the relevant KIID a Synthetic Risk and Reward Indicator ("**SRRI**") in accordance with the methodology prescribed in the European Securities and Markets Authority's ("**ESMA**") Guidelines on the Methodology for the Calculation of the SRRI. The SRRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7, according to its increasing level of volatility/risk-reward profile.

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

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

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

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

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

**Shareholders should note that the Instrument of Incorporation permits the ICAV to impose a subscription fee of up to a maximum of 5% of the Net Asset Value per Share to purchases. A redemption fee of up to 3% may also be chargeable. In the event that such charges are imposed the difference at any time between the sale and repurchase price of Shares means that any investment in the ICAV should be viewed as being in the medium to long term. Prices of Shares in the ICAV may fall as well as rise.**

**Shareholders should note that dividends may be paid out of the capital of a Fund in order to preserve cash flow to Shareholders. Therefore, there is greater risk that capital may be eroded and distribution will be achieved by forgoing the potential for future capital growth of your investment. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.**

**Shareholders should also note that fees and expenses of the distributing share classes will be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment. The Fund will charge fees and expenses of the distributing share classes to the capital of the Fund in order to maximise distributions made to Shareholders.**

### Central Bank Authorisation

**The ICAV is authorised in Ireland by the Central Bank as an undertaking for collective investment in Transferable Securities pursuant to the UCITS Regulations. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV. Authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one Class may be issued in relation to a Fund. All Shares of each Class will rank *pari passu* save as provided for in the Relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new Class of Shares (which must be issued in accordance with the Central Bank Rules), the ICAV and the Manager will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new Class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and policy applicable to such Fund. Particulars relating to individual Funds and the Classes of Shares available therein are set out in the Relevant Supplement.

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

### Distribution and Selling Restrictions

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

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

This Prospectus may be translated into other languages, provided that it is a direct translation of the English version. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail except to the extent (and only to the extent) that the law of Switzerland requires that the legal relationship between the ICAV and investors in Switzerland shall be governed by the German version of the Prospectus as filed with the Swiss regulator. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with, the law of Ireland.

*United States of America*

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 (the “1933 Act”) and, except in a transaction which does not violate the 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), none of the Shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a U.S. Person. Neither the ICAV nor any Fund will be registered under the United States Investment Company Act of 1940.

Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the ICAV may make a private placement of its Shares to a limited number or category of U.S. Persons.

**Investment Risks**

Investment in the ICAV carries with it a degree of risk. The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested. Past performance is no indicator of future performance and is no guarantee for future returns. Investment risks from market and currency losses cannot be excluded. Investors should note that an investment in those Funds which may invest in emerging markets should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should note that the difference at any one time between the subscription price and redemption price of Shares in the ICAV means that the investment should be viewed as medium to long term. Funds may invest in Derivatives for investment purposes and for hedging purposes. Investors should note that Funds may invest principally in Derivatives. This may expose Funds to particular risks involving Derivatives. Please refer to "Derivative Risks" under “SPECIAL CONSIDERATIONS AND RISK FACTORS” below.

Investment risk factors for an investor to consider are set out under “SPECIAL CONSIDERATIONS AND RISK FACTORS” below**.**

**Potential for Capital Reduction**

Where provided for in the Relevant Supplement, (i) dividends may be declared out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Shareholders. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.

Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard.

## SUMMARY

The following summary is qualified in its entirety by the more detailed information included elsewhere in this Prospectus and the Supplements. A full description of the investment objectives and policies of each Fund is contained under “INVESTMENT OBJECTIVES AND POLICIES” in the Relevant Supplement.

**The Funds**

**Purchase, Redemption and Exchange of Shares**

Purchase subscriptions and redemption requests for Shares may be made on any Dealing Day. In the case of each Fund the relevant Dealing Days will be specified in the Relevant Supplement. In addition, requests may be made on any Dealing Day for the exchange of Shares of any Class in any Fund for Shares of the same Class of any other Fund. In addition, Directors reserve the right compulsorily to exchange Shares of one Class for those of another Class.

**Stock Exchange Listing**

Application may be made to the Irish Stock Exchange for the Shares of any Class of any Fund to be admitted to the official list (the “Official List”) and to trading on the main securities market (the “Main Securities Market”) of the Irish Stock Exchange. The launch and listing of various Classes of Shares within the Funds may occur at different times and therefore, at the time of the launch of a Class of Shares, the pool of assets to which such Class relates may have commenced trading. For further information in this regard, the most recent interim and annual reports of the ICAV will be made available to potential investors and shareholders upon request. Investors should contact the Administrator or a Distributor to determine which Classes of Shares in each Fund are available for subscription and/or have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange at any particular time.

The Manager does not anticipate that an active secondary market will develop in any listed Shares. Neither the admission of the Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of listing particulars pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any party connected with the ICAV, the adequacy of information contained in such listing particulars or the suitability of the ICAV for investment purposes.

The Manager reserves the right to cause the de-listing of any Class of Shares in any Fund from the Official List and to trading on the Main Securities Market of the Irish Stock Exchange or from any other stock exchange on which they may from time to time be listed. In the event that the Manager elects to de-list a Class of Shares in a Fund from the Official List and to trading on the Main Securities Market of the Irish Stock Exchange, or from any other stock exchange on which they may from time to time be listed, the ICAV will endeavour to provide holders of the relevant Shares sufficient notice to allow them to redeem their Shares prior to such de-listing.

**Fees and Expenses**

The assets of each of the Funds are subject to fees and expenses including, management, custody and administration and advisory fees as well as organisational expenses. These fees will be reflected in the Net Asset Value of each Fund. See “FEES AND EXPENSES” below and additional information regarding fees and expenses of each Fund contained in the Relevant Supplement.

## INVESTMENT OBJECTIVES AND POLICIES

The ICAV has been established for the purpose of investing in 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; money market instruments, as defined in the Central Bank Rules, other than those dealt on a regulated market; units of UCITS and non-UCITS (in accordance with the Central Bank Rules); deposits with credit institutions (as prescribed in the Central Bank Rules); financial indices and Derivatives as prescribed in the Central Bank Rules. The investment objective and policies for each Fund will be formulated by the Directors at the time of creation of such Fund and will be set out in the Relevant Supplement.

The Funds will invest in transferable securities and other liquid assets listed or traded on Recognised Markets and, to the limited extent specified in the Relevant Supplement, in units or shares of other investment funds, all in accordance with the investment restrictions described in Appendix IV "INVESTMENT RESTRICTIONS" below and subject to the market limits specified in the Instrument of Incorporation. It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by a Fund in securities, derivatives or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement.

In addition, and to the extent only that the Investment Manager or relevant Sub-Investment Managers deem consistent with the investment policies of the Funds, the Funds may use for the purposes of efficient portfolio management, the investment techniques and instruments described in Appendix II. To the extent only that the Investment Manager or relevant Sub-Investment Managers deem consistent with the investment policies of the Funds, and in accordance with the Central Bank Rules, the Funds may also utilise Derivatives for investment or hedging purposes as set out in Appendix III.

Each Fund may invest in other open ended collective investment schemes in accordance with the Central Bank Rules. The Investment Manager or relevant Sub-Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and the Relevant Supplements. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this ICAV. A Fund may only invest in another Fund of this ICAV if the Fund in which it is investing does not itself hold Shares in any other Fund of this ICAV. Any commission received by the Investment Manager or Sub-Investment Manager in respect of such investment will be paid into the assets of the Fund. In order to avoid double-charging of management and/or any performance fees when a Fund (the "**Investing Fund**") is invested in another Fund (the "**Receiving Fund**"), the rate of the Management Fee and/or performance fee which Shareholders in the Investing Fund are charged in respect of the portion of the Investing Fund's assets invested in the Receiving Fund (whether such fee is paid directly at Investing Fund level, indirectly at the Receiving Fund level or a combination of both) shall not exceed the rate of the maximum Management Fee and/or performance fee which Shareholders in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging on the Management Fee and/or performance fee to the Shareholders in the Investing Fund as a result of its investments in the Receiving Fund. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

Each Fund that may invest in China, may do so through the Shanghai-Hong Kong Stock Connect ("**China Connect**") scheme. China Connect is a securities trading and clearing programme developed by The Stock Exchange of Hong Kong Limited ("**SEHK**"), the Shanghai Stock Exchange ("**SSE**"), Hong Kong Securities Clearing Company Limited ("**HKSCC**") and China Securities Depository and Clearing Corporation Limited ("**ChinaClear**") for the establishment of mutual market access between SEHK and SSE. Each Fund may trade and settle equity securities listed on the SSE through the SEHK and HKSCC trading link.

## Changes in Investment Objective and Policies

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

# SPECIAL CONSIDERATIONS AND RISK FACTORS

Investment in the Funds carries with it a degree of risk including, but not limited to, the risks referred to below. While there are some risks that may be common to a number or all of the Funds, there may also be specific risk considerations which apply to particular Funds in which case such risks will be specified in the Relevant Supplement for that Fund. Thus the investment risks described below are not purported to be exhaustive and potential investors should review this Prospectus and the Relevant Supplement(s) in their entirety, and consult with their professional advisers, before purchasing Shares. The levels and bases of, and reliefs from, taxation to which both the ICAV and Shareholders may be subject, may change. Potential investors' attention is also drawn to the section headed "TAXATION". There can be no assurance that any Fund will achieve its investment objective. The Net Asset Value of a Fund, and the income therefrom, may go down as well as up and investors may not get back the amount invested or any return on their investment.

## General Investment Risk

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

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

Prospective investors should note that a Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Fund when initial investment positions are being established or final positions are being liquidated, as relevant. In addition, in respect of the launch phase of a Fund, the Central Bank permits a Fund to derogate from certain of the UCITS Regulations for six (6) months from the date of its authorisation, provided that the Fund still observes the principle of risk spreading, and during this period, the investment policy of the Fund set out in the Relevant Supplement will be applied in accordance with this derogation.

As a consequence, Shareholders may be exposed to different types of investment risk and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies and/or Regulations had been maintained (noting that there can be no assurance that any Fund will achieve its investment objective) during the launch and/or wind-down phase of a Fund.

In accordance with the terms of this Prospectus and the Instrument of Incorporation, Shareholders will be notified in advance of a Fund being wound-down.

## Currency Risk and Interest Rate Risk

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

*Currency of Assets/Base Currency:* Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. The Investment Manager may (but is not obliged to) seek to mitigate this exchange rate risk by using Derivatives. No assurance, however, can be given that such mitigation will be successful.

*Foreign Exchange Transactions:* In addition to the above, depending on the investment policy set out in the Relevant Supplement, a Fund may use derivatives to alter the currency exposure characteristics of assets or liabilities held by the Fund, introducing an additional element of foreign currency exposure into the Fund. As a result, influence of movements in foreign exchange rates on the performance of the Fund may be greatly increased because currency positions held by the Fund may not correspond with the securities positions held.

*Base Currency/Denominated Currency of Classes:* Classes of Shares in a Fund may be denominated in currencies other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the denominated currency of the Class may lead to a depreciation of the value of the investor's holding as expressed in the Base Currency even in cases where the Class is hedged. No assurance, however, can be given that such mitigation will be successful. Investors' attention is drawn to the section of this Prospectus entitled "Hedged Classes – Currency Hedged Classes/Duration Hedged Classes" for further information. Where the Class is unhedged a currency conversion will take place on subscription, redemption, exchange and distributions at prevailing exchange rates.

**Derivatives Risk**

*General:* Derivatives (futures, options, swaps, contracts for difference and forward contracts) may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

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

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

*Derivatives and short selling:* Derivatives may also be used by a Fund to create short exposures to the assets underlying the derivative (UCITS are not permitted to engage in short selling a security directly).

Short selling may benefit a Fund by hedging against other exposures or else may be used to take outright exposure to an asset which is expected to depreciate in value, generating a profit for the Fund.

In addition to the other risks associated with derivatives, this type of synthetic short position may potentially give rise to unlimited losses, depending on the nature of the derivative contract involved and whether there are other offsetting exposures in the Fund, as there would typically be in the case of a short position taken out as a hedge for example.

Short selling also carries with it the risk that the Fund may have to close out a position prematurely, for example if the cost of maintaining the position becomes significantly greater than anticipated because of upwards price movements in the underlying asset or increases in the fees or the amount of the deposit or security the Fund is required to leave with the counterparty to the contract to guarantee the Fund's performance of its obligations under the contract. This premature closing out may mean the Fund experiences losses on the position, even if ultimately it would have been profitable if held to the intended point in time.

*Leverage Risk*

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

Since many derivative instruments have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivative instruments have the potential for unlimited loss regardless of the size of the initial investment. If there is default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered.

*Short Selling Regulatory Considerations*

Short selling activity may be subject to additional market regulation which may restrict the ability of a Fund to open or close out short positions, or which may require the Fund to provide notifications of open positions in the markets on which such activity is undertaken. Notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public. Compliance may represent a significant administrative burden or cost for the ICAV, while failure to adhere to these notification and disclosure requirements could result in losses to the ICAV or expose it to regulatory action. In addition, public disclosure of short positions could enable other market participants to take advantage of their knowledge of the Fund's positioning to the detriment of the Fund.

*Counterparty Risk*

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges (as referred to in the Prospectus). OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

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

**Emerging Markets Risk**

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

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

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

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

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

*Custody Risk*: custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability. Such markets currently include but are not limited to Argentina, Bahrain, Bangladesh, Botswana, Brazil, Bulgaria, Chile, China, Colombia, Egypt, India, Indonesia, Israel, Jordan, Kazakhstan, Lebanon, Malaysia, Morocco, Pakistan, Peru, Romania, South Africa, South Korea, Sri Lanka, Taiwan (Republic of China), Thailand, Tunisia, Turkey and Venezuela. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

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

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

*Market Characteristics/ Liquidity and Settlement Risks*: in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

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

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

*Frontier Markets Risk*: Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

**China Connect Risk Factors**

The China Connect scheme was set up with the aim of achieving mutual stock market access between mainland China and Hong Kong. The stock exchanges of the two jurisdictions continue to issue details of the program, e.g. operational rules, from time to time.

The SSE and the SEHK will enable investors to trade eligible shares listed on the other's market through local securities firms or brokers.   Under the scheme, investors, through their Hong Kong brokers and a securities trading service company to be established by the Hong Kong Exchange, may be able to place orders to trade eligible shares listed on SSE by routing orders to SSE ("Northbound" trading), subject to rules and regulations issued from time to time.

Investors should note that the application and interpretation of the laws and regulations of Hong Kong and the People's Republic of China ("**PRC**") and the rules, policies or guidelines applied to the China Connect scheme) ("**China Connect Rules**") from time to time or any activities arising from the China Connect scheme are untested and there is uncertainty as to how they will be applied.

Trading through the China Connect scheme is also subject to a number of restrictions which may restrict or affect a Fund's investments. In particular, it should be noted that the China Connect scheme is in its initial stages, and that further developments are likely which could restrict or affect a Fund's investments.

*Home Market Rules*

A fundamental principle of trading securities through China Connect is that the laws and rules of the home market of the applicable securities shall apply to investors in such securities. In respect of China Connect Securities, Mainland China is the home market and thus investors in China Connect Securities should observe Mainland China securities regulations, SSE listing rules and other rules and regulations. If SSE rules or other PRC law requirements are breached, SSE has the power to carry out an investigation, and may, though SHEK exchange participants require such exchange participants to provide information about investors, which may include a Fund, and assist in investigations.

Nevertheless, certain Hong Kong legal and regulatory requirements will also continue to apply to the trading of China Connect Securities.

*Pre-trade Checking; No Short Selling*

As PRC laws prohibit any short selling of Chinese listed securities, the SSE checks that in respect of any sell orders given by an investor, the investor holds sufficient available China Connect Securities to be able to fulfil such sell order. It should be noted that such requirements affect investors who hold China Connect Securities through their account with brokers in Hong Kong through China Connect. This is because under the China Connect Rules, the SEHK is also required to check that in respect of any Northbound sell orders given by an exchange participant, the relevant exchange participant holds sufficient available China Connect Securities to be able to fulfil the order.

Pre-trade checking will be carried out at the start of each day on which SEHK is open for trading through the scheme (“**Trading Day**”). Accordingly, a broker through whom a Fund places a sell order may reject a sell order if a Fund does not have sufficient available China Connect Securities in its account by the applicable cut off time specified by that broker or if there has been a delay or failure in the transfer of the relevant China Connect Securities to any clearing account of the broker.

*Aggregate and Daily Renminbi ("**RMB**") Quotas*

Hong Kong and overseas investors will trade and settle SSE Securities in RMB only. Buy orders are subject to aggregate and daily RMB quotas that apply to the market in general. The aggregate quota caps the absolute amount of funds inflow into the PRC under Northbound trading at a specified level (“**Aggregate Quota**”). The daily quota caps the net buy value of cross boundary trades under China Connect on each Trading Day (“**Daily Quota**”). The Aggregate Quota and/or the Daily Quota may change from time to time without prior notice. The SEHK and the SSE may also set pricing and other restrictions on buy orders in order to prevent the artificial use or filling of the Aggregate Quote or Daily Quota.

If Northbound trading is suspended as a result of a breach of the Aggregate Quota or the Daily Quota, brokers will be unable to carry out any buy orders and any instructions to buy that have been submitted but not yet executed may be rejected. In addition, it is possible for the SEHK to subsequently reject the order even after the broker has accepted it for execution in the event that the Aggregate Quota or Daily Quota has been exceeded. It is notable that under the SEHK rules, a Fund may sell its China Connect Securities regardless of whether there has been a breach of Aggregate Quota or Daily Quota.

*Suspension, Restriction and Cessation of Operation of China Connect*

SEHK (or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound trading of China Connect Securities, and for such duration and frequency as SEHK may consider appropriate. SEHK has absolute discretion to change the operational hours and arrangements of China Connect at any time and without advance notice, whether on a temporary basis, due to operational needs, inclement weather, under emergency situations or otherwise. Moreover, SEHK (or any relevant subsidiary) may cease the provision of the China Connect Northbound trading service permanently.

*Suspension of Trading on A Shares and H Shares*

The SEHK rules state that where any H Shares with corresponding A Shares accepted as China Connect Securities are suspended from trading on SEHK but the China Connect Securities are not suspended from trading on the SSE, the service for routing the China Connect Securities sell orders and China Connect

Securities buy orders for such China Connect Securities to the SSE for execution will normally remain available. However, SEHK may, in its discretion, restrict or suspend such service without prior notice and the relevant a Fund's ability to place sell orders and buy orders may be affected.

*No off-exchange trading and transfers*

Unless otherwise provided by the China Securities Regulatory Commission ("**CSRC**"), China Connect Securities may not be sold, purchased or otherwise transferred in any manner otherwise than through China Connect in accordance with the China Connect Rules. Accordingly, there may be a limited market and/or lower liquidity for China Connect Securities purchased through China Connect (as compared to the same shares purchased through other channels). In addition, any scrip entitlements received by a Fund in respect of China Connect Securities are not eligible for trading through China Connect. Accordingly, there is a risk of low or even no liquidity for such shares received by way of scrip entitlement.

*Settlement and Custody*

The HKSCC, also a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited ("**HKEx**"), will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The Chinese listed Shares traded through China Connect are issued in scripless form, so investors will not hold any physical China A-Shares. In the initial stage of the operation of China Connect, Hong Kong and overseas investors who have acquired SSE Securities through Northbound trading should maintain the SSE Securities with their brokers' or custodians' stock accounts with the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK.

*Trading restrictions*

A number of restrictions on day trading, market price orders and block trades apply to the scheme, and SEHK, on SSE's request, may require a SEHK exchange participant to reject orders from a Fund in certain circumstances such as a Fund exceeding its Daily Quota allocation or Aggregate Quota Allocation.

*China Connect Taxes*

A Fund may be subject to new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

*Ownership*

Hong Kong law recognises the proprietary interest of investors in shares held for them by their broker or custodian in the Central Clearing and Settlement System. Such recognition should apply equally to China Connect Securities held for Hong Kong and overseas investors by the relevant clearing participant through HKSCC. In addition, in the PRC (where China Connect Securities are registered in a securities account opened with ChinaClear in the name of HKSCC), it is expressly stipulated in the "Several Provisions on the Pilot Program of Shanghai-Hong Kong Stock Connect" (as promulgated by CSRC to prescribe the launch and operation of the China Connect) that HKSCC acts as the nominee holder and Hong Kong and overseas investors own the rights and interests with respect to the China Connect Securities. Accordingly, the regulatory intention appears to be that Hong Kong and overseas investors (including a Fund) should also have proprietary rights over China Connect Securities under PRC laws, although this cannot be guaranteed.

However, as China Connect is a recent initiative there may be some uncertainty surrounding such arrangements. In addition, while Hong Kong and overseas investors (including a Fund) may have proprietary rights over China Connect Securities, they must act through HKSCC as nominee in order to enforce such rights in accordance with its rules.

In the event HKSCC is insolvent, the China Connect Securities should not form the bankruptcy estate of HKSCC. Insolvency proceedings will be governed by Hong Kong laws, and it is expected (but is not entirely certain) that ChinaClear and PRC courts will recognise the power of the liquidator duly appointed under Hong Kong law in relation to the China Connect Securities.

*Liability*

HKEx, SEHK, SSE, their respective subsidiaries, directors, employees and agents will not have any legal liability for losses or damage resulting directly or indirectly from or in connection with investments in China Connect Securities.

*Foreign Ownership Limits*

Under PRC laws, there is a limit to how many shares a single foreign investor is permitted to hold in a single PRC listed company, and also a limit to the maximum combined holdings of all foreign investors in a single PRC listing company. Such foreign ownership limits may be applied on an aggregate basis (i.e. across both domestically and overseas issued shares of the same listed company, whether the relevant holdings are through Northbound trading or other investment channels). The single foreign investor limit is currently set at 10% of the shares of a PRC listed company and the aggregate foreign investor limit is currently set at 30% of the shares of a PRC listed company. Such limits are subject to change from time to time.

If the foreign ownership limits are breached, SSE will notify SEHK and, on a last-in-first-out basis, SEHK will identify the relevant trades involved and require the relevant exchange participants to require the investors concerned (which could include a Fund ) to sell the shares within the timeframe stipulated by SEHK. If the relevant investors fail to sell their shares, exchange participants are required to force-sell the shares for the relevant investors in accordance with the China Connect Rules.

*Capital Gains Tax*

Stocks in Mainland China are currently subject to a 10% capital gains tax. A Fund by investing through China Connect is expected to be exempt from such capital gains / withholding tax under current regulations in Mainland China but such exemption is subject to change by the authorities in Mainland China and a Fund may therefore be subject to withholding tax at any time in the future.

*Coverage of Investor Compensation Fund*

The Fund’s investments through Northbound trading under China Connect will not be covered by Hong Kong’s Investor Compensation Fund.

**Depositary Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

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

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

**Repurchase Agreements**

A Fund may enter into repurchase arrangements for the purposes of efficient portfolio management. The Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The

Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

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

**Subscriptions/Redemptions Account**

The ICAV operates a Subscriptions/Redemptions Account for all of the Funds. There is a risk for investors to the extent that monies are held by the ICAV in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the ICAV.

**Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

**Investing in Fixed Income Securities Risk**

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

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

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) may come with relatively greater uncertainty as to repayment or greater vulnerability to adverse conditions, to the extent they may be viewed as predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

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

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

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

**Liquidity Risk**

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price when adverse market conditions lead to limited liquidity.

Specifically, US Rule 144A Securities may be less liquid than other publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities, which may result in substantial losses. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund’s investment in illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

**Segregated Liability**

The ICAV is an umbrella Irish collective asset-management vehicle with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the ICAV will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the ICAV, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

**Tax Risks**

Even where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The ICAV is also subject to tax obligations relating to its investors in various countries, such as under the US FATCA regime or the Common Reporting Standards (CRS) requirements adopted in the European

Union. Although the ICAV will attempt to satisfy any obligations imposed on it, no assurance can be given that the ICAV will be able to satisfy these obligations. In order to satisfy these obligations, the ICAV will typically require certain information from investors in respect of their tax status, which means compliance by the ICAV, is dependent on the co-operation of the shareholders in the ICAV. If the ICAV becomes subject to withholding tax or penalties because of a failure to comply with the tax requirements in a particular country, the value of the Shares held by all Shareholders may be materially affected.

The attention of potential investors is also drawn to the taxation risks associated with investing in the ICAV. Please refer to the section of this Prospectus entitled "Taxation".

**Operational Risks (including Cyber Security and Identity Theft)**

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

The Manager, Investment Manager, Sub-Investment Managers, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Manager's, Investment Manager's, Sub-Investment Managers', Administrator's or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of procedures designed to detect and prevent such breaches and ensure the security of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the ICAV and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the ICAV.

**Paying Agent Risk**

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the ICAV or the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the ICAV or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

**No Investment Guarantee Equivalent to Deposit Protection**

An investment in the ICAV is not in the nature of a deposit in a bank account and is not protected by any Government, ICAV agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

**Performance Fee Risk**

The payment of fees based on the performance of a Fund to the Manager, which the Manager may choose to pay on in whole or in part to the Investment Manager or any Sub-Investment Manager appointed to the Fund may provide an incentive to cause the Fund to make more speculative investments than might otherwise be the case. The incentive thereby created may equally represent an incentive for the Manager and its delegates to arrange the timing and the terms of the ICAV's transactions in investments to maximise any performance fees that may become due.

**Convertible Securities**

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

**Investments in Other Collective Investment Schemes**

A Fund may purchase shares of other collective investment schemes to the extent that such purchases are consistent with such Fund's investment objective and restrictions. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the other collective investment scheme's expenses, including management fees. These expenses would be in addition to the expenses that a Fund would bear in connection with its own operations.

Also, although intended to protect capital and enhance returns in varying market conditions, certain trading and hedging techniques which may be employed by the other collective investment scheme such as leverage, short selling and investments in options or commodity or financial futures could increase the adverse impact to which the other collective investment scheme may be subject.

There can be no assurance that the Sub-Investment Managers can successfully select suitable collective investment scheme or that the managers of the other collective investment scheme selected will be successful in their investment strategies.

**Exchange-Traded Index Securities**

Subject to the limitations on investment in collective investment schemes and a Fund's own investment objective, each Fund may invest in exchange-traded index securities that are currently operational and that may be developed in the future. Exchange-traded index securities generally trade on Recognised Market and are subject to the risks of an investment in a broadly based portfolio of common stocks, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of the Fund's investment. These securities generally bear certain operational expenses. To the extent that a Fund invests in these securities, the Fund must bear these expenses in addition to the expenses of its own operation.

**Provisional Allotments**

As the ICAV may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares the ICAV and Funds may suffer losses as a result of the non-payment of such subscription monies.

**Market Disruptions**

A Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to a Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to the Fund. In 1994, in 1998 and again in the so-called "credit crunch" of 2007-2009 a sudden restriction of credit by the dealer community resulted in forced liquidations and major losses for a number of investment vehicles. The "credit crunch" of 2007-2009 has particularly affected investment vehicles focused on credit-related investments. However, because market disruptions and losses in one sector can cause ripple effects in other sectors, during the "credit crunch" of 2007-2009 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for a Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for a Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Fund to close out positions.

### Net Asset Value Considerations

The Net Asset Value per Share in respect of each Class is expected to fluctuate over time with the performance of a Fund's investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption if the Net Asset Value per Share at the time of such redemption is less than the Subscription Price paid by such Shareholder (plus any Equalisation Credit).

### Risk Factors Not Exhaustive

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Fund may be exposed to risks of an exceptional nature from time to time.

## BORROWING POLICY

Under the Instrument of Incorporation, the Directors are empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the UCITS Regulations, and to charge the assets of the ICAV as security for any such borrowings.

Under the UCITS Regulations, a Fund may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its net assets and except as otherwise permitted under the UCITS Regulations. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under the UCITS Regulations provided that the offsetting deposit (i) is denominated in the Base Currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding.

Subject to the provisions of the UCITS Regulations and the Central Bank Rules, the ICAV may, from time to time, where collateral is required to be provided by a Fund to a relevant counterparty in respect of derivatives transactions, pledge Investments of the relevant Fund(s) equal in value to the relevant amount of required collateral, to the relevant derivative counterparty provided that a pledge agreement has been entered into between the ICAV and that counterparty.

## INVESTING IN SHARES

The Directors and the Manager have authority to affect the issue of Shares in any Class in respect of a Fund and to create new Classes of Shares on such terms as they may from time to time determine in relation to any Fund. The creation of further Share Classes must be notified in advance to, and cleared in advance by the Central Bank. The creation of further Funds requires the prior approval of the Central Bank. Issues of Shares will be made with effect from a Dealing Day in accordance with the subscription and settlement details and procedures below, unless otherwise specified in a Supplement. The Net Asset Value per Share will be calculated separately for each Class of Shares.

The Directors offers various Classes of Shares for investment in the Funds. Certain information regarding the Classes of Shares available for each Fund and how to buy, sell and exchange such Shares is contained in the Relevant Supplement.

The Investment Manager or Sub-Investment Manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment objective of the Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, transactions will be clearly attributable to that Class and the cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class.

Unless otherwise specified in a Relevant Supplement in relation to any Class, all Shares issued will be in registered form and written confirmation of ownership will be sent to Shareholders within ten days of registration. Share certificates will not be issued. The number of Shares issued will be rounded to four decimal places and any surplus amounts will be retained for the benefit of the relevant Fund.

**Subscriptions for Shares**

Applications for Shares may be made on any Dealing Day in writing by completing the attached Application Form and submitting the completed Application Form to a Distributor for onward transmission to the Administrator, or directly to the Administrator. In the case of faxed Application Forms, the original Application Form must be received promptly thereafter either by a Distributor who shall forward it to the Administrator or directly by the Administrator. All documentation required in connection with anti-money laundering procedures must also be received promptly thereafter if such documentation has not already been received. Shares will be issued at the Net Asset Value per Share calculated as of the relevant Valuation Point, plus any applicable duties and charges. The ICAV reserves the right to reject in whole or in part any application for Shares.

Processing of the initial subscriptions for Shares will not be completed until the original Application Form has been received by the Administrator and all anti-money laundering procedures have been completed. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. If a subscription request is received after the Dealing Deadline on any Dealing Day, the Shares will be issued at the Net Asset Value per Share calculated as of the Valuation Point on the next Dealing Day, plus any applicable duties and charges.

The Manager may, at its discretion, determine the minimum initial subscription and subsequent subscriptions per Shareholder for Shares in respect of a particular Fund, and such minimums shall be set forth in the Supplement for the relevant Fund. The Manager, in its discretion, may waive any of the minimum initial or incremental investment requirements. Under certain circumstances, the Manager may suspend Share transactions, as described more fully below under "Temporary Suspension of Dealings".

**Subsequent Purchases**

Subsequent purchases may be made in writing or by fax in such form as the Manager may from time to time determine and should be posted or sent by facsimile to the address and fax number specified in the Application Form and will be deemed effective at the relevant Net Asset Value per Share for that Dealing Day after receipt in proper form by the Administrator. Shareholders are not obliged to submit original subscription documentation on subsequent applications for Shares unless the Application Form has changed since the initial purchase of Shares or if any information relating to an applicant is required to be updated.

**Payment for Shares**

Payment for Shares must be made as specified in the Supplement for the relevant Fund. Applicants may be required to compensate the ICAV for the account of the relevant Fund at the discretion of the Manager for any loss resulting from late settlement or a failure or default in connection with the settlement of a purchase order for Shares. Payment for Shares must be in the relevant Class Currency or such other currency as may be specified in a Relevant Supplement, unless the Manager otherwise agree to accept subscriptions in any freely convertible currency approved by the Investment Manager, in which case such subscriptions will be converted into the relevant Class Currency or such other currency as will be specified in a Relevant Supplement at the rate of exchange available to the Investment Manager or the Administrator as its delegate and the cost of conversion will be deducted from the subscription monies. Payment for Shares should be made to the account specified in the original subscription form. If payment in full in respect of the issue of Shares has not been received by the relevant time on the relevant settlement date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the applicant may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the ICAV in order to meet those charges.

Fractional Shares may be issued where any part of the subscription monies for Shares represents less than the offer price of a Share, provided however, that fractions shall not be less than .0001 of a Share. Subscription monies representing less than .0001 of a Share will not be returned to a Shareholder, but will be retained for the benefit of the relevant Class of the Fund.

Certain distributors or other financial intermediaries may impose certain conditions or charges on their clients which are in addition to those described in this Prospectus. Any such conditions or charges shall be imposed only after written agreement with respect thereto has been reached between the distributor or financial intermediary and its client. The ICAV will not be responsible for any such charges or conditions imposed.

**Limitations on Purchases**

The ICAV, the Distributor and the Administrator reserve the right to reject an application, for any reason, in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant (without interest) by transfer to the applicant's designated account or by post at the applicant's risk.

The Directors will not knowingly issue, or approve the transfer of any Shares to any U.S. Person. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Directors or the Manager to ensure that these requirements are met prior to the issue of Shares.

The Directors or the Administrator as its delegate may issue Shares in exchange for assets in which the ICAV may invest in accordance with the particular investment objective and policies of the relevant Fund. No Shares may be issued in exchange for such assets unless the Directors are satisfied that (i) the number of Shares issued in the relevant Fund will not be more than the number which would have been issued for settlement in cash having valued the assets to be exchanged in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised herein; (ii) all fiscal duties and charges arising in connection with the vesting of such assets in the Depositary for the account of the relevant Fund are paid by the person to whom the Shares in such Fund are to be issued or, at the discretion of the Directors, partly by such person and partly out of the assets of such Fund; (iii) the terms of such exchange shall not materially prejudice the Shareholders in the relevant Fund; and (iv) the assets have been vested in the Depositary or its nominees or agents.

**Privacy Information**

Any information furnished in the ICAV's Share Application Form or in connection with the investment in the ICAV shall be held and processed by the ICAV. The ICAV will use this information for the purposes of processing the Application Form and managing and administering any of the services provided in relation to the investment in the ICAV (including any tax or other statutory reporting obligations to which the ICAV is subject). Such information may be processed on behalf of the ICAV by the Administrator. This information may also be disclosed to the Investment Manager, a Sub-Investment Manager, a Distributor and the Depositary for the purposes of them providing services to the ICAV in relation to the investment pursuant to their contracts with the ICAV.

By completing the ICAV's Share Application Form, investors consent to the use of any information relating to them (including the transfer of any such information outside the EEA) in the manner outlined above. To the extent that the information contained in the Application Form or any other information that is furnished in connection with the investment in the ICAV relates to another individual, the applicant for Shares warrants that they have been authorised by that individual to consent on that individual's behalf to the use of such information as relates to that individual (including the transfer of any such information outside the EEA) in the manner outlined above.

An individual has the right at any time to request a copy of any "personal data" within the meaning of the Data Protection Acts 1988 to 2003 (as amended or re-enacted from time to time) that the ICAV holds in relation to him/her (for which the ICAV may charge a fee) and to have inaccuracies in that information corrected.

**Redeeming Shares**

Shareholders may redeem their Shares in one of two ways - by mail or by facsimile. Shareholders may request the ICAV to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share on such Dealing Day less any applicable duties and charges. Redemption requests received by facsimile will only be processed if the redemption proceeds are to be paid to the account of record of the redeeming Shareholder. Please consult "HOW TO REDEEM SHARES" of the Relevant Supplement for further information regarding redeeming Shares. The Manager may compulsorily redeem all of the outstanding Shares in any Fund at the then prevailing Net Asset Value per Share, if the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Directors with the approval of Central Bank within 90 days of the date of service of such notice.

All outstanding Shares in any Fund may be redeemed by the ICAV by not less than thirty days' notice in writing to the appropriate Shareholders if at any time the Net Asset Value of the Fund on any Dealing Day falls below an amount which the Directors, on the advice of the Manager or the Administrator, believes is economically viable for the relevant Fund. The Directors may determine to redeem all outstanding Shares of a Fund if the Net Asset Value of such Fund falls below €15 million (or its equivalent in the Base Currency for the Fund) or such other amount as may be specified in the Relevant Supplement or notified to Shareholders from time to time.

Unless otherwise specified in a Relevant Supplement in relation to any Class, redemption proceeds will be paid within a maximum period of ten Business Days of the Dealing Deadline on the Dealing Day on which redemptions are effected by electronic transfer (at the Shareholder's risk and expense) to the account designated by the Shareholder in the application form.

The Instrument of Incorporation also permits the ICAV, at the request of a Shareholder applicant to satisfy any application for redemption of Shares by the transfer of assets of the ICAV *in specie* to that Shareholder. Any such asset allocation is subject to the approval of the Investment Manager and the Depositary. Shareholders who receive redemption proceeds *in specie* will be responsible for liquidating any securities received, including bearing any transaction costs involved in the sale of such securities.

If any Shareholder requests the redemption of Shares equal to 5% or more of the number of Shares in any series in issue on any Dealing Day, the ICAV may distribute underlying investments *in specie* rather than cash provided that any such distribution shall not materially prejudice the interest of other Shareholders. In such circumstances, the relevant Shareholder will have the right to instruct the ICAV to procure the sale of such underlying investments on their behalf in which case the Shareholder will receive the proceeds net of all fiscal duties and charges incurred in connection with the sale of such underlying investments.

Notwithstanding the foregoing, the Instrument of Incorporation provides that if the ICAV receives a request for the repurchase of Shares in respect of 10% or more of the total number of outstanding Shares of any Fund or 10% of the Net Asset Value of such Fund on any Dealing Day, the ICAV may elect to restrict the redemption of Shares in excess of 10%, in which case redemption requests will be scaled down pro rata and the balance of outstanding redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

Shareholders are required to notify the ICAV immediately in the event that they become U.S. Persons or hold Shares for the account or benefit of U.S. Persons, they become Irish Residents or cease to be Exempt Investors, or the Declaration made by or on their behalf is no longer valid. Shareholders are also required to notify the ICAV immediately in the event that they hold Shares for the account or benefit of Irish Residents or Irish Residents who cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid or if they otherwise hold Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, pecuniary, tax or material administrative disadvantage for the ICAV or the Shareholders as a whole.

Where the Manager becomes aware that a Shareholder (a) is a U.S. Person or is holding Shares for the account or benefit of a U.S. Person in contravention of the relevant provisions of the Instrument of Incorporation; (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, pecuniary, tax or material administrative disadvantage for the ICAV or the Shareholders as a whole; or (c) is holding Shares in circumstances which may not be subject to any transfer restrictions or compulsory redemption; the Manager shall either (i) direct the Shareholder to dispose of the relevant Shares to a person who is qualified or entitled to own or hold such Shares or (ii) redeem the relevant Shares at the Net Asset Value per Share as at the Valuation Point immediately following the date of notification of such mandatory redemption to the Shareholder.

Under the Instrument of Incorporation, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer his Shares, or who fails to make the appropriate notification to the ICAV, shall indemnify and hold harmless each of the Manager, the ICAV, the Depositary, the Administrator, the Investment Manager and the other Shareholders (each an “Indemnified Party”) from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

**Exchange or Transfer of Shares**

Shareholders may exchange Shares of each Class in a Fund for Shares of another Class in such Fund or Shares in any class of another Fund on any Dealing Day. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the new Shares will be issued at the Net Asset Value per Share of the new Share Class. Please consult the Relevant Supplement for further information regarding the exchange of Shares. The exchange of Shares in a Class for Shares in a new Share Class will be subject to the Shareholder meeting the eligibility requirements applicable to the new Share Class, including without limitation minimum subscription and minimum shareholding requirements, if any. In the case of the exchange of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding limits for the relevant Share Class.

Excessive exchange transactions can be detrimental to a Fund’s performance. The Directors, in consultation with the Manager, may determine that a pattern of frequent exchanges is excessive and contrary to the best interests of the Fund. In this event, additional purchases and/or exchanges of Shares by the relevant Shareholder may be restricted. A Shareholder may also be required to (a) redeem Shares in the relevant Fund, or (b) remain invested in the relevant Fund or exchange into any other Fund, which position the relevant Shareholder would expect to maintain for a significant period of time at the absolute discretion of the Directors.

Transfers of Shares must be effected by submission of a Stock Transfer Form in writing. The Directors or its delegates may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors or their delegates may reasonably require, accompanied by such other evidence as the Directors (or the Administrator on their behalf) may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors or their delegates.

Transfers of Shares are subject to the prior approval of the Directors or their delegates. The Directors may decline to register a transfer of Shares, among other circumstances, (i) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, pecuniary, tax or material administrative disadvantage to the ICAV or the Shareholders as a whole; (ii) in the absence of satisfactory evidence of the transferee's identity; or (iii) where the ICAV is required to redeem or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors or their delegates may require in relation to the above matters. In the event that the ICAV does not receive a Declaration in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee on any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation" below.

**Compulsory Exchange**

The Directors may, without prejudice to any rights previously conferred on the holders of any existing Class of Shares, on any Dealing Day compulsorily exchange all or any Shares of one Class in a Fund for Shares of any other Class of the same Fund by such reasonable notice as the Directors may determine, provided this does not materially prejudice the interests of holders of the relevant Class.

**Anti-Dilution Levy**

The Directors reserves the right to impose an Anti-Dilution Levy on a transaction basis in the case of net subscriptions as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription calculated for the purposes of determining a subscription price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests. Any such sum will be paid into the account of the relevant Fund.

**Anti-Dilution Adjustment ("Swing Pricing")**

The cost of purchasing or selling the underlying investments on a Fund may be higher or lower than the last traded price used in calculating the Net Asset Value per Share. The effects of dealing charges, commissions and dealing at prices other than the last traded price may have a materially disadvantageous effect on the Shareholders' interests in a Fund.

To prevent this effect, known as "dilution" and to protect Shareholders, the ICAV may charge a dilution adjustment in the circumstances set out below so that the price of a Share in the Fund is above or below that which would have resulted from a valuation based on the last traded price (i.e. effectively "swinging" the price). The charging of a dilution adjustment may either reduce the net repurchase price or increase the net subscription price of the Shares in a Fund. Where a dilution adjustment is made, it will increase the Net Asset Value per Share where the Fund receives net subscriptions and will reduce the Net Asset Value per Share where the Fund receives net repurchases.

The dilution adjustment for a Fund will be calculated by reference to the estimated or actual costs of dealing in the underlying investments of that Fund, including but not limited to any dealing spreads related to dealing in the underlying investments. These costs can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each Class of Shares in a Fund will be calculated separately but any dilution adjustment will affect the price of Shares of each Class in a Fund in an identical manner. When the dilution adjustment is not made and Shares are bought or sold there may be an adverse impact on the Net Asset Value of a Fund.

Dilution adjustments may be applied on any Dealing Day but the possible amount of such adjustments will be reviewed from time to time by the ICAV. The details of the dilution adjustments that have been applied to subscriptions and/or repurchases can be obtained by a Shareholder on request from the ICAV.

**Use of a Subscriptions/Redemptions Account**

The ICAV operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds to which subscription, redemption and dividend payments are credited pending the issue of Shares in respect of each subscription or payment to an investor in the case of a redemption or dividend. The Account is operated in accordance with the Central Bank's requirements and the Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the ICAV's cash flows in accordance with its obligations as prescribed under UCITS V.

While cash is held in the Subscriptions/Redemptions Account it represents an asset of the ICAV and an investor will be an unsecured creditor of the ICAV until the relevant Shares are issued or the corresponding redemption or dividend is paid. Should the Fund for which the subscription is intended or from which the redemption or dividend is being paid become insolvent, the investor will be at risk of losing the investment.

The ICAV intends to establish separate Subscriptions/Redemptions Accounts for each Fund once facilities become available to do so, which it expects will be at some point in 2016, and the account details for each Fund's Application Form will be updated to reflect the new details in due course.

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

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

The ICAV is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 and 2013 which are aimed towards the prevention of money laundering and terrorist financing. In order to comply with these anti-money laundering regulations, the ICAV may require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time.

The subscriber or Shareholder should note that the Directors, in accordance with the ICAV's anti-money laundering ("AML") procedures, reserve the right to withhold the payment of any money to an investor if all due diligence requirements have not been met or if they have any reason to suspect that the payment may be the result of or assisting any money laundering or terrorist financing activities. In the event that the movement of monies is withheld in accordance with the ICAV's AML procedures, the ICAV may be prohibited from notifying the investor and will not be liable for any loss incurred by the investor or any other interested party.

The ICAV is also required to conduct ongoing monitoring of the business relationship with each Shareholder and to take steps to identify any politically exposed persons ("PEPs") who may seek to invest in a Fund. A PEP is an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and includes immediate family members of the PEP and persons known to be their close associates.

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

The details given above are by way of example only and the Directors reserve the right to request any other documentation as they determine is necessary to verify the identity of the subscriber and the source of the subscription monies and to ensure compliance with the ICAV's obligations under the Criminal Justice (Money Laundering & Terrorist Financing) Acts 2010 and 2013. In the event of delay or failure by the applicant to produce any information and documentation required for verification purposes, 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 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).

If an application is rejected, the ICAV 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.

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

## DIVIDEND POLICY

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

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial Application Form at the expense of the payee. Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

Investors should note that any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the ICAV.

Any dividends payable to Shareholders will normally be paid in the denominated currency of the relevant Class. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction will be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account of, and the risk and expense of, the Shareholder.

Where the amount of any dividend payable to an individual Shareholder would be less than €100 (or its foreign equivalent), the Directors in their sole discretion may determine not to pay any such dividend and instead issue and credit to the account of the relevant Shareholder such number of Shares in the relevant Fund or Class as are as nearly as possible equal in value to but not in excess of the amount of such dividends.

In accordance with the provisions of the Instrument of Incorporation of the ICAV, equalisation accounts may be maintained for the distributing Share Classes.

Equalisation represents the amount of accrued income since the date of the last distribution included in the cost of acquiring Shares. The purpose of income equalisation is to ensure that income accrues in the fund to existing shareholders is not diluted as a result of additional shares being issued.

For the purposes of calculating dividend income, income is equalised with a view to ensuring that the level of income per Share is not affected by the issue and redemption of Shares. Equalisation of income also ensures that all Shareholders receive the level of income per Share that is due to them based on the period they owned the Shares and that the level of income per Share is not affected by the issue and redemption of shares which it otherwise would be. The subscription price of Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Shares which shall be paid into the equalisation accounts, and the first distribution in respect of such Shares will include a payment usually equal to the amount of such equalisation payment out of the equalisation account. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Shares up to the date of redemption. In addition, equalisation payments will not be paid out of capital. Equalisation payments will be paid out of income i.e. the income that has accrued from interest payments over the period in question.

This section should be read in conjunction with the Dividend Policy section in the Relevant Supplement where appropriate.

## FEES AND EXPENSES

Information regarding the fees and expenses of each Fund, including the Management Fee in respect of each Fund, are primarily described in section entitled "FEES AND EXPENSES" in the Relevant Supplement.

**The ICAV may pay out of the assets of each Fund the fees and expenses as described below. Particulars of the fees and expenses (including performance fees, if any) payable to the Manager, the Investment Manager (if any), the Administrator and the Depositary and any other service provider out of the assets of each Fund are set out in the Relevant Supplement**

### Management Fees and Performance Fees

The Manager shall be entitled to receive a fee in relation to each Fund or Class as specified in the Relevant Supplement. The Management Fee shall be calculated and accrued at each Valuation Point and payable monthly in arrears. The Manager shall also be entitled to be repaid out of the assets of the relevant Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the ICAV and/or a specific Fund.

The Manager may also be entitled to receive a performance fee, the details of which shall be specified in the Relevant Supplement. Unless otherwise described in the Supplement for a Fund, performance fees shall be calculated and accrued at each Valuation Point and shall be payable in arrears following the end of each calculation period. The calculation of any performance fee must be verified by the Depositary.

Unless otherwise set out in a Supplement, the Manager shall be responsible for the payment of any investment management or performance fees to the Investment Manager. Such fees shall be paid out of its Management Fees and the ICAV shall have no liability to the Investment Manager in respect of such fees.

The Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or all of its management Fee. Likewise, the Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or its entire performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

### Administration and Custody Fees

**Administration Fees**

The ICAV will be subject to an administration fee in respect of each Fund in an amount which will not exceed 6.75 basis points (0.0675%) per annum of the Net Asset Value of the relevant Fund, subject to a minimum annual fee in respect of each Fund of up to $78,000 plus $3,000 per share class.

In addition, the ICAV will pay the Administrator transfer agency fees of up to $100 per annum per investor and fees for each investor transaction at normal commercial rates.

The ICAV will also reimburse the Administrator out of the assets of the relevant Fund for the provision of services to the relevant Fund, including the provision of financial statements (€$5,000 per annum per Fund), and, if required, will provide other services such as tax reporting at normal commercial rates. The ICAV will also reimburse the Administrator out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by the Administrator.

**Depositary Fees**

The ICAV will pay the Depositary a custody fee which will not exceed 2.25 basis points (0.0225%) per annum of the Net Asset Value of the relevant Fund, subject to a minimum annual fee in respect of each Fund of $18,000 together with value added tax, if any, applicable to such fees.

The ICAV will also reimburse the Depositary out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by the Depositary and for banking and safe custody fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-depositary appointed by the Depositary and will be liable for transaction charges. The fees and expenses of the Administrator and Depositary will accrue on a daily basis and are payable monthly in arrears.

**Investment Manager Fees**

The fees and expenses of the Investment Manager, if not being paid by the Manager out of its own fees, will be specified in the Relevant Supplement.

**Distributors' Fees**

The fees and expenses payable to the Distributor, if any, will be specified in the Relevant Supplement.

**Switching between Funds**

There are no sales or distribution charges payable on an exchange of Shares in a Fund for Shares in any other Fund of the ICAV.

**Directors' Fees**

Unless and until otherwise determined from time to time by the ICAV in a general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. At the date of this Prospectus, the aggregate amount of Directors' remuneration in any one year shall not exceed €300,000 plus VAT, if any, unless otherwise notified to Shareholders. Any additional fees necessitated by the addition of new Funds shall be apportioned equally among the new Funds and, to the extent they do not impact on Shareholders in existing Funds (on the basis that such additional fees are attributed to new Funds only), will not be subject to existing Shareholder approval. To the extent that any such additional fees do materially impact existing Shareholders, such existing Shareholders will be notified in advance of any such additional fees. In addition, any such additional fees shall be disclosed in the Relevant Supplement. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. Directors' fees shall be payable semi-annually in arrears and shall be apportioned equally among the Funds.

**Subscription Fees and Redemption Fees**

The ICAV may charge a subscription fee of up to 5% of subscription monies and a redemption fee of up to 3% of redemption proceeds in relation to the Funds. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares. Please consult "FEES AND EXPENSES" in the Relevant Supplement for further information regarding subscription fees and redemption fees.

**Establishment and Operating Expenses**

Expenses will be allocated to the Fund or Funds to which they relate in the opinion of the Directors or their delegates. If an expense is not readily attributable to any particular Fund, the expense will be allocated to all Funds pro rata to the value of the Net Asset Value of the relevant Fund.

The Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and/or operation of the ICAV or any particular Fund and/or the marketing, distribution and/or sale of Shares and may from time to time at its sole discretion waive any or all of the Management Fees in respect of any particular payment period.

Certain costs and expenses incurred in the operation of a Fund will be borne out of the assets of the relevant Fund, including without limitation, initial establishment and set-up costs in respect of a Fund, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, client service fees; the costs of obtaining research and data services for specific Funds; writing, typesetting and printing the Prospectus, sales, literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

The ICAV and each Fund's financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board.

**Extraordinary Expenses**

The ICAV shall be liable for Extraordinary Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the ICAV or its assets that would otherwise not qualify as ordinary expenses. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of each Fund to which they are attributable. Extraordinary Expenses are allocated across each Class of Shares on a pro-rata basis.

**Fees and Expenses Out Of Capital**

Where disclosed in the Relevant Supplement, a Fund may charge all or part of its fees and expenses (including management fees) to the capital at Fund or Share Class level. This will have the effect of lowering the capital value of your investment.

## DETERMINATION OF NET ASSET VALUE

The Net Asset Value per Share in any Fund shall be calculated by the Administrator in the Base Currency of that Fund (which shall be so specified in the Relevant Supplement) in accordance with the valuation provisions set out in the Instrument of Incorporation and summarised below. The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund as specified in the Relevant Supplement. The Net Asset Value per Share of a Class of Shares in a Fund shall be calculated by establishing the number of Shares issued in the Class on the relevant Valuation Day and allocating the relevant fees and Class expenses to the Class and making appropriate adjustments to take account of distributions, if any, paid out of the Fund and apportioning the Net Asset Value of the Fund accordingly.

The Net Asset Value per Share in respect of any Dealing Day with respect to each Fund shall be published on such website as shall be disclosed in the Relevant Supplement, and on or through such other media as the Directors may from time to time determine and notify to Shareholders. The Net Asset Value per Share published on the relevant website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

The Valuation Point as at which prices shall be used when valuing the assets of a Fund shall be such time as may be specified in the Supplement for that Fund.

**Determination of Net Asset Value**

The assets of a Fund will be valued to the nearest four decimal places as at the Valuation Point as follows:-

Assets listed or traded on a recognised exchange (other than those referred to at (e) below) for which market quotations are readily available shall be valued at the last traded price on the relevant exchange, or of no last traded price is available, the latest mid-market price (provided that the Directors may, at their discretion, value long holdings of assets held for the account of a Fund at the latest bid price and short holdings at the latest offer price on any Dealing Day where redemptions to the Fund exceed, or are expected to exceed, subscriptions on that and subsequent Dealing Days or, conversely, value long holdings at the latest offer price and short positions at the latest bid price on any Dealing Day where subscriptions to the Fund exceed, or are expected to exceed, redemptions on that and subsequent Dealing Days). Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

The value of any security which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

(i) Fixed income securities may be valued by reference to the valuation of the securities which are considered comparable in rating, yield, due date and other characteristics where reliable market quotations are not available, using a methodology which will be compiled by the Directors or their delegate.

(ii) Units or shares in collective investment schemes (including Shares in a Fund held by another Fund) shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme

(iii) Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

(iv) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (b) above, i.e. being the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors (and approved for such purpose by the Depositary).

(v) Over-the-counter ("**OTC**") derivatives will be valued either using the counterparty's valuation or an alternative valuation, including valuation by the Directors or by an independent pricing vendor appointed by the Directors and approved for this purpose by the Depositary, which approval shall not be unreasonably withheld or delayed. OTC derivatives shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty (which may include the ICAV) and approved by the Depositary, which approval shall not be unreasonably withheld or delayed, on a weekly basis. If using an alternative valuation, the ICAV will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. In the event that the ICAV opts to use an alternative valuation, the ICAV will use a competent person appointed by the Directors, approved for this purpose by the Depositary, which approval shall not be unreasonably withheld or delayed, or will use a valuation by any other means provided that the value is approved by the Depositary. All alternative valuations will be reconciled with the counterparty's valuation on at least a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.

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

(vii) Where a Fund invests in money market instruments which have a remaining maturity of three months or less and have no specific sensitivity to market parameters, including credit risk, such securities may also be valued by using the amortised cost method of valuation. The valuation of such securities and any deviation from their marked-to-market valuations will be reviewed in accordance with the Central Bank Rules.

In determining a Fund's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the base currency of the relevant Fund using the market rates prevailing at the Valuation Point. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors.

Notwithstanding the above provisions the Directors may: (a) adjust the valuation of any particular asset; or (b) permit some other method of valuation approved by the Depositary, which approval shall not be unreasonably withheld or delayed, to be used in respect of any particular asset if, having regard to exchange rate, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that, in the case of (a) above, such adjustment or, in the case of (b) above, the use of such other method of valuation is required to reflect more fairly the value of such assets. The rationale for adjusting the value of any asset must be clearly documented.

Where a Class is designated in a currency other than the Base Currency, the Net Asset Value of Shares in that Class shall be calculated in the Base Currency and converted into the currency of designation of that Class at the rate which the Administrator deems appropriate in the circumstances. Changes in the exchange rate between the Base Currency of a Fund and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency.

The Net Asset Value per Share of any listed Class will be notified to the Irish Stock Exchange immediately upon calculation.

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 allocated to the existing Shareholders rateably at the time of the repayment.

## TEMPORARY SUSPENSION OF DEALINGS

The Directors may at any time temporarily suspend the issue, valuation, sale, purchase, redemption, repurchase and exchange of Shares during:

(i) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Market are restricted or suspended;

(ii) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the ICAV, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;

(iii) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;

(iv) any period when the ICAV is unable to repatriate funds for the purposes of making redemption or purchase payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;

(v) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining shareholders in such Fund; or

(vi) any period following the service of a notice convening a meeting of the Shareholders at which a resolution is proposed to terminate a Fund or the ICAV.

Notice of any such suspension shall be notified without delay to the Central Bank and, where applicable, without delay to the Irish Stock Exchange. Shareholders, who have requested issue, purchase or redemption of Shares in any Fund will have their request dealt with on the first Dealing Day after the suspension has been lifted unless such requests have been withdrawn prior to the lifting of the suspension. All reasonable steps will be taken to bring any period of suspension to an end as soon as possible. If in the opinion of the Directors the suspension is likely to exceed thirty days, it shall be notified as soon as practicable thereafter to any Shareholders affected by such suspension.

## TERMINATION OF FUNDS

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

(i) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size (if any) determined by the Directors in respect of that Fund;

(ii) if any Fund shall cease to be authorised or otherwise officially approved;

(iii) if any law shall be passed or regulatory requirement introduced which renders it illegal or in the opinion of the Directors impracticable or inadvisable or not commercially viable or excessively onerous from a compliance perspective to continue the relevant Fund;

(iv) if there is a change in material aspects of business or in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund; or

(v) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to points (i) to (v) above or otherwise.

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

With effect on and from the date of the relevant notice of termination, no Shares of the relevant Fund may be issued, sold or repurchased by the ICAV unless the Directors determine otherwise.

## TAXATION

**General**

**The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.**

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

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

**Ireland**

(a) Taxation of the ICAV

The Directors have been advised that the ICAV is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland. The ICAV will be resident for tax purposes in Ireland as it is centrally managed and controlled in Ireland. The Directors of the ICAV will conduct the affairs of the ICAV in a manner that will allow for this

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

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

Notwithstanding the above, a charge to tax may arise for the ICAV in respect of Irish Resident Shareholders (see "Taxation of Shareholders" below) on the happening of a "Chargeable Event" in the ICAV.

A Chargeable Event includes:

(i) any payment to a Shareholder by the ICAV in respect of their Shares;

(ii) any transfer, cancellation, redemption or repurchase of Shares; and

(iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "**Deemed Disposal**").

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

A Chargeable Event does not include:

(i) any transaction in relation to Shares held in a recognised clearing system;

(ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;

(iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;

(iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or

(v) the cancellation of shares in the company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA).

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

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a Fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

(a) Taxation of Shareholders

*Non-Irish Resident Shareholders*

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

(i) the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or

(ii) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

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

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

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

*Exempt Investors*

The ICAV is not required to deduct tax in respect of an Exempt Investor so long as the ICAV is in possession of a completed Relevant Declaration from those persons and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Investor must notify the ICAV if it ceases to be an Exempt Investor. Exempt Investors in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV as if they are not Exempt Investors.

Exempt Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares, depending on their circumstances. It is the obligation of the Exempt Investor to account for tax to the Revenue Commissioners.

*Irish Resident Shareholders*

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

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

Where the Irish Resident Shareholder is a company which is not an Exempt Investor, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted at 25%.

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

(i) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;

(ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and

(iii) the amount of tax deducted by the ICAV will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

(c) **Personal Portfolio Investment Undertaking**

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection of investments for the undertaking. There are no such shareholders at the date of this prospectus. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

*Currency Gains*

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

*Stamp Duty*

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

*Capital Acquisitions Tax*

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

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

(ii) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

*FATCA Implementation in Ireland*

On 21 December 2012, the governments of Ireland and the U.S. signed the Inter Governmental Agreement (the "**IGA**").

The IGA will significantly increase the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The ICAV will be subject to these rules. Complying with such requirements will require the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption or U.S withholding tax of 30% on withholdable payments or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

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

*OECD Common Reporting Standard*

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

The CRS, which will apply in Ireland from 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. From 1 January 2016, the ICAV will be required to provide certain information to the Irish Revenue Commissioners about Investors resident or established in jurisdictions which are party to CRS arrangements.

The Manager, or a person appointed by the Manager, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Manager, or a person appointed by the Manager, will report the information required to Irish Revenue by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (44 countries including Ireland) occurred with effect from 1 January 2016.

*Certain Irish Tax Definitions*

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

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

*Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

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

(ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

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

*Ordinary Residence – Individual*

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

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2012 will remain ordinarily resident in Ireland until the end of the tax year 2015.

*Intermediary*

means a person who:-

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

(ii) holds shares in an investment undertaking on behalf of other persons.

**Other Jurisdictions**[1]

The tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. **Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.** It is the Director's intention to manage the affairs of the ICAV so that it does not become resident outside of Ireland for tax purposes.

**United Kingdom**

**Warning:** This section does not cover tax implications for UK resident individual investors that are not domiciled in the UK or any financial traders or any other investors that may hold shares in the ICAV in the course of their trade or profession. In addition, the summary only addresses the tax consequences for UK investors who hold shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors such as life insurance companies, trusts, persons who have acquired their shares by reason of their or another's employment, and UK authorised investment funds investing in the ICAV.

It is based on UK tax legislation and the known current HM Revenue & Customs ("**HMRC**") interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of shares under the laws of any jurisdiction in which they may be subject to tax.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

**A Nature of investment**

Investors will acquire shares in a particular Fund of the ICAV. The ICAV is authorised as a UCITS scheme in Ireland by the Central Bank in Ireland.

**B Taxation status of the ICAV**

We understand that the ICAV is not a transparent entity for UK taxation purposes. The Directors intend to conduct the affairs of the ICAV so that it does not become resident in the UK and does not carry on a trade within the UK for UK taxation purposes. Further comfort can also be obtained from the relieving provisions of s363A TIOPA 2010. Accordingly, whilst the position cannot be guaranteed, the ICAV should not be subject to UK income tax or corporation tax other than on certain UK source income.

If the ICAV should invest in UK investments any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the ICAV can make a valid treaty claim to avoid or minimise such withholding tax. In addition, The ICAV may be subject to local withholding taxes in respect of income or gains derived from its investments in underlying investee countries.

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ML to review and update

## C UK taxation classifications

Each share class of the ICAV should be treated as a separate "offshore fund" for the purposes of the UK Offshore Company's tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK's reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these share classes.

In broad terms, a 'reporting fund' is an offshore fund that meets certain upfront and annual reporting requirements to HMRC and its Shareholders. As at the date of this Prospectus, a number of share classes of the ICAV are registered with HMRC as UK "reporting funds".

The Offshore Funds (Tax) Regulations 2009 (SI2009/3001) provide that if an individual investor resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is 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 should be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income. Alternatively, where an investor resident in the UK 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 'offshore income gains' at their marginal rate of tax rather than a capital gain.

The intention of the Directors is, where reasonably possible and considered to be beneficial for the shareholders of any share class of the ICAV, to obtain UK reporting fund status for that share class from the date of its launch and, in such circumstances, application for UK reporting fund status will be made to HMRC.

Under the reporting fund regime, for UK taxpayers to secure capital gains tax treatment on the disposal of their investment in shares in a share class of the ICAV, that share class would need to be registered as a UK reporting fund throughout the entire period the UK taxpayer held their investment.

Where reporting fund status is obtained for a share class of the ICAV, the Directors will take all steps that are practicable and consistent both with the laws and regulatory requirements of Ireland and the UK and with the investment objectives and policies of the ICAV, to ensure that, in respect of each relevant share class, reporting fund status is retained on an annual basis. It must be appreciated, however, that no assurance can be given as to whether such approval will, in practice, be granted in the first instance (for any share class that is not currently registered with HMRC as a UK reporting fund), and retained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the ICAV to obtain that reporting fund status may be affected by changes in HMRC practice or by subsequent changes to the relevant provisions of UK tax legislation. If reporting fund status is revoked by HMRC for any UK reporting fund share class ("**RFSC**"), that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

An application for UK reporting fund status for any share class of the ICAV must be received by HMRC by the later of (i) the end of first period of account in which the Directors wish that share class to be registered as a RFSC, and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant share class are made available to investors resident in the UK, if later.

In the event that the Directors decide not to apply to HMRC for UK reporting fund status for any share class of the ICAV for the period of account for which reporting fund status is required / requested it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

Where an offshore fund has been a non-reporting fund for part of the time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections available to the Shareholder to enable any gain arising during the period the offshore fund has reporting fund status to be taxed as a capital gain. Such elections have specified time limits in which they must be made, and these time limits that are based around the date of change in status of the relevant share class from non- reporting to reporting.

The comments below in relation to the UK taxation of UK resident investors in the ICAV include some comments in relation to the UK taxation implications of UK resident investors in both UK reporting fund share classes ("RFSC") and non UK RFSC of the ICAV.

**D Impact of investing in other Collective Investment Schemes by the Company**

Special rules apply in certain circumstances for determining the reportable income of the RFSC of a Fund where the Fund invests in other funds which are themselves registered with HMRC as UK reporting funds. Any income physically received from such funds, along with their proportionate share of the "reported income" of the UK reporting fund invested in (calculated in accordance with the UK reporting fund regime) must be included in the reportable income of each share class of the investing Fund for the relevant period.

However, where a Fund invests in a non-reporting fund, the ICAV has two options regarding how this holding is treated in their UK reporting fund calculations. Which option is chosen depends on whether 'sufficient information' on the underlying investment is available to allow the ICAV to calculate the "reportable income" that would have arisen if the underlying fund had UK reporting fund status.

If sufficient information is available, it is possible to calculate the "reported income" of the underlying fund as if it was registered with HMRC as a UK reporting fund, and include each share classes' proportionate share of that "reported income" in its own reportable income calculations as above.

If sufficient information is not available, then each share class in the investing Fund must bring its proportionate share of the fair value increase (or decrease) of its holding in the underlying fund over the Fund's accounting period (i.e. it computes the fair value at the beginning of the period and deducts that amount from the fair value at the end of the period) into account as 'income' in their UK reporting fund calculations. This would result in the share classes of the investing Fund including this amount in the calculation of income reported to its Shareholders, which would generally be unfavourable for taxpaying UK Shareholders.

**E Taxation of UK resident investors**

Persons within the charge to UK corporation tax should note that under the UK 'loan relationships regime' if at any time in an accounting period of such a person, that person holds an interest in an "offshore fund" and there is a time in that period when that fund fails to satisfy the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime.

An offshore fund fails to satisfy the "qualifying investments test", at any time when more than 60 per cent of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate debt securities or cash on deposit or certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the "qualifying investments test". On the basis of the investment policy of some Funds, the share classes of these Funds may constitute such interests in an offshore fund and could fail to satisfy the "qualifying investments test".

**E.1 Capital gains – general principles**

The relevance of reporting fund status for UK tax resident shareholders is that gains realized by investors on disposals of investments in RFSC shares, which retain their reporting fund status for the entire period in which the investor holds the investment, will in most circumstances be treated as a 'capital disposal' for UK taxation purposes.

*E.1.1 UK individual investors in RFSC*

Individual shareholders who are resident and domiciled in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of their RFSC shares.

Any capital increase in the value of the shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 28%), subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual, via the annual reported income of the share class.

*E.1.2 UK corporate investors in RFSC*

UK corporates may be liable to UK corporation tax at their marginal rate in respect of capital disposals of RFSC shares.

The deemed distributions received by the corporate throughout their period of ownership of the RFSC shares may in certain circumstances represent additional base cost on sale of the RFSC shares.

For any Fund that fails to satisfy the "qualifying investments test", the share classes of that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the shares (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, any person within charge to corporation tax who acquires shares may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of shares).

***E.2 Income and deemed distributions – general principles***

The dividend policy of each Fund shall be set out in the Relevant Supplement. Broadly speaking, an investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor. This is the case irrespective of whether any income is physically distributed to a RFSC shareholder in any period in respect of their holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the "reported income" of the RFSC; and the tax point for any "reported income" should be the date falling 6 months after the end of the reporting period. Credit is given for actual dividends paid in calculating the reported income.

Actual dividends received by the investor for any period will also be taxable.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a Fund that fails to satisfy the "qualifying investments test" may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers

For any share class of a Fund that satisfies the "qualifying investments test", the excess of reported income over actual distributions should be viewed as foreign dividends for UK taxation purposes. For any share class of a Fund that fails to satisfy the "qualifying investments test" the excess of reported income over actual distributions should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. This taxation section assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

*E.2.1 UK individual investors*

There are currently three rates of UK income tax charged on gross dividends received by UK individuals: basic rate of 10% (for dividends within the first slice of taxable income up to £31,865), higher rate of 32.5% (for dividends within the next £118,135 of taxable income; £150,000 cumulatively) and additional rate of 42.5% (for the dividends within any income over £150,000). A tax credit equivalent to $1/9^{th}$ of the deemed net distribution may be available in certain circumstances. This tax credit, if available, can be offset against the income tax payable on the deemed dividend but cannot give rise to a cash refund from HMRC.

*E.2.2 UK corporate investors*

UK corporate investors may be exempt from UK corporation tax if the deemed distribution from the RFSC falls within one of the dividend exemption categories for corporate recipients. If the deemed dividends do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

As stated above, for any Fund that fails to satisfy the "qualifying investments test", the share classes of that Fund will be treated for corporation tax purposes as within the loan relationships regime, and taxed as noted in D.1.2 above.

*E.2.3 UK exempt investors*

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor).

**F UK resident investors in non RFSC**

*F.1 Capital gains*

UK tax resident shareholders may be liable to capital gains tax in respect of capital disposals of their non RFSC shares. In broad terms, gains realised on disposals of investments in non RFSC are likely to be taxable as an income receipt (without credit for any indexation which would otherwise be available) under the UK offshore fund regime. Any amounts taxable as an income receipt should be deductible from the proceeds from a capital gains tax perspective.

*F.2 Income received from non RFSC*

A UK tax resident investor in a non RFSC should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid to UK resident and domiciled individual shareholders in respect of shares in any share class of a Fund that fails to satisfy the "qualifying investments test" may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

As noted above, UK resident corporate shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in any share class that fails to satisfy the "qualifying investments test", that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

*F.3 UK exempt investors*

Some investors (e.g. approved pension funds) may be exempt from tax. Different rules may also apply in the case of certain non-residents (for more details, please consult your tax advisor)

**G Certain UK anti-avoidance legislation**

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to shareholdings in the ICAV. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective UK tax resident shareholders is particularly drawn to the following anti-avoidance provisions.

*G.1 Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13")*

Section 13 applies to a "participator" in a company for UK taxation purposes (the term "participator" includes, but is not limited to, a shareholder) if the company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a "close company".

If at any time when (i) a gain accrues to the ICAV which constitutes a chargeable gain for UK purposes (such as on a disposal by the ICAV of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the ICAV had accrued to that shareholder directly. The gain accruing to the shareholder is equal to the proportion of the gain that corresponds to that shareholder's proportionate interest in the ICAV as a participa0tor. A shareholder could therefore incur a liability to tax even if the gain accruing to the ICAV had not been distributed by the ICAV. No liability under Section 13 will be incurred by such a shareholder, however, where the proportionate interest of the shareholder in the company, together with their associates, means that 25% or less of the chargeable gain is apportioned to them under the Section 13 rules.

*G.2 Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad)*

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the UK Income Tax Act 2007 (transfer of assets abroad). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the ICAV (including, if the ICAV or any company thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these provisions to apply to income relating to a share class which has been certified by HMRC as a RFSC. Where a share class has not been certified as a RFSC, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

*G.3 Controlled foreign companies*

Corporate Shareholders resident in the UK for taxation purposes should also note that the "controlled foreign companies" legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). "Control" is defined in Chapter 18, Part 9A of TIOPA 2010. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the ICAV.

*G.4 Transaction in Securities*

The attention of shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if shareholders are seeking to obtain tax advantages in prescribed conditions.

**H UK stamp duty**

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

Because the ICAV is not incorporated in the UK and the register of holders of shares will be kept outside the UK, no liability to stamp duty reserve tax should arise by reason of the transfer, subscription for or redemption of shares. Liability to stamp duty will not arise provided that any instrument in writing transferring shares in the ICAV is executed and retained at all times outside the UK.

## THE ICAV

### General

The ICAV has delegated the day to day management and running of the ICAV in accordance with policies approved by the Directors to the Manager. The Administrator and the Investment Manager have been appointed by the Manager to fulfil certain functions and the ICAV has appointed the Depositary.

### The Manager

Pursuant to the Management Agreement, the Manager has been appointed as manager of the ICAV. Under the terms of the Management Agreement, the Manager has the responsibility of the management and administration of the ICAV's affairs. The Manager, MLC Management Limited, is a private limited company established in Ireland on 6 February 2015. The Manager is a member of the ML group of companies, along with the Investment Manager, and is engaged in the business of providing management and administrative services to collective investment schemes.

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

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

The Manager shall not be liable to the ICAV or any Shareholder of the ICAV or otherwise for any loss suffered by the ICAV or any such Shareholder in connection with the performance or non-performance of the Manager's duties or otherwise in connection with the subject matter of the Management Agreement or any matter or thing done or omitted to be done by the Manager in pursuance thereof, unless such loss or disadvantage arises from the negligence, bad faith, wilful default or fraud in the performance or non-performance by the Manager of its obligations or duties. Subject and without prejudice to the foregoing, the Manager shall not be liable for or indemnify in respect of (i) any indirect, special or consequential damages suffered by the ICAV or any Shareholder of the ICAV, or (ii) any action taken, omitted or suffered by it, which was taken or omitted in accordance with specific instructions, advice or directions issued by the ICAV or by the Manager on behalf of the ICAV. The Manager accepts no responsibility for any loss to the ICAV arising out of any action of brokers, dealers, counterparties, clearing houses or securities depositories.

The ICAV shall, out of the assets of the relevant Fund, indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, members, servants, employees, agents and appointees and each of the relevant appointees from and against any and all actions, obligations, liabilities, tax, proceedings, debts, claims, demands, suits, losses, damages, judgements, costs, expenses and disbursements (including reasonable legal and professional fees and expenses arising therefrom or incidental thereto) of any kind or nature whatsoever ("**Claims**") which may be made or brought against or directly or indirectly suffered or incurred by or asserted against the Manager in the performance or non-performance of its obligations or duties or otherwise in connection with the subject matter of the Management Agreement save as a result of the negligence, bad faith, wilful default or fraud in the performance of its obligations or duties or as a result of a breach of this Agreement. If the ICAV requires the Manager to take any action of whatsoever nature which in the reasonable opinion of the Manager might render the Manager liable for the payment of money or liable in any other way, the Manager shall be indemnified and held harmless by the ICAV in any reasonable amount and form satisfactory to the Manager as a prerequisite to taking such action.

The Manager is also the entity that primarily promotes the ICAV.

**The Directors**

The Directors are responsible for managing the business affairs of the ICAV. The Directors have delegated certain of their powers, duties, discretions and/or functions to the Investment Manager, which will in turn delegate the management of the assets and investments of each Fund to such Sub-Investment Manager as shall be specified in the Relevant Supplement. The Directors have delegated the day-to-day administration of the ICAV's affairs, including the calculation of the Net Asset Value and the Net Asset Value per Share, shareholder registration and transfer agency duties to the Administrator. The Directors have also delegated the marketing, distribution and sale of Shares to the Distributor.

The Directors are listed below with their occupations. None of the Directors has entered into an employment or service contract with the ICAV nor is any such contract proposed. Consequently, the Directors are all non-executive Directors. The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV. The Instrument of Incorporation does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The address of the Directors is the registered office of the ICAV. Save for the information outlined herein, no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

**Cyril Delamare (UK Resident)**

Cyril is the Chief Executive Officer at ML Capital Asset Management Limited. Prior to co-founding ML Capital, Cyril was a Partner and CEO at Tara Capital, a leading global distributor of hedge funds which helped money management clients attract over $3 billion in new assets. Cyril's responsibilities at Tara included directing a multilingual institutional sales team of 20, manager sourcing and selection and due diligence. He has covered investors and run coverage groups across every region of Europe since 2000 with a particular focus on France and Switzerland. Cyril gained a degree in International Business from L'Institut Supérieur Européan de Gestion et de Commerce (ISEG) in Lyon, France.

**Teddy Otto (Irish Resident)**

Mr Otto is a principal consultant with Carne Global Financial Services Limited, a leading business advisor to global asset managers. He specialises mainly in product development, fund establishment and risk. Before joining Carne Global Financial Services Limited, 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. He holds a degree in business administration from Technische Universität Berlin.

**David Hammond (Irish Resident)**

Mr. Hammond is the General Counsel for ML Capital Asset Management Limited. Mr. Hammond has over 20 years' experience in the fund management industry, having formerly been employed as Managing Director of Bridge Consulting Limited, and before that as Chief Operating Officer of Sanlam Asset Management (Ireland) Limited, part of the Sanlam group of South Africa, and as a Director of Legal and Business Development with International Fund Managers (Ireland) Limited, the Irish fund administration subsidiary of Baring Asset Management which is now part of Northern Trust. Mr. Hammond is a CFA Charterholder and a solicitor and holds a law degree from Trinity College Dublin and an MBA from Smurfit Graduate School of Business, University College Dublin.

**Barry Kenny (Irish Resident)**

Mr Kenny is a senior executive in Brookdale Partners and an economist by training. Brookdale Partners Limited is a private Irish company which has specialized in investing in commercial real estate in

Switzerland. Mr Kenny holds degrees from the National University of Ireland and Trinity College, Dublin University and spent the early part of his career working for the Irish Government in the Finance Ministry. Mr Kenny subsequently moved into the private sector and the financial markets and held senior positions with Citicorp Investment Bank, the Bank of Ireland group and ABNAmro. Mr Kenny has also acted as strategist to a global macroeconomic hedge fund. Mr. Kenny currently acts as chairman of Eastlight ApS, which is a Danish company set up to invest in European commercial real estate. He has been involved in many aspects of investment for many years and regularly gives talks and presentations at investment gatherings; his more recent presentations have been on the management of risk. He was made a scholar by the Senate of the National University of Ireland in 1981.

**David Tease (Irish Resident)**

Mr Tease has over 20 years' experience as a hedge fund manager and commodity trading advisor. He began his career as an agricultural economist, and then joined Citibank in Dublin as a bond trader in 1986. He worked for Bank of Ireland, Gandon Securities and Allied Irish Capital Management, before becoming Managing Director of Vega Capital Partners in 2002. Between 2007 and 2010, he ran alternative investment accounts at GlobalReach Securities and Dolmen Securities, before retiring in 2010 to manage his own portfolio. He has a Masters in Agriculture (Economics) from Queens University, Belfast, and an MBA from University College Dublin.

**The Investment Manager**

The Investment Manager of the ICAV is ML Capital Asset Management Limited, which was established in Ireland on 14 July, 1999. The Investment Manager is engaged in the business of providing investment management and administrative services to collective investment schemes. The Investment Manager is headquartered in Dublin with a distribution team based in London. As at 29 February, 2016, the assets under management of the Investment Manager and its affiliates were over $840 million. Under the Investment Management Agreement the Investment Manager will provide or procure the provision of investment management services to the ICAV.

The Investment Management Agreement provides that the Investment Manager (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly or indirectly out of any act or omission done or suffered by the Manager, the ICAV (or their directors, officers, employees, agents and Appointees) in the performance of its duties unless such loss or damage arose out of or in connection with the negligence, wilful default, bad faith or fraud of the Investment Manager (or any of its directors, officers, employees, agents in the performance of its duties. The Investment Management Agreement provides further that the Manager shall indemnify and keep indemnified and hold harmless (out of the assets of the relevant Fund), the Investment Manager (and each of its directors, officers, employees, agents from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees, professional fees and expenses arising therefrom or incidental thereto) directly or indirectly suffered or incurred by the Investment Manager (and their directors, officers, employees and agents and Appointees) in connection with the performance of its duties and/or the exercise of its powers hereunder, in the absence of any such negligence, wilful default, bad faith or fraud.

The Investment Management Agreement may be terminated by either party on ninety (90) days' notice in writing to the other party. The Investment Management Agreement may be terminated by either party at any time in the event of the other party (i) committing any material breach of the Investment Management Agreement or commit persistent breaches of the Investment Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the other party serving notice upon the other party requiring it to remedy the same, (ii) being incapable of performing its duties or obligations under the Investment Management Agreement; (iii) being unable to pay its debts as they fall due or otherwise becoming insolvent or entering into any composition or arrangement with or for the benefit of its creditors, (iv) being the subject of any petition for the appointment of an examiner or similar officer to it, (v) having a receiver or examiner appointed over all or any substantial part of its undertaking, assets or revenues, (vi) being the subject of an effective resolution for its winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other parties), or (vii) being the subject of a court order for its winding up. The ICAV may terminate the Investment Management Agreement at any time by notice in writing to the Investment Manager in the event that the Investment Manager is otherwise no longer permitted to perform its obligations under any applicable law.

**The Sub-Investment Managers**

Both the Manager and the Investment Manager may appoint a Sub-Investment Manager in respect of some or all of the Funds. Details of the Sub-Investment Manager, where appointed, for each Fund shall be contained in the Relevant Supplement. Information on the Sub-Investment Manager for a Fund will also be provided to shareholders on request and will be disclosed in the periodic reports of the ICAV.

**The Depositary**

The ICAV has appointed the Depositary as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Fund.

The Depositary is a private limited 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.

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 parties not less than 90 days' written notice although in certain circumstances the 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 in an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV. This 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.

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) Northern Trust has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the Services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the ICAV's financial instruments and cash.

The 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..

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

(i) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;

(ii) the Depositary shall verify the ICAV's ownership of all any assets (other than those referred to in (i) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;

(iii) the Depositary shall ensure effective and proper monitoring of the ICAV's cash flows;

(iv) the Depositary shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

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

Summary of Oversight Obligations:

The Depositary is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the ICAV are carried out in accordance with the ICAV Act, the conditions imposed by the Central Bank and the Instrument of Incorporation;
- the value of Shares is calculated in accordance with the ICAV Act and the Instrument of Incorporation;
- in transactions involving the ICAV's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- the ICAV and each Fund's income is applied in accordance with the ICAV Act and the Instrument of Incorporation;
- the instructions of the ICAV are carried out unless they conflict with the ICAV Act or the Instrument of Incorporation; and
- it has enquired into the conduct of the ICAV in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the ICAV in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:

  (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Instrument of Incorporation and/or the Central Bank under the powers granted to the Central Bank under the ICAV Act; and

  (ii) otherwise in accordance with the provisions of the ICAV Act and the Instrument of Incorporation.

If the ICAV has not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation. The duties provided for above may not be delegated by the Depositary to a third party.

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

**The Administrator**

The Manager has appointed the Administrator to act as administrator and registrar and transfer agent to the ICAV with responsibility for performing the day-to-day administration of the ICAV and for providing accounting services for the ICAV, including the calculation of the Net Asset Value and the Net Asset Value The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2015, the Northern Trust Group's assets under custody totalled in excess of US$6.2 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

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

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 of them not less than 90 days' written notice although in certain circumstances the agreement may be terminated immediately by either party. This 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.

**The Distributor**

The ICAV has appointed ML Capital Asset Management Limited (the "**Distributor**") to assist the ICAV in the promotion and sale of Shares.

The Distribution Agreement dated 8 April 2016 between the ICAV and the Distributor (the "Distribution Agreement") provides that the Distributor (and its directors, officers, employees and agents) shall not be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Distributor of its duties unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Distributor or of any sub-distributor or agent appointed by the Distributor. The Distribution Agreement provides that the ICAV shall indemnify and keep indemnified and hold harmless the Distributor (and each of its directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Distributor (or any of its directors, officers, employees or agents) arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any such negligence, bad faith, wilful default or fraud.

Under the Distribution Agreement, the Distributor shall indemnify and keep indemnified and hold harmless the ICAV (and each its directors, officers and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the ICAV (or any of its directors, officers or agents) arising out of or in connection with any breach of the Distributor's duties or obligations under the Distribution Agreement to not offer Shares for sale or subscription in specified circumstances.

The Distribution Agreement may be terminated by either party by ninety (90) days' notice in writing to the other party, unless terminated earlier by any party immediately by notice in writing to the other parties if any other party shall at any time (i) commit any material breach of the Distribution Agreement or commit persistent breaches of the Distribution Agreement which is or are either incapable of remedying or have not been remedied within thirty days of the terminating party serving notice upon the defaulting party requiring it to remedy same; (ii) be incapable of performing its obligations or duties under the Distribution Agreement; (iii) be unable to pay its debts as they fall due or otherwise becoming insolvent or entering into any composition or arrangement with or for the benefit for its creditors or any Class thereof; (iv) be the subject of any petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer appointed to it or in respect of its affairs or assets; (v) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) be the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vii) be the subject of a resolution or a court order for its winding up.

Under the Distribution Agreement, the Distributor may, subject to the prior approval of the ICAV, appoint one or more sub-distributor from time to time to perform and/or exercise all or any of its functions, powers, discretions, duties and obligations under the Distribution Agreement. The Distributor shall pay the fees of any such sub-distributor out of its own fees.

**Paying Agents/Representatives/Distributors**

Local laws or regulations in certain EEA jurisdictions may require that the ICAV appoints a local Paying Agent and/or other local representatives. The role of the Paying Agent may entail, for example maintaining accounts through which subscription and redemption proceeds and dividends are paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via the intermediary entity rather than directly to the Administrator or the ICAV bear a credit risk against that entity with respect to a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and b) redemption monies payable by such intermediate entity to the relevant investor. The appointment of a Paying Agent (including a summary of the agreement appointing such Paying Agent) may be detailed in a Country Supplement.

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

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

**Auditor**

KPMG has been appointed to act as the auditor for the ICAV. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the ICAV and its Funds in accordance with Irish law and International Financial Reporting Standards.

**Secretary**

Carne Global Financial Services Limited has been appointed as Secretary of the ICAV.

## GENERAL INFORMATION

### Reports and Accounts

The year end of the ICAV and each Fund is 31 December in each year. Each Fund will prepare an annual report and audited accounts as of 31 December in each calendar year and a semi-annual report and unaudited accounts as of 30 June in each year with the first annual report to be made up to 31 December, 2016 and the first semi-annual report to be made up to 30 June, 2016.

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

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

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with International Financial Reporting Standards.

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

### Form and Share Capital

The authorised share capital of the ICAV is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 unclassified Shares of no par value.

Subscriber Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes of Shares) in the profits and assets of the ICAV on the terms and conditions set out in the Relevant Supplement. Subject to any special rights or restrictions for the time being attached to any Class of Shares with the prior approval of the Central Bank, each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value of that Shareholder's shareholding (expressed or converted into Euro and calculated as of the relevant record date) by one. The Subscriber Shareholders shall have one vote for each Subscriber Share held. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. There are no pre-emption rights attaching to Shares.

The ICAV may from time to time by ordinary resolution increase its capital, consolidate its Shares or any of them into a smaller number of Shares, sub-divide Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law.

### Voting Rights

Each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate Net Asset Value of that Shareholder's shareholding (expressed or converted into Euro and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Manager gives or may give rise to a conflict of interest between the Shareholders of any Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such Classes of Shares. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

## Variation of Shareholder Rights

Under the Instrument of Incorporation, the rights attached to each Class of Share may, whether or not the ICAV is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that Class or with the sanction of a special resolution passed at a separate general meeting of the holders of Shares of that Class. The rights attaching to any Class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking pari passu with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the Class in question or, at an adjourned meeting, one person holding Shares, of the Class in question or his proxy.

## Conflicts of Interest

The Manager, the Directors, Depositary, the Administrator, the Investment Manager, the Sub-Investment Manager and the Distributor may from time to time act as manager, registrar, administrator, transfer agent, trustee, depositary, investment manager, sub-investment manager or advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the ICAV or any Fund. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the ICAV or any Fund. Each will at all times have regard in such event to its obligations under the Instrument of Incorporation and/or any agreements to which it is party or by which it is bound in relation to the ICAV or any Fund and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager and each Sub-Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the ICAV or the Funds as appropriate.

The Instrument of Incorporation provides that the Administrator may accept the estimate of a competent person when determining the probable realisation value of unlisted securities. The Administrator may accept an estimate provided by the Investment Manager or any other affiliate of the Investment Manager for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

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

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

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

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

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

In placing orders with brokers and dealers to make purchases and sales for the Funds, the relevant Sub-Investment Manager will obtain best execution for the Funds. In determining what constitutes best execution, each such Sub-Investment Manager may consider factors it deems relevant, including, but not limited to, the breadth of the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transaction, on a continuing basis.

When consistent with the objectives of best price and execution, business may be placed with broker-dealers who furnish investment research or services to the Sub-Investment Manager. The commissions on such brokerage transactions with investment research or services may be higher than another broker might have charged for the same transaction in recognition of the value of research or services provided. Such research or services include advice, both orally and in writing, as to the value of securities; the advisability of investing in, purchasing, or selling securities; the availability of securities, or purchasers or sellers of securities; as well as analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts.

In addition, for the Investment Manager, such research or services may include advice concerning the allocation of assets among Sub-Investment Managers and the suitability of Sub-Investment Managers. To the extent portfolio transactions are effected with broker-dealers who furnish research and/or other services to the Investment Manager or any Sub-Investment Manager, the Investment Manager or Sub-Investment Manager receives a benefit, not capable of evaluation in dollar amounts, without providing any direct monetary benefit to the ICAV from these transactions. Such research or services provided by a broker-dealer through whom the Investment Manager or Sub-Investment Manager effects securities transactions for a Fund may be used by the Investment Manager or Sub-Investment Manager in servicing all of its accounts.

The Investment Manager or Sub-Investment Manager may not use all of the research and services provided by such broker-dealer in connection with a Fund. The Investment Manager or Sub-Investment Manager may pay any amount of commission for effecting a securities transaction in excess of the amount of commission another member of an exchange, broker, or dealer would have charged for effecting that transaction, if they determine in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund and/or other accounts over which the any of the Investment Manager or Sub-Investment Managers or their affiliates exercise investment discretion.

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

A director of the ICAV may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus other than as disclosed under “The ICAV - The Directors and Secretary” above, no director of the ICAV nor any connected person of a Director has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

**Manager, Investment Manager and/or Sub-Investment Manager Investment in Shares**

The Manager, Investment Manager and/or Sub-Investment Manager or an associated company or key employee of the Investment Manager may invest in Shares of a Fund for general investment purposes or for other reasons including so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Manager, Investment Manager and/or Sub-Investment Manager or an associated company may hold a high proportion of the Shares of a Fund or Class in issue.

**Soft Commissions**

The Manager and/or an Investment Manager may effect transactions with or through the agency of another person with whom the Manager and/or an Investment Manager or an entity affiliated to the Manager and/or the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Manager and/or an Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Manager and/or an Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the ICAV. A report will be included in the relevant Fund's annual and semi-annual reports describing the Manager's and/or an Investment Manager's soft commission practices.

**Cash Commission/ Rebates and Fee Sharing**

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

**The Instrument of Incorporation**

Clause 3 of the Instrument of Incorporation provides that the sole object of the ICAV is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds, consistent with the requirements of Regulation 4(3) of the UCITS Regulations.

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

Funds

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

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

(ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;

(iii) in the event that there are any assets of the ICAV which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the

Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;

(iv) no Shares will be issued on terms that entitle the Shareholders of any Fund to participate in the assets of the ICAV other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full Repurchase Proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid up on the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the ICAV, any other Fund or any assets of the ICAV in respect of any shortfall;

(v) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund; and

(vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 36(6) of the ICAV Act, shall apply.

Winding up

The Instrument of Incorporation contains provisions to the following effect:

(i) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the ICAV Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;

(ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Shares shall be distributed to the holders of Shares in the relevant Class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such Class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to other Classes of Shares. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each Class of Share; and thirdly, any balance then remaining and not attributable to any of the Classes of Shares shall be apportioned pro-rata as between the Classes of Shares based on the Net Asset Value attributable to each Class of Shares as at the date of commencement to wind up and the amount so apportioned to a Class shall be distributed to holders pro-rata to the number of Shares in that Class of Shares held by them;

(iii) A Fund may be wound up pursuant to section 37 of the ICAV Act and in such event the provisions of the Instrument of Incorporation shall apply mutatis mutandis in respect of that Fund;

If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the ICAV Act, divide among the holders of Shares of any Class or Classes of a Fund in specie the whole or any part of the assets of the ICAV relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or the holders of different Classes of Shares as the case may be. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A Shareholder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

Directors' Interests

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

- Cyril Delamare is a director and shareholder of the Manager and of the Investment Manager, which receives fees from the Manager and/or the ICAV in respect of services it provides to the ICAV and each relevant Fund;
- David Hammond is a director of the Manager and an employee of the Investment Manager; and
- Teddy Otto is the principal of the Secretary, which receives fees from the ICAV in respect of services it provides to the ICAV and each relevant Fund.
- Barry Kenny is a director of the Investment Manager, which receives fees from the Manager and/or the ICAV in respect of services it provides to the ICAV and each relevant Fund; and
- Barry Kenny is a also shareholder of the Manager and of the Investment Manager, which receives fees from the Manager and/or the ICAV in respect of services it provides to the ICAV and each relevant Fund.

**Material Contracts**

The following contracts, which are summarised in the "The ICAV" and "Fees and Expenses" section of this Prospectus, have been entered into and are, or may be, material:

(i) Management Agreement;

(ii) Investment Management Agreement

(iii) Administration Agreement;

(iv) Depositary Agreement; and

(v) Distribution Agreement.

Details of other material contracts may be provided in the Relevant Supplement.

**Access to Documents**

The following documents may be provided in in writing or by electronic mail or in an electronic format on a website designated by the ICAV for this purpose (through www.montlakeucits.com or such other website as may be notified to Shareholders in advance from time to time). A copy in writing of such documents shall be provided to Shareholders on request, free of charge.

- this Prospectus;
- once published, the latest annual and semi-annual reports of each Fund; and
- the KIID for each share class of each Fund.

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

- the Instrument of Incorporation

- once published, the latest annual and semi-annual reports of each Fund

**Remuneration Policy**

The ICAV has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the ICAV whose activities have been identified by the ICAV as potentially having a material impact on the risk profile of the Funds. The Directors will aim to ensure that its remuneration policies and practices are consistent with UCITS V and any other relevant regulations, including measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: www.montlakeucits.com. The remuneration policy may be obtained free of charge on request from the ICAV.

## DEFINITIONS

**In this Prospectus the following words and phrases have the meanings set forth below:**

| | |
|---|---|
| "Administrator" | means Northern Trust International Fund Administration Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as administrator of the ICAV in accordance with the Central Bank Rules; |
| "Administration Agreement" | means the means the agreement made between the ICAV, the Manager and the Administrator dated 8 April 2016 as may be amended or supplemented from time to time in accordance with t the Central Bank Rules pursuant to which the latter was appointed as administrator of the ICAV; |
| "Anti-Dilution Adjustment" | means an adjustment made on the value of the relevant net subscriptions and/or net repurchases as per the procedure described in the paragraph "Anti-Dilution Adjustment ("Swing Pricing")" in the "Investing in Shares" section; |
| "Anti-Dilution Levy" | means an adjustment made on a transaction basis in the case of net subscriptions and/or net repurchases as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/ repurchase calculated for the purposes of determining a subscription price or redemption price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund; |
| "Application Form" | means the shareholder account Application Form for each Fund, as attached to each Relevant Supplement and as may be amended by the ICAV from time to time; |
| "Auditors" | means KPMG or such other firm of chartered accountants as may from time to time be appointed as auditors to the ICAV; |
| "Base Currency" | means the currency in which the Shares in each Fund are denominated and specified in the Relevant Supplement or such other currency as the Directors may determine from time to time and notify to Shareholders of that Fund; |
| "Business Day" | means, unless otherwise specified in the Relevant Supplement, a day which is a bank business day in Ireland and the UK or such days as may be determined by the Directors; |
| "Central Bank" | means the Central Bank of Ireland; |
| "Central Bank Rules" | means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations; |
| "Central Bank Regulations" | means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2015 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to |

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| | time; |
| “CFTC” | means the U.S. Commodity Futures Trading Commission; |
| “Class” or "Share Class" | means Shares representing an interest and designated as a class of Shares for the purposes of attributing different proportions of the Net Asset Value of the relevant Class to such Shares to accommodate different subscription, conversion and redemption n charges, dividend arrangements, base currencies and/or fee arrangements specific to such Shares; |
| “Class Currency” | means, in relation to each Class in each Fund, the currency in which the Shares of such Class are designated as specified herein or in a Supplement; |
| "CRS" | means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard; |
| “Dealing Day” | means, unless otherwise specified in the Relevant Supplement, such Business Day or Business Days as the Directors may from time to time determine in relation to any Fund or any Class of Shares, provided there shall be at least one (1) Dealing Day per fortnight in each Fund. In the case of the Funds each Business Day will be a Dealing Day unless the Directors otherwise determine and notify to Shareholders in advance; |
| “Dealing Deadline” | means such time as may be specified in the Supplement for each Fund provided that such time shall be before the Valuation Point for that Fund; |
| “Declaration” | a valid declaration regarding an investor’s non residence for tax purposes or Exempt Investor status as contained in the Application Form which is in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA (as may be amended from time to time) and in the case of a person not resident in Ireland the ICAV is not in possession of information which would reasonably suggest the information contained in the declaration is no longer materially correct, or the investor has failed to comply with the undertaking to the ICAV to notify the ICAV if they become Irish Resident or immediately before the chargeable event the Shareholder is Irish Resident; |
| “Depositary” | means Northern Trust Fiduciary Services (Ireland) Limited or such other company in Ireland as may from time to time be appointed as depositary of all the assets of the ICAV with the prior approval of the Central Bank; |
| "Derivative" | means a financial derivative instrument (including an OTC derivative); |
| “Developed Market” | means a jurisdiction included in the Morgan Stanley Capital International World Index, a free-float-adjusted market capitalisation-weighted index designed to measure global developed market equity performance, currently comprising Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, |

Sweden, Switzerland, the United Kingdom and the United States.

"Distributor" means with respect to each Class of Shares in the Funds, ML Capital Asset Management Limited and/or such other company or companies as may from time to time be appointed by the Manager as a distributor of any Class of Shares in any Fund with prior notification to the Central Bank;

"Emerging Markets" means markets that typically exhibit lower levels of economic or capital development and higher levels of share price and currency volatility. Such emerging markets may include but are not limited to Argentina, Brazil, Chile, China, Columbia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Israel, Jordan, Kenya, Korea, Malaysia, Mexico, Nigeria, Pakistan, Peru, Philippines, Poland, Qatar, Singapore, Russia, South Africa, Taiwan, Thailand, Venezuela, Zambia and Zimbabwe or any other country considered by the Investment Manager or Sub-Investment Manager to be an emerging market country.

"EU Member State" means a Member State of the European Union from time to time;

"Euro", "EUR" or "€" means the single currency of participating EU Member States of the European Monetary Union introduced on 1 January 1999;

"Eurozone" means those Member States of the European Union from time to time participating in European economic and monetary union as contemplated by the Treaty of Rome;

"Equalisation Credit" means the equalisation credit to be applied in calculating the performance fee for each Fund as set out in the Relevant Supplement;

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

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

(l) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
(m) the National Pensions Reserve Fund Commission;
(n) the National Asset Management Agency;
(o) the Courts Service;
(p) a credit union within the meaning of section 2 of the Credit Union Act 1997;
(q) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
(r) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the ICAV; and
(s) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the ICAV in respect of that Shareholder under Part 27, Chapter 1A TCA.

"FATCA" means:

(a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;

(b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and

(c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

"Financial Conduct Authority" means the UK Financial Conduct Authority and any successor authority;

"ICAV Act" means the Irish Collective Asset-management Vehicles Act 2015 including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

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

"Intermediary" means a person who carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or holds shares in an investment undertaking on behalf of other persons;

"Investment Management Agreement" means the agreement made between the Manager and the Investment Manager dated 8 April 2016 as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed investment manager of the ICAV

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| “Investment Manager” | means ML Capital Asset Management Limited or such other entity as may be appointed as investment manager from time to time in accordance with the Central Bank Rules; |
| "Investor Money Regulations" | means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time; |
| “Irish Resident” | any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section above for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners; |
| “Irish Revenue Commissioners” | the Irish authority responsible for taxation; |
| “Irish Stock Exchange” | means the Irish Stock Exchange Limited; |
| "Manager" | means MLC Management Limited any successor thereto duly appointed with the prior approval of the Central Bank as the manager of the ICAV; |
| "Management Agreement" | means the agreement made between the ICAV and the Manager as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter is appointed manager of the ICAV; |
| “Net Asset Value” | means the Net Asset Value of a Fund calculated as described or referred to herein; |
| “Net Asset Value per Share” | means, in relation to any Class of Shares, the Net Asset Value divided by the number of Shares in the relevant Class of Shares in issue or deemed to be in issue in respect of that Fund at the relevant Valuation Point subject to such adjustments, if any, as may be required in relation to any Class of Shares in the relevant Fund; |
| “OECD Member State” | means a Member State of the Organisation for Economic Co-operation and Development from time to time; |
| “Prospectus” | means this document, any Supplement designed to be read and construed together with and to form part of this document and the ICAV or the Fund’s most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts; |
| “Recognised Market” | means any recognised exchange or market listed in Appendix I hereto; |
| “Recognised Rating Agency” | means Standard & Poor’s Ratings Group (“S&P”), Moody’s Investors Services (“Moodys”) or any equivalent rating agency; |
| “Relevant Supplement” | in relation to a Fund, the Supplement published in respect of that Fund and any addendums thereto; |
| “Section 739B” | means Section 739B of TCA; |
| “Share” or “Shares” | means a share or shares in the capital of the ICAV; |
| “Shareholder” | means a person registered as a holder of Shares; |
| “Sponsoring Listing Agent” | means such listing agent as may be appointed from time to time to act to sponsor the admission of Shares in any Fund of the ICAV to the Irish |

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| | Stock Exchange; |
| "Stock Transfer Form" | means such form as may be approved by the Directors and the Administrator from time to time to transfer the Shares; |
| "Fund(s)" | means such portfolio or portfolios of assets as the Directors may from time to time establish with the prior approval of the Depositary and the Central Bank, constituting in each case a separate fund with segregated liability and represented by a separate Class of Shares and invested in accordance with the investment objective and policies applicable to such Fund and described in this Prospectus or in the Relevant Supplement; |
| "Sub-Investment Manager" | means such entity as shall be approved in respect of each Fund and disclosed in the Relevant Supplement; |
| "Subscriptions/Redemptions Account" | means the account in the name of the ICAV through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form |
| "Supplement" | a document which contains specific information supplemental to this document in relation to a particular Fund; |
| "Sterling" or "STG£" | means pounds Sterling, the lawful currency of the U.K.; |
| "Swiss Francs" or "CHF" | means the lawful currency of Switzerland; |
| "TCA" | the Taxes Consolidation Act 1997; |
| "UCITS" | means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations; |
| "UCITS V" | means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time; |
| "UCITS Notices" | means the notices issued by the Central Bank from time to time pursuant to the UCITS Regulations; |
| "UCITS Regulations" | mean the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended, consolidated or substituted from time to time; |
| "U.K." | means the United Kingdom of Great Britain and Northern Ireland; |
| "U.S." or "United States" | means the United States of America, its territories and possessions including the States and the District of Columbia; |
| "U.S.$" or "U.S. Dollars" | means the lawful currency of the United States; |
| "U.S. Person" | means: |
| | (i) any individual who is a citizen or resident of the United States; |

(ii) a corporation, partnership or other entity created or organised under the laws of the United States or having its principal place of business in the United States;

(iii) an estate or trust, the income of which is subject to U.S. Federal income tax regardless of its source and regardless of whether such income is effectively connected with a U.S. trade or business;

(iv) any corporation, partnership, trust estate or other entity that is organised principally for passive investment and in which one or more individuals or entities described in (i), (ii) or (iii) hold Shares of participation representing in the aggregate 10% or more of the beneficial interests in the entity or which has as a principal purpose the facilitation of investment by any such person or entity in a commodity pool with respect to which the operator is exempt from certain requirements of 17 C.F.R. Part 4 of the regulations of the U.S. Commodity Futures Trading Commission by virtue of its participants not being such persons or entities; or

(v) a pension plan for the employees, officers or principals of an entity created, organised or existing in or under the laws of the United States or which has its principal place of business within the United States.

"Valuation Point" means such time as may be specified in a Supplement in relation to any particular Fund.

## APPENDIX I
## RECOGNISED MARKETS

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

(i) any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;

(ii) any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the "Grey Book Market", that is the market conducted by those persons for the time being included in the list maintained by the FCA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FCA under that section conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

(iii) all of the following stock exchanges and markets: the Bahrain Stock Exchange, the Dhaka Stock Exchange, the Botswana Stock Exchange, the Cayman Islands Stock Exchange, the Bolsa Electronica de Chile, Bolsa de Valores de Colombia, the Delhi Stock Exchange, the Madras Stock Exchange, the Jamaica Stock Exchange, the Amman Financial Market, the Kazakhstan Stock Exchange, the Muscat Securities Market, the Belgrade Stock Exchange, the Colombo Stock Exchange, the GreTai Securities Market, the Trinidad and Tobago Stock Exchange, the Bourse des Valeurs Mobiliers, the Montevideo Stock Exchange, the Caracas Stock Exchange, the Lusaka Stock Exchange, the Zimbabwe Stock Exchange, the Qatar Exchange, the Nairobi Stock Exchange, KODAQ, the Nigeria Stock Exchange, the Stock Exchange of Mauritius, the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Nairobi Stock Exchange, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Namibia Stock Exchange, the Nigeria Stock Exchange, the Karachi Stock Exchange, the Moscow Exchange, Moscow International Currency Exchange in Russia, the Colombo Stock Exchange, the Zimbabwe Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Caracas Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange, the Ghana Stock Exchange, the Tunis Stock Exchange, the Ukrainian Stock Exchange, the Chittagong Stock Exchange, the Dhaka Stock Exchange, the Tel Aviv Stock Exchange, the Uganda Securities Exchange, Bourse Regionale des Valeurs

Mobilieres, the Dar es Salaam Stock Exchange, the Belgrade Stock Exchange, the Bolsa de Valores de Panamá, the Nairobi Stock Exchange, the Lusaka Stock Exchange the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Corporation; the market conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

(iv) for investments in financial derivative instruments:-

CME Group, NASDAQ OMX Group, Chicago Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange, American Stock Exchange, New York Futures Exchange, New York Stock Exchange, NYSE Arca, Chicago Board Options Exchange, NASDAQ OMX NLX, NASDAQ OMX PHLX, Philadelphia Board of Trade, Kansas City Board of Trade, CBOE Futures Exchange, CME Europe, Eurex, Euronext (Amsterdam, Brussels, Lisbon, Paris), ICE Futures Europe, ICE Futures Canada, ICE Futures U.S., Australian Stock Exchange, Sydney Futures exchange, Jakarta Futures Exchange, Korea Futures Exchange, Kuala Lumpar Options and Financial Futures Exchange, Osaka Mercantile Exchange, Osaka Securities Exchange, Shanghai Futures Exchange, Sinigapore Commodities Exchange, Taiwan Futures Exchange, Tokyo International Financial Futures Exchange, Sydney Futures Exchange, Bolsa de Mercadorias & Futuros, Mexican Derivatives Exchange (MEXDER), South African Futures Exchange, Eurex (Zurich), Eurex (U.S.), New York Futures Exchange, New York Board of Trade, New Zealand Exchange, Toronto Stock Exchange, Montreal Stock Exchange, Bolsa Mercadorias & Futuros, Bolsa Mexicana de Valores, Hong Kong Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Barcelona MEFF Rent Fija, OMX Nordic Exchange Copenhagen, OMX Exchange Helsinki, OMX Nordic Exchange Stockholm, Osaka Exchange, Singapore Exchange, Tokyo Financial Exchange, Tokyo Stock Exchange, Korea Exchange, London Stock Exchange, NASDAQ OMX Sweden, ERIS Exchange, Global Markets Exchange, ELX Futures

## APPENDIX II
## EFFICIENT PORTFOLIO MANAGEMENT

The ICAV on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments in which it invests for efficient portfolio management purposes, a list of which (if any) shall be set out in the Relevant Supplement.

The ICAV may also (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of a Fund where the Fund invests in assets denominated in currencies other than the Base Currency.

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

(a) the reduction of risk;

(b) the reduction of cost; or

(c) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. Please refer to the section of this Prospectus entitled “Risk Factors; Efficient Portfolio Management Risk” for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the ICAV’s risk management process.

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

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund’s assets as expressed in the Base Currency. The Investment Manager may seek to mitigate this exchange rate risk by using repurchase/reverse repurchase agreements.

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

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

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

All the revenues arising from efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time shall be included in the ICAV and the relevant Fund's semi-annual and annual reports.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to section 5.8 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the ICAV and the relevant Fund's semi-annual and annual reports.

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

**Collateral Policy**

In the context of efficient portfolio management for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the ICAV's collateral policy outlined below.

**Collateral – received by a Fund**

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

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

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

All assets received by a Fund in the context of repurchase/reverse repurchase agreements and securities lending shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

**Collateral**

Collateral received must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, in particular, the Investment Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix I to the Prospectus.

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

**Cash collateral**

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

(i) deposits with Relevant Institutions;

(ii) high-quality government bonds;

(iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;

(iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

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

**Collateral – posted by a Fund**

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

**Dollar Roll Transactions**

The Funds may enter into dollar roll transactions with selected banks and broker dealers (the "counterparty"), under which it sells mortgage-backed securities to the counterparty together with a commitment to purchase from the counterparty similar, but not identical, securities at a future date. The counterparty receives all principal and interest payments, including prepayments, made on the security while it is the holder. Dollar rolls may be renewed over a period of several months with a new purchase and repurchase price and a cash settlement made at each renewal without physical delivery of securities.

**"Delayed Delivery" and "When Issued" Securities**

Subject to the investment restrictions, a Fund may purchase debt obligations on a "delayed delivery" or "when-issued" basis, that is, for delivery to the Fund later than the normal settlement date for such securities, at a stated price and yield. Such securities are termed "delayed delivery" when traded in the secondary market, or "when-issued" in the case of an initial issue of securities. The Fund generally would not pay for such securities or start earning interest on them until they are received. However, when the Fund undertakes a delayed delivery or when-issued purchase obligation, it immediately assumes the risk of ownership, including the risk of price fluctuation. Failure by the issuer to deliver the securities may result in a loss or missed opportunity for the Fund to make an alternative investment.

## APPENDIX III

## USE OF DERIVATIVES

Unless otherwise specified in the Relevant Supplement, a Fund may be leveraged up to 100% of its Net Asset Value through the use of derivative instruments.

With respect to use of Derivatives, a risk management process is employed a statement of which has been submitted to the Central Bank on behalf of the ICAV in accordance with the Central Bank Rules. The risk management statement sets out which of the two methods permitted under the UCITS Regulations the ICAV uses to measure exposure to Derivatives in accordance with the requirement under the UCITS Regulations to have a risk management process that enables it to accurately measure, monitor and manage the various risks associated with the use of Derivatives for each Fund. The Funds will only utilise those derivatives that are listed in the risk management process cleared by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

**Details of Derivatives used with a Summary of their Commercial Purpose**

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

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

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

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

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

Credit default swaps ("CDS"). A CDS contract is an OTC risk-transfer instrument (in the form of a derivative security) through which one party transfers to another party the financial risk of a credit event, as it relates to a particular reference security or index of securities. A Fund which buys CDS protection pays a periodic premium to the CDS seller for the duration of the contract. In the event of credit event on the referenced entity the CDS protection activates. In a cash settled CDS an auction process sets a percentage recovery rate to the reference entity. The protection buyer receives cash equivalent to the contract nominal adjusted for the recovery rate percentage. In a physical settlement CDS the protection buyer delivers the contract nominal of a valid defaulted instrument to the CDS seller who pays the contract nominal for it. In practice funds can use CDS to gain or sell credit exposure to the referenced entity without having positions in the underlying reference entity.

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

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

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

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

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

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

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

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

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

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

**Hedged Classes – Currency Hedged Classes**

Classes will be identified as currency hedged Classes as appropriate, in the Supplement for the Fund in which such Class is issued.

*Currency Hedged Classes*

The ICAV may (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. This involves a Class designated in a currency other than the Base Currency being hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable 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. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class.

Classes will be identified as currency hedged Classes as appropriate, in the Supplement for the Fund in which such Class is issued.

Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. However, over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level which review will also incorporate a procedure to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result that investors in that Class will not gain/ lose if, in the case of currency hedging, the Class currency falls / rises against the Base Currency.

## APPENDIX IV

## INVESTMENT RESTRICTIONS

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements, if any, as may be adopted from time to time by the Directors in respect of any Fund and specified in the Relevant Supplement. The principal investment restrictions applying to each Fund under the UCITS Regulations are described as follows:

1 **PERMITTED INVESTMENTS**

Investments of a Fund are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments other than those dealt on a regulated market.

1.4 Units of UCITS.

1.5 Units of non-UCITS.

1.6 Deposits with credit institutions.

1.7 Derivatives**.**

2 **INVESTMENT RESTRICTIONS**

2.1 A Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 A Fund 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 the Fund in certain U.S. securities known as Rule 144A securities provided that:

2.2.1 the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and

2.2.2 the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.

2.3 A Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.

2.6 The transferable securities or money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 A 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 with Relevant Institutions, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depositary.

2.8 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of Relevant Institutions.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:

2.9.1 investments in transferable securities or money market instruments;

2.9.2 deposits, and/or

2.9.3 counterparty risk exposures arising from OTC derivative transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

2.12 A Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, Non-Member States or public international bodies of which one or more EU Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:

European Investment Bank
European Bank for Reconstruction and Development
International Finance Corporation
International Monetary Fund
Euratom
The Asian Development Bank
European Central Bank
Council of Europe
Eurofima
African Development Bank
International Bank for Reconstruction and Development (The World Bank)
The Inter American Development Bank
European Union
Federal National Mortgage Association (Fannie Mae)
Federal Home Loan Mortgage Corporation (Freddie Mac)
Government National Mortgage Association (Ginnie Mae)

Student Loan Marketing Association (Sallie Mae)
Federal Home Loan Bank
Federal Farm Credit Bank
Tennessee Valley Authority
Straight-A Funding LLC
OECD Governments (provided the relevant issues are investment grade)
Government of Brazil (provided the issues are of investment grade)
Government of the People's Republic of China
Government of India (provided the issues are of investment grade)
Government of Singapore

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

3 **INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES (CIS)**

3.1 A Fund may not invest more than 20% of its Net Asset Value in any one CIS.

3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.

3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.

3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the ICAV or by any other company with which the management company of the ICAV is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.

3.5 Where a commission (including a rebated commission) is received by the Fund manager/investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

4 **INDEX TRACKING UCITS**

4.1 A Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.

4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

5 **GENERAL PROVISIONS**

5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 A Fund may acquire no more than:

5.2.1 10% of the non-voting shares of any single issuing body;

5.2.2 10% of the debt securities of any single issuing body;

5.2.3 25% of the units of any single CIS;

5.2.4 10% of the money market instruments of any single issuing body.

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

5.3 5.1 and 5.2 shall not be applicable to:

5.3.1 transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;

5.3.2 transferable securities and money market instruments issued or guaranteed by a non-EU Member State;

5.3.3 transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;

5.3.4 shares held by a Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;

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

5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or Derivatives. A Fund may hold ancillary liquid assets.

## 6 DERIVATIVES

6.1 A Fund's global exposure relating to Derivatives must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the Relevant Supplement).

6.2 Position exposure to the underlyings of Derivatives, including embedded Derivatives in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (This provision does not apply in the case of index based Derivatives provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)

6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in Derivatives is subject to the conditions and limits laid down by the Central Bank.

The Manager may, without limitation, adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Manager in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the ICAI to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

## APPENDIX V

## GLOBAL SUB-CUSTODIANS

| 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 Mobiliaros 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 | |

| Country | Sub-Custodian | Sub-Custodian Delegates |
|---|---|---|
| | Limited | |
| Greece | Citibank International Limited | |
| Hong Kong SAR | The Hongkong and Shanghai Banking Corporation Limited | |
| Hungary | UniCredit Bank Hungary Zrt | |
| 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 | |
| Luxembourg | Euroclear Bank S.A. / N.V | |
| 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. | |
| Philippines | The Hongkong and Shanghai Banking Corporation Limited | |

| Country | Sub-Custodian | Sub-Custodian Delegates |
|---|---|---|
| Poland | Bank Polska Kasa Opieki SA | |
| Portugal | BNP Parisbas 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 | |
| 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 | |
| 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 | |
| Uruguay | Banco Itau Uruguay S.A. | |
| Vietnam | HSBC Bank (Vietnam) Ltd | |
| Zambia | Standard Chartered Bank Zambia plc | |

* 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

## DIRECTORY

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**Distributor:**
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**Administrator:**
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Irish Financial Services Centre
Dublin 1
Ireland

**Secretary:**
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Dublin 2
Ireland

**The directors of MontLake UCITS Platform ICAV (the "Directors") listed in the Prospectus under "The ICAV" accept responsibility for the information contained in the Prospectus and this Supplement. 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 the Prospectus and this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

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# DUNN WMA INSTITUTIONAL UCITS FUND

**A sub-fund of MontLake UCITS Platform ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations.**

**SUPPLEMENT DATED 8 APRIL 2016**

**TO PROSPECTUS DATED 8 APRIL 2016**

**MANAGER: MLC MANAGEMENT LIMITED**

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**This Supplement forms part of, and should be read in the context of, and together with the Prospectus dated 8 April 2016, as may be amended from time to time (the "Prospectus") and the Addendum to the Prospectus dated 8 April 2016, in relation to MontLake UCITS Platform ICAV (the "ICAV") and contains information relating to the DUNN WMA Institutional UCITS Fund (the "Sub-Fund") which is a separate sub-fund of the ICAV.**

**This Supplement should be read in conjunction with the general description of the ICAV contained in the Prospectus. All information contained in the Prospectus is deemed incorporated herein. Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.**

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## IMPORTANT INFORMATION

This Supplement shall form part of, and should be read in conjunction with, the Prospectus. Statements made in this Supplement are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Supplement and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Supplement (whether or not accompanied by the reports), or any issue of Shares, shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Supplement.

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

Distribution of this Supplement is not authorised unless it is accompanied by a copy of the Prospectus and the ICAV's or the Sub-Fund's latest annual report and audited accounts and/or half-yearly report and unaudited accounts (as applicable). These documents, delivered together, will comprise a complete current prospectus for the offering of Shares of the Sub-Fund.

Prospective investors should seek the advice of their legal, tax and financial advisers if they have any questions regarding the contents of this Supplement.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Sub-Fund may invest in financial derivative instruments ("FDI") for investment purposes and for hedging purposes (see "Leverage" below for details of the leverage effect of investing in FDI).**

**Investors should note that the Sub-Fund may invest principally in FDI. This may expose the Sub-Fund to particular risks involving derivatives. Please refer to "Derivative Instruments" in the section of the Prospectus entitled "Special Considerations and Risk Factors".**

## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The ICAV is established pursuant to the UCITS Regulations and this Supplement shall be construed accordingly and will comply with the Central Bank Rules.

For the purposes of Share dealings and valuations of the Sub-Fund, "Dealing Day" shall mean every Business Day and such other day or days as the Directors shall from time to time determine and notify in advance to the Shareholders.

The "Valuation Point" at which prices shall be used when valuing the assets of the Sub-Fund shall be such time on a Dealing Day that reflects the close of business in the markets relevant to the assets and liabilities of the Sub-Fund or such other time on that Dealing Day as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the Valuation Point for any Dealing Day shall always be a time on that Dealing Day and the time at which the Net Asset Value is calculated will always be after the Dealing Deadline.

The Net Asset Value per Share in respect of any Dealing Day with respect to the Sub-Fund shall be published on the Business Day on which it is calculated on www.montlakeucits.com and on or through such other media as the Investment Manager may from time to time determine. The Net Asset Value per

Share published on the abovementioned website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

"Business Day" means a day which is a bank business day in Ireland, the United States, France and the United Kingdom and in such other countries as the Directors shall from time to time determine and notify in advance to the Shareholders.

"Institutional Class Shares" means the EUR Institutional Class A Shares, EUR Institutional Class B Shares, GBP Institutional Class A Shares, GBP Institutional Class B Shares, CHF Institutional Class A Shares, CHF Institutional Class B Shares, USD Institutional Class A Shares, USD Institutional Class B Shares, USD Institutional Class C Shares, SEK Institutional Class A Shares and SEK Institutional Class B Shares.

"Institutional Class Pooled Shares" means the EUR Institutional Class A Pooled Shares, EUR Institutional Class B Pooled Shares, GBP Institutional Class A Pooled Shares, GBP Institutional Class B Pooled Shares, CHF Institutional Class A Pooled Shares, CHF Institutional Class B Pooled Shares, USD Institutional Class A Pooled Shares, USD Institutional Class B Pooled Shares, SEK Institutional Class A Pooled Shares and SEK Institutional Class B Pooled Shares.

"Retail Class Pooled Shares" means the EUR Retail Class Pooled Shares, GBP Retail Class Pooled Shares, CHF Retail Class Pooled Shares, USD Retail Class Pooled Shares and SEK Retail Class Pooled Shares.

"Retail Class Shares" means the EUR Retail Class Shares, GBP Retail Class Shares, CHF Retail Class Shares and USD Retail Class Shares.

The Base Currency for the Sub-Fund shall be US Dollars or such other currency as the Directors shall from time to time determine and notify to the Shareholders.

## THE SUB-FUND

The Sub-Fund is a sub-fund of MontLake UCITS Platform ICAV (the "**ICAV**"), an Irish Collective Asset-management Vehicle established as an umbrella fund with segregated liability between sub-funds.

The ICAV offers thirty (30) classes of Shares in the Sub-Fund, being; the Institutional Class Shares, Institutional Pooled Class Shares, Retail Class Shares and Retail Pooled Class Shares. The ICAV may also create additional classes of Shares in the Sub-Fund in the future in accordance with the Central Bank Rules.

Share Classes are distinguished on the basis of the currency in which they are denominated and the Retail Class Shares and Institutional Class Shares are distinguished by the differing minimum subscription amounts and the management fee applied.

The Directors may determine to redeem all the outstanding Shares of the Sub-Fund as set out in the Prospectus.

## THE SUB-INVESTMENT MANAGERS

The Investment Manager has appointed DUNN Capital Management, LLC and Halyard Asset Management LLC as sub-investment managers to the Sub-Fund (the "**Sub-Investment Managers**").

DUNN Capital Management, LLC ("**DUNN**") has been appointed as a sub-investment manager to manage and invest the assets of the Sub-Fund in accordance with the investment objective, approach and restrictions described in this Supplement.

DUNN is a Delaware LLC, having converted from a corporation under Delaware law on December 31, 2009. DUNN is registered with the Commodity Futures Trading Commission ("**CFTC**") as a Commodity Pool Operator ("**CPO**") and Commodity Trading Advisor ("**CTA**") (as of February 6, 1976), and became a member of the National Futures Association ("**NFA**"), the self-regulatory organization of the commodities industry, on July 1, 1982. DUNN's principals are Martin H. Bergin, James R. Dailey, Roberto Osorio, David E. Dreyer, Daniel E. Dunn, Carlos G. Alvarez, Patrick G. Hamilton, David A. Kauppi, Raymond J. Brinskelle, James R. Curley, The Martin H. Bergin Trust and the Martin H. Bergin Class A Trust. DUNN had approximately US Dollar $1 billion in assets under management worldwide as at 31 January 2016.

Halyard Asset Management, LLC ("**Halyard**") has been appointed as a sub-investment manager to provide the Sub-Fund with cash management and advisory services in accordance with the investment objective, approach and restrictions described in this Supplement.

Halyard was incorporated in the United States of America, as a Delaware limited liability company on June 9, 2010 and is registered with the United States Securities and Exchange Commission ("**SEC**") in the conduct of its regulated activities.

Under the sub-investment management agreements between (i) the Investment Manager and DUNN dated 8 April 2016; and (ii) the Investment Manager, DUNN and Halyard dated 8 April 2016 (the "**Sub-Investment Management Agreements**"), DUNN and Halyard will provide discretionary investment management services to the ICAV in respect of the Sub-Fund.

The Sub-Investment Management Agreements provide that neither of the Sub-Investment Managers nor any of their members, officers, employees or agents shall be liable to the Investment Manager or any of its directors, officers, employees or agents for any loss or damage suffered or incurred by them arising out of the performance by the Sub-Investment Managers of their duties under the Sub-Investment Management Agreements, unless such loss or damage arose out of or in connection with the negligence, wilful default, bad faith or fraud of or by the relevant Sub-Investment Manager.

The Investment Manager is obliged to indemnify and keep indemnified the Sub-Investment Managers and each of their partners, officers, employees or agents, out of the assets of the Sub-Fund from and against all actions, proceedings, claims, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom) directly or indirectly suffered or incurred by the Sub-Investment Manager arising out of or in connection with the performance by the Sub-Investment Manager of its duties thereunder other than due to the negligence, wilful default, bad faith or fraud of or by the relevant Sub-Investment Manager in the performance of its duties thereunder.

Any party to a Sub-Investment Management Agreement may terminate the Sub-Investment Management Agreement upon ninety (90) days prior written notice to the other parties. The Sub-Investment Management Agreement may be terminated by any party thereto at any time by notice in writing if the other party shall (i) commit any material breach of the Sub-Investment Management Agreement, which is either incapable of remedy or has not been remedied within thirty days of notice requiring the remedying of the default; (ii) be the subject of any petition for the appointment of an examiner or similar officer to it; (iii) be unable to pay its debts as they fall due; (iv) have a receiver appointed; or (v) be the subject of an effective resolution for its winding up; (vi) be the subject of a court order for its winding up or liquidation; (vii) be incapable of performing its duties or obligations under the Sub-Investment Management Agreement.

## INVESTMENT OBJECTIVE AND POLICIES

**Investment Objective**

The Sub-Fund's investment objective is to achieve capital appreciation of its assets and generation of returns for investors over a 5 year period.

**Investment Policy**

In order to achieve the investment objective, DUNN on behalf of the Sub-Fund will seek exposure to:

(i) the DUNN WMA Institutional Program which trades a diversified portfolio of globally exchange traded futures across the following sectors: Agricultural, Stock Indices, Long-term Interest Rates, Currencies, Energies, Short-term Interest Rates, the CBOE Volatility Index ("**VIX**") and Metals. The Sub-Fund will gain exposure to the DUNN WMA Institutional Program in the following manner:

a. the Sub-Fund will gain exposure to the Agricultural, Energy and Metal sectors through investment in transferable securities in the form of structured financial instruments ("**SFI**") selected by DUNN and described in further detail under the heading "**Structured Financial Instruments**" below. The SFI will provide similar exposure as the DUNN WMA Institutional Program. The investment by the Sub-Fund in the SFI shall not exceed 20% of the Net Asset Value of the Sub-Fund.

b. the Sub-Fund will gain exposure to stock indices (such as EURO STOXX 50, Mini S&P 500, Mini NASDAQ,) which will provide exposure to equities, and to the VIX. Any such investment in stock indices or in the VIX will be made indirectly through FDI (such as futures). The VIX is a measure of the implied volatility of S&P 500 index options and represents a measure of the market's expectation of stock market volatility over the next 30-day period. Such indices will typically be rebalanced daily, noting that the rebalancing frequency will not materially impact on the strategy of the Sub-Fund or on transaction costs associated with the Sub-Fund. Where the weighting of any particular component in a financial index exceeds the permitted UCITS investment restrictions after rebalancing, any holding in such financial index will be liquidated by the Sub-Fund within a reasonable timeframe taking into account the interests of shareholders to ensure that all regulatory requirements continue to be satisfied;

c. the Sub-Fund will gain direct exposure to bonds such as US 10 year T-Note, UK Long Gilt and German Bund (which may be fixed or floating and investment grade rated by a Recognised Rating Agency or unrated), and gain indirect exposure to currencies (such as Sterling, Euro, Canadian Dollar, Japanese Yen and Swiss Franc) through the utilisation of FDI (such as foreign exchange forwards, foreign exchange futures, foreign exchange options) and gain exposure to the interest rate markets through the utilisation of FDI such as interest rate options and interest rate futures (as described in the "**Use of FDI for Investment Purposes**" section below);

The allocation of assets is dictated by the DUNN WMA Institutional Program which does so on the basis of risk. The aim is that the maximum potential risk (measured by VaR) is allocated equally amongst the traded futures markets with the exception that the allocation to VIX may be as high as 10%. The day to day allocation to each sector is set out under the heading "**Description of the DUNN WMA Institutional Program**" below.

<u>Cash Management</u>

(ii) the Sub-Fund may also invest in US government sponsored enterprises (such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Government National Mortgage Association), US municipal notes, US commercial paper, floating rate notes, time deposits, cash and other cash equivalents including money market instruments, money market funds, certificates of deposit, repurchase/reverse purchase agreements (as outlined in Appendix II of the Prospectus) as part of its management of ancillary cash and to provide margin to Approved Counterparties ("**Cash Management Assets**").

The Sub-Fund's exposure to Cash Management Assets is expected to be approximately 80% of the Net Asset Value of the Sub-Fund. The level of exposure to Cash Management Assets will be determined by the level of cash held by the Sub-Fund. The level of cash held by the Sub-Fund will be determined by the extent to which cash margin is required to be deposited in relation to each future that the Sub-Fund purchases.

**Investment Strategy**

DUNN employs a 100% systematic proprietary strategy called the DUNN World Monetary and Agricultural Institutional Program ("**DUNN WMA Institutional Program**") which is based upon trend-following techniques and empirical evidence which shows that trends, once established, have a tendency to last longer and extend further than most market participants anticipate.

**Description of the DUNN WMA Institutional Program**

The DUNN WMA Institutional Program has been designed to identify and exploit major price trends for each of the markets described under the heading "**Investment Policy**" above. The basic trading strategy of the DUNN WMA Institutional Program is to hold continuous positions (either long or short) in exchange traded futures (as described under the heading "**Investment Policy**" above). This approach is designed to capture a substantial portion of the total profit potential from non-trivial changes in a future's price. The DUNN WMA Institutional Program seeks neither to predict when the next important move will occur nor when a particular futures contract or group of futures contracts will enter a choppy and unprofitable trading phase. The DUNN WMA Institutional Program instead carries the position in each market considered most likely to capture trends, while simultaneously attempting to maintain a balanced, diversified, calibrated risk posture for the portfolio. The DUNN WMA Institutional Program's holding period will vary based on market dynamics, but the average holding period for the underlying markets traded by the DUNN WMA Institutional Program is 6-7 months.

As disclosed above, the aim is that the maximum potential risk is allocated equally to each futures market, with the exception that the VIX can be allocated up to 10% of the risk. This allocation is subject to continuous review and may be modified without notice when improvements are identified, including adding new markets within the current sectors to which the Sub-Fund gains exposure. The degree of risk taken on in each sector of the Sub-Fund can be expressed as a fraction of the sum for all sectors, which takes into account the cash management assets of the Sub-Fund, and is expected to be on average approximately: Agricultural: 12% to 19%, Stock Indices: 14% to 21%, Long-term Interest Rates: 20% to 31%, Currencies: 11% to 20%, Energies: 10% to 19%, Short-term Interest Rates: 0% to 11%, and Metals: 3% to 12%, exclusive of the VIX risk allocation as described above.

The DUNN WMA Institutional Program can be described as follows:

(i) The DUNN WMA Institutional Program is heavily researched using simulation programs, statistical software applications, and other inputs at the investigative stage of the research and development process.

(ii) The DUNN WMA Institutional Program samples thousands of prices daily to identify and exploit price trends across a broad range of sectors, including: agriculturals, stock indices, U.S. and non-U.S. interest rates, currencies, energies, VIX and metals.

(iii) The DUNN WMA Institutional Program uses proprietary formulas to systematically identify price trends across multiple time frames, which diversifies and reduces risk within the DUNN WMA Institutional Program. These proprietary formulas are referred to as "algorithms".

(iv) The DUNN WMA Institutional Program incorporates a number of underlying algorithm sets that detect trends in the markets and calculate portfolio positions accordingly. For example, one algorithm set is a medium to long-term, trend-following system that is always positioned either long or short in each market in the portfolio. Another algorithm set is an ultra long-term, opportunistic system that could be either long or short or have no position in each market of the portfolio. All algorithm sets operate and make their initial position calculations independently of each other. The total number of positions are then combined and adjusted for overall portfolio risk calibration. Additionally, the exposure to VIX adds a relative value component to the strategy described herein.

(v) The DUNN WMA Institutional Program uses algorithms to calculate buy and sell signals over a broad range of markets. Real trading is performed using the subset of algorithms that produces the best risk-to-return ratio for the simulated trading of the diversified portfolio of 54 markets currently, although the number of markets may change and may vary within the overall sector allocations indicated above. The selection process for the optimal combination of algorithms (the subset) has been designed for robustness; for example, cherry-picking is not permitted. The model selections are updated frequently (many times a year). Research continues on which markets are most favourable to trade; therefore, additional markets within the current sectors to which the Sub-Fund gains exposure may be added or existing markets replaced or deleted at any time without notice.

(vi) The result is a strength (“**STR**”) for each market that ranges between +1 and -1; for example, a strength of -1 reflects a maximal expectation of a downward direction of price movement over the long term. The higher the magnitude of the STR, the higher the risk of the position in that market that the WMA Institutional Program will take on. The sign of the strength dictates whether a position is long (STR > 0) or short (STR < 0).

(vii) The DUNN WMA Institutional Program is comprised of algorithms, which are independently tested and evaluated on their own merit and on the value that their inclusion would bring to the DUNN WMA Institutional Program. This selection methodology is based on multi-decade simulations of alternative methodologies.

(viii) Validation of the DUNN WMA Institutional Program and each of its underlying algorithms follows a rigorous scientific process. Market data spanning 15-20+ years is typically used. Portfolios are subjected to a wide array of past market events. Portfolio allocations employ risk budgeting to determine the size of positions, with dynamic adaptation to recent market conditions.

The DUNN WMA Institutional Program estimates the dollar standard deviation of its portfolio of intended positions for the following day (Day1) using ordinary variance-covariance methods. The expected Value at Risk ("**VaR**") for the following day can be estimated, using standard techniques, based on (1) the number of contracts dictated by the DUNN WMA Institutional Program to be achieved for each market for the following day, (2) the recent volatility of each market, (3) the recent correlations between prices movements in every pair of markets, and (4) the most recent NAV. VaR represents the loss level over a month (20 trading days) which is expected to be exceeded only one out of one hundred months. While the VaR limit is 20%, a VaR of magnitude 10% or more for the DUNN WMA Institutional Program is expected to arise less than one tenth of the time. Moreover, should the level of VaR exceed 14%, DUNN will begin to scale back market positions to ensure that VaR does not exceed 20%.

The DUNN WMA Institutional Program also manages risk by scaling position size based on recent market volatility with higher volatility resulting in smaller position sizes and vice versa.

The DUNN WMA Institutional Program further manages risk by limiting the maximum allocation to any one UCITS eligible component of the DUNN WMA Institutional Program to not more than 3% of the sum of all potential maximal risk allocations, with the exception that the VIX may be allocated up to 10% of the risk.

**Structured Financial Instruments**

The SFIs are debt securities that fall within the categorization of “transferable securities” as contemplated by the Central Bank Rules. Please see “SFIs” below. The SFIs are expected to provide a sub-set of the Sub-Fund’s exposure as set out above under (i) (a) under the heading "**Investment Policy**" above. Exposure to the SFIs will range between 0 and 20% of the Net Asset Value of the Sub-Fund, 20% being a maximum level of exposure.

The SFI shall be issued by SG Option Europe and SG Issuers (guarantor Société Générale). The SFI shall be independently valued by a third-party and shall be listed on the EURO MTF Luxembourg Stock Exchange as set out in Appendix III of the Prospectus. SG Issuer and SG Option Europe, acting in its capacity as dealer for the SFI (the "**Dealer**"), shall commit to purchase the SFI from the Sub-Fund at their most recent net asset value as calculated by the third-party administrator in the absence of Market Disruption Events which give rise to the temporary suspension or termination of the Sub-Fund, subject to receiving two (2) Business Days' prior notice from the Sub-Fund.

SFIs provide indirect exposure to global markets, and more specifically to the Agricultural, Energy and Metal sectors. Such SFIs shall comply with the following criteria pursuant to the Central Bank Rules:

- There shall be either a market price available or an independent valuation performed for such SFIs. For the avoidance of doubt, it is understood that a valuation provided by the Administrator of the Sub-Fund or by DUNN constitutes an independent valuation;

- The SFIs shall be listed in one or more Recognised Markets set out in Appendix I of the Prospectus and will be issued by issuers located notably in Luxembourg, Ireland or France;

- The SFI shall provide exposure on a 1:1 basis to interests in a Cayman Fund Company which intends to employ an investment management strategy designed to track the returns of the DUNN WMA Institutional Program. The SFI shall not embed leverage or derivatives;

- Investments in such SFIs shall not exceed 20% of the Net Asset Value of the Sub-Fund, notwithstanding with the number of issuers of such SFIs or their diversification; and

- The Dealer shall commit to purchase the SFI from the Sub-Fund in the absence of Market Disruption Events affecting the relevant SFI at a price reflecting the price of its reference investment vehicle, subject to a notice period of one business day. Please see "**Market Disruption Events**" below for more information.

**Market Disruption Events**

A Market Disruption Event is the occurrence or existence of one or more of the following events, which occur in relation to any Sub-Fund asset:

(i) it is not possible to obtain a price or value (or an element of such price or value) of any Sub-Fund asset according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);

(ii) the calculation of the price or value of any Sub-Fund asset is, at the relevant time, in the opinion of the Dealer in respect of SFI and/or DUNN in relation to any Sub-Fund asset impractical or impossible to make;

(iii) there is in connection with any Sub-Fund assets (save for SFI) a (A) reduction in liquidity in or (B) materially increased cost of maintaining, establishing or unwinding any position in the determination of DUNN;

(iv) there is any substantial suspension of or substantial limitation imposed on trading on any exchanges, quotation systems or over-the-counter market where any Sub-Fund asset is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Sub-Fund asset. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Dealer in respect of SFI and in all other cases by DUNN constitute a Market Disruption Event;

(v) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Dealer in respect of SFI and in all other cases by DUNN;

(vi) the occurrence of any event that generally makes it impossible or impractical to convert the currency of the country of issue and/or country of payment of any Sub-Fund asset into the Base

Currency through customary legal channels, as determined by the Dealer in respect of SFI and in all other cases by DUNN;

(vii) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Sub-Fund asset to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Sub-Fund asset between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Dealer in respect of SFI and in all other cases by DUNN;

(viii) a general moratorium is declared in respect of banking activities in London, Dublin, Paris or New York;

(ix) the occurrence of any early termination event or event of default or illegality affecting a Sub-Fund asset or other breach of obligations by the issuer of a Sub-Fund asset; and/or

(x) a change in law or regulations (including, without any limitation, any tax law), or the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), which affect the holding, acquisition, trading, transfer or hedging of a Sub-Fund asset.

As set out above, upon the occurrence of a Market Disruption Event the Directors will temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares; and/or the Directors may, in certain circumstances, terminate the Sub-Fund.

**Use of FDI for Investment Purposes**

<u>Futures:</u>

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.

Foreign exchange futures, interest rate futures and index futures will be utilised by the Sub-Fund to hedge against the movements of the interest rate and currency markets and / or gain synthetic exposure to such markets instead of direct investment. 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.

The purpose of any futures used by the Sub-Fund will be gain exposure to interest rates, currencies and stock indices, including the VIX, and will at all times be in compliance with the Central Bank Rules.

<u>Options:</u>

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 Sub-Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are relevant assets, instruments (such as futures) or indices in respect of the investment policy of the Sub-Fund.

Foreign currency options and interest rate options will be utilised by the Sub-Fund to hedge against the movements of the interest rate and currency markets and / or gain synthetic exposure to such markets instead of direct investment. The purpose of any options used by the Sub-Fund will be gain exposure to interest rates and currencies and will at all times be in compliance with the Central Bank Rules.

**Use of FDI for Currency Hedging Purposes**

Assets of the Sub-Fund may be denominated in a currency other than the Base Currency and changes in exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The Sub-Fund may (but is not obliged to) seek to mitigate this exchange rate risk by entering into currency transactions including forward currency contracts, currency options to hedge the foreign currency exposure of individual Share Classes against the Base Currency or the currencies in which the assets of the Sub-Fund are denominated in order to hedge the currency exposure of assets of the Sub-Fund into the Base Currency. No assurance, however, can be given that such mitigation will be successful.

The Sub-Fund shall enter into FDI with Approved Counterparties on an over-the-counter ("**OTC**") basis, or shall invest in FDI listed or traded in a Recognised Market. Further details in respect of hedging transactions and their impact on individual Share Classes are set out in Appendix II of the Prospectus.

<u>Forwards:</u>

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.

Foreign exchange forwards will be utilised by the Sub-Fund to hedge against the movements of the interest rate and currency markets and / or gain synthetic exposure to such markets instead of direct investment. Foreign exchange forward contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares. The purpose of any forwards used by the Sub-Fund will be gain exposure interest rates and currencies and will at all times be in compliance with the Central Bank Rules.

**Efficient Portfolio Management**

The Sub-Fund may also use certain efficient portfolio management techniques such as securities lending and reverse repurchase and repurchase transactions, further details of which are contained in the Prospectus.

Please refer to the risk factor regarding reinvestment of cash collateral risk in the section "**Other Considerations and Risk Factors**" below for more details.

**VaR**

The Sub-Fund will use the absolute Value-at-Risk ("**VaR**") model (a fixed VaR limit) to restrict the market risk of the portfolio. The absolute VaR model is considered appropriate as the Sub-Fund does not define the investment target in relation to a benchmark. In accordance with the Central Bank Rules, the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, measured with a confidence level of not less than 99% and a holding period of not less than 20 days. The historical observation period will typically be 200 weeks or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and they will be included in an updated Supplement which will be sent to investors.

Investors should note that the significance of the "one-tailed" 99% confidence level used by the Sub-Fund is that, based on the model of price behaviour used by DUNN, when the Sub-Fund VaR level is at its normal maximum risk level of 10%, losses are expected to exceed 10% one percent of the time, or in 1 out of every 100 trading months. However, at this risk level, the model would also predict that losses of more than this amount could happen in 1 month of every 100, and the size of the losses may be much more than 10% of the Sub-Fund value.

Investors should be aware that VaR is a way of measuring the potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. It is not an assurance that the Sub-Fund will experience a loss of any particular size and the Sub-Fund could be exposed to losses which are much greater than envisaged VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage, and that VaR is a statistical risk measure and the actual loss of a particular transaction or to the Sub-Fund overall may materially exceed the loss indicated by the use of VaR.

There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of leverage in the Sub-Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

**Leverage**

The DUNN WMA Institutional Program may reflect a significantly higher level of leverage typical of a medium to long-term managed futures strategy. The contracts comprising the strategy are traded on margin (such as liquid futures contracts in stock indices, the VIX, long-term interest rates, currencies, and short-term interest rates). In this context, the leverage of the Sub-Fund is calculated by adding the sum of the notional values of such underlying instruments. Investing on margin can be said to generate leverage because these notional values will substantially exceed the margin paid. That leverage will vary depending upon the market conditions and the trends that the DUNN WMA Institutional Program is seeking to reflect. Higher leverage will be utilised generally where the managed futures strategy is reflecting strong trends in lower volatility markets such as interest rates. While leverage presents opportunities for increasing total return, it may potentially increase losses. Accordingly, any event which adversely affects the value of an investment would be magnified to the extent leverage is employed. The cumulative effect of leverage in a market that moves adversely to a leveraged investment could be a substantial loss, which would be greater than if leverage was not used. These factors will be reflected in the performance of the DUNN WMA Institutional Program. Leverage will only be generated as a result of exposure to the DUNN WMA Institutional Program.

Despite the larger exposures in FDI, the risks relating to this are monitored closely, and DUNN calibrates the allocation to each applicable futures market to optimise the portfolio's risk-adjusted returns.

The level of leverage, calculated as the sum of the notional exposure of the Sub-Fund's FDI, which are used by the Sub-Fund to gain exposure as described above to categories (b) and (c) of the Investment Policy, is expected to vary between 48% and 1200% for the sum of categories (b) and (c) of the Investment Policy above. Category (a) is excluded from this calculation because the Sub-Fund obtains exposure to category (a) via SFI, as discussed previously under the heading Structured Financial Instruments. The expected FDI leverage is apportioned between categories (b) and (c) of the Investment Policy above according to the following ranges, which each total 100%: (b) .3% to 37.8% and (c) 62.2% to 99.7%.

Notional leverage takes into account the notional value of the Sub-Fund's derivative positions and does not include the value of any securities held by the Sub-Fund.

The 48% to 1200% leverage range is calculated based on simulated portfolios (from 2 January 1990 to 15 February 2016) reflecting the current DUNN WMA strategy as traded by the Sub-Fund and the markets currently used. The absolute values of the face values of every futures contract held in the portfolio each day are added together and divided by the NAV to arrive at the reported range of leverages. These ranges are the low and highs (rounded) after analyzing simulated portfolios using the DUNN WMA Institutional Program under the current Sub-Fund structure. The leverage was less than 635% in 95% of the simulation period. It is possible that leverage may exceed the above range, and the Sub-Fund may be subject to higher leverage levels from time to time. The higher levels of leverage within the range will be evident when the DUNN WMA Institutional Program's futures positions have low correlations to one another, the markets have relatively low price volatility, or the markets are in a prolonged trending environment. Levels of leverage in excess of the range disclosed may be reached in the extraordinary case when one or more of these conditions are in place across most markets. The leverage levels are particularly exacerbated by large futures positions in short-term interest rate markets. The lower levels of leverage within the range occur when most markets display no discernible trends or they present relatively high price volatility or high inter-market correlations.

The calculation of the expected level of leverage range, based on the sum of the absolute notional values of the FDI used, is produced in accordance with the Central Bank Rules. This figure does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. It is therefore not a risk-adjusted method of measuring leverage, which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account.

**Investment Restrictions**

The Sub-Fund will not invest in excess of 10% of its Net Asset Value in other open-ended collective investment schemes. The general investment restrictions contained in the Investment Restriction section of the Prospectus also apply.

**Risk Management**

The Manager is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to FDI that it uses. The VaR method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank in the risk management process statement the Manager filed with the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Sub-Fund will not utilise any FDI that are not included in its existing risk management process cleared by the Central Bank, and it will not use such FDI until such time as they have been cleared by the Central Bank and an updated risk management process statement has been filed.

**Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.**

**Profile of a Typical Investor**

DUNN expects that the typical investor will be sophisticated and experienced in analysing complicated investment strategies and that the typical investor has a long time frame for this investment and a high tolerance for risk.

## HOW TO BUY SHARES

The denomination of each Share Class is set out in the Fees and Expenses table below. Shares of all Classes of the Sub-Fund which are not yet funded and which have not yet been issued are available for subscription at the Initial Price (as set out in the Fees and Expenses table below). Shares of all Classes of the Sub-Fund which are funded and which are in issue are available for subscription at the relevant Net Asset Value per Share on each Dealing Day. Details of the Shares of all Classes of the Sub-Fund which are in issue are available on www.montlakeucits.com. The minimum subscription amount for each Share Class is as set out in the Fees and Expenses Section below. The Directors may waive the minimum initial subscription amount at their discretion.

Shares in the SEK Institutional Class A Shares, SEK Institutional Class B Shares, SEK Institutional Class A Pooled Shares, SEK Institutional Class B Pooled Shares and SEK Retail Class Pooled Shares will be offered at the initial price per Share ("**Initial Price**") set out in the below table from 9:00 am, 11 April 2016 (the "**Initial Offer Period**") until 12:00 pm, 10 October 2016 or such other date as the Directors may determine and notify to the Central Bank (the "**Closing Date**"), subject to receipt by the ICAV of applications and subscription proceeds in the manner described below.

Orders for Shares of all Classes of the Sub-Fund that are received and accepted by or on behalf of the Administrator or the ICAV at the address specified in the Application Form prior to 1.00 p.m. (Irish time) (the "**Subscription Dealing Deadline**") on the Business Day preceding the relevant Dealing Day, will be processed at the offering price determined in respect of that Dealing Day, and Shares will be provisionally allotted subject to receipt of the cleared subscription monies, provided that cleared funds are received and accepted by or on behalf of the Administrator of the ICAV before 11.59 p.m. (Irish time) on the Business Day three (3) Business Days following the relevant Dealing Day (the "**Funding Deadline**"). Orders to subscribe for Shares received and accepted by or on behalf of the Administrator or the ICAV after the Dealing Deadline for the Sub-Fund will be processed at the offering price determined in respect of the next Dealing Day. It is the responsibility of the Distributor and intermediaries as appointed in accordance with the Central Bank Rules to ensure that orders placed through them are transmitted onwards to the Administrator on a timely basis.

Where subscription monies are not received by the ICAV before the Funding Deadline, the ICAV on behalf of the Sub-Fund may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the Sub-Fund, subject to the receipt of the cleared subscription monies no later than ten (10) Business Days after the Funding Deadline. Any such borrowings will be in accordance with the Central Bank Rules and will not, in any event, exceed 10% of the Net Asset Value of the Sub-Fund. Once the subscription monies are received the Sub-Fund will use such subscription monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates. In addition the investor shall indemnify the ICAV for any losses, costs or expenses suffered directly or indirectly by the ICAV or the Sub-Fund as a result of the investor's failure to pay for Shares applied for by the due date set forth in the Prospectus and this Supplement. The ICAV reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. In computing any losses covered under this paragraph, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the ICAV or the Sub-Fund in taking proceedings against the applicant.

The ICAV may charge a subscription fee of up to 5% as specified under the section entitled "**Fees and Expenses**". The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

For additional information concerning subscriptions, please consult "**Investing in Shares**" in the Prospectus.

## HOW TO REDEEM SHARES

**Shareholders may redeem their Shares by mail or fax.** Shareholders may request the ICAV to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share in respect of such Dealing Day. Any amendments to a Shareholder's registration details or payment instructions will only be effected on receipt of original documentation.

Save where expressly provided herein or in the Prospectus, a redemption request forwarded by mail or fax must be received by the ICAV, c/o the Administrator, at the address specified in an Application Form not later than 1.00 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day (the "**Redemption Dealing Deadline**"). Faxes should be sent to +353 1 531 8504. Redemption proceeds will normally be paid within three (3) Business Days of the relevant Dealing Day and no later than ten (10) Business Days of the relevant Redemption Dealing Deadline. However, no redemption payments will be made until the original subscription documentation required by the ICAV has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Requests received after the Dealing Deadline on a Dealing Day shall be processed as at the next Dealing Day unless previously withdrawn. All requests for redemption must be endorsed by the record owner(s) exactly as the Shares are registered. In addition, in some cases the Administrator may require the furnishing of additional documents such as where the Shares are registered in the name of a corporation, partnership or fiduciary.

**For additional information concerning redemptions and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

## HOW TO EXCHANGE OR TRANSFER SHARES

Shareholders may exchange Shares in the Sub-Fund on any Dealing Day for Shares of another Class in the Sub-Fund or Shares in any Class of any other sub-fund of the ICAV authorised by the Central Bank. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares or shares of another sub-fund (together, "**New Shares**") with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the New Shares will be issued at the Net Asset Value per Share of the corresponding Class of the applicable sub-fund. Exchange requests for Shares must be made through the Distributor for onward transmission to the Administrator in accordance with such detailed instructions regarding exchange procedures as are furnished by the Distributor. The exchange of Shares in New Shares will be subject to the Shareholder meeting the eligibility requirements applicable to the New Shares, including without limitation minimum subscription and minimum shareholding requirements, if any.

No exchange fee will be charged by the ICAV, the Manager or the Investment Manager.

Transfers of Shares must be affected by submission of an original Stock Transfer Form. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors (or the Administrator on their behalf) may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors.

**For additional information concerning exchanges and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

Shares are freely transferable and may not be subject to any transfer restrictions or compulsory redemption save where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, or where such transfer would result in a Shareholder falling below the specified minimum holding, if applicable. To avoid such regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, transfers of Shares are subject to the prior approval of the Directors or the Administrator on their behalf. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a Declaration (as described in the section of the Prospectus entitled "**Taxation**") in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares as described in the section headed "**Taxation**" in the Prospectus.

## DIVIDEND POLICY

The Directors do not intend to declare dividend distributions in respect of the Sub-Fund. Accordingly all income and capital gains in respect of the Sub-Fund will be re-invested in the Sub-Fund and shall be reflected in the Net Asset Value per Share of the Sub-Fund.

## SPECIAL CONSIDERATIONS AND RISK FACTORS

Investors should be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the "**SPECIAL CONSIDERATIONS AND RISK FACTORS**" section of the Prospectus and below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

**The Sub-Fund may be exposed to Entities Which Use Margin Funding**

The Sub-Fund shall obtain exposure to the DUNN WMA Institutional Program by investing (in accordance with the Investment Policy) in SFI and unlisted securities. Such instruments may provide the Sub-Fund with direct or indirect exposure to entities which use debt financing or trade on margin (i.e. borrowing against the assets purchased) to obtain an optimum return on their equity capital. The use of such techniques may therefore increase the volatility of the price of the SFI and unlisted securities and as a result may impact the returns of the Sub-Fund.

**Trading in Futures, Forwards and Options is Speculative and Volatile**

The rapid fluctuations in the market prices of futures, forwards, and options make an investment in the DUNN WMA Institutional Program strategy volatile. Volatility is caused by, among other things: changes in supply and demand relationships; weather; agriculture, trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; and changes in interest rates. The DUNN WMA Institutional Program may not take account of all of these factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and this intervention may cause these markets to move rapidly.

**Exposure to Commodities Involves Certain Risks**

Indirect exposure to the commodities markets via investment in the SFI may subject the Sub-Fund to greater volatility than investments in traditional securities. The performance of the DUNN WMA Institutional Program may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, embargoes, tariffs and international economic, political and regulatory developments.

**Markets or Positions May Be Correlated and May Expose the Sub-Fund to Significant Risk of Loss**

Different markets traded or individual positions may be highly correlated to one another at times. Accordingly, a significant change in one such market or position may affect other such markets or positions. DUNN cannot always predict correlation. Correlation may expose the Sub-Fund to significant risk of loss.

**The Sub-Fund's success is dependent on the performance of the DUNN WMA Institutional Program**

Therefore, the success of the Sub-Fund depends on the judgment and ability of DUNN in selecting the futures contracts for the DUNN WMA Institutional Program. The DUNN WMA Institutional Program may not prove successful under all or any market conditions. If the DUNN WMA Institutional Program is unsuccessful, the Sub-Fund may incur losses.

The Sub-Fund's objective is to provide Shareholders with returns based on the exposure to the Dunn WMA Institutional Program; as such the performance of DUNN has an indirect impact on the Sub-Fund's ability to meet its objective. DUNN, in turn, is dependent on the services of a limited number of persons to develop and refine its trading approaches and strategies and execute the trading transactions. The loss of the services of any of DUNN's principals or key employees, or the failure of those principals or key employees to function effectively as a team, may have an adverse effect on DUNN's ability to manage its trading activities successfully, or may cause DUNN to cease operations entirely. This, in turn, could negatively impact the Sub-Fund's performance.

**The Sub-Fund Places Significant Reliance on the Relationships of the Sub-Fund with Third Parties**

The Sub-Fund is dependent on the services of independent third parties to obtain exposure to the DUNN WMA Institutional Program. The loss of the services of any such third parties, including any licence to use the DUNN WMA Institutional Program, may have an adverse effect on DUNN's ability to implement the Investment Policy of the Sub-Fund and achieve the Investment Objective of the Sub-Fund.

**Exposure to Currencies Involves Certain Risks**

The Sub-Fund's indirect exposure to foreign currencies subjects the Sub-Fund to currency risk. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates and the imposition of currency controls or other political developments in the relevant countries. In addition, the Sub-Fund may incur transaction costs in connection with conversions between various currencies.

**Cash Collateral**

As the Sub-Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, reinvesting cash collateral will be exposed to the risks associated with such investments, such as failure or default of the issuer of the relevant security or the relevant counterparty on its obligations under the relevant contract.

**Risk Factors Not Exhaustive**

The risks set out in this Supplement do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or the Sub-Fund may be exposed to risks of an exceptional nature from time to time.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus. The table below summarises the fees that are currently imposed in respect of each Share Class. Further details in relation to each of these fees are set out below.

| **Share Classes** | **EUR Institutional Class A** | **EUR Institutional Class B** | **EUR Institutional Class A Pooled** | **EUR Institutional Class B Pooled** | **EUR Retail** | **EUR Retail Pooled** |
|---|---|---|---|---|---|---|
| Initial Price | EUR100 | EUR100 | EUR100 | EUR100 | EUR100 | EUR100 |
| Minimum Investment | EUR100,000 | EUR5,000,000 | EUR100,000 | EUR5,000,000 | EUR1,000 | EUR1,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Management Fee | 0.30% | 0.20% | 0.30% | 0.20% | 0.80% | 0.80% |
| Performance Fee | 25% | 20% | 25% | 20% | 25% | 25% |
| Shareholder Servicing Fee | 0% | 0% | 0% | 0% | 0.25% | 0.25% |
| Subscription Fee | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Cash Management Fee | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% |

| **Share Classes** | **GBP Institutional Class A** | **GBP Institutional Class B** | **GBP Institutional Class A Pooled** | **GBP Institutional Class B Pooled** | **GBP Retail** | **GBP Retail Pooled** |
|---|---|---|---|---|---|---|
| Initial Price | GBP100 | GBP100 | GBP100 | GBP100 | GBP100 | GBP100 |
| Minimum Investment | £100,000 | £5,000,000 | £100,000 | £5,000,000 | £1,000 | £1,000 |
| Management Fee | 0.30% | 0.20% | 0.30% | 0.20% | 0.80% | 0.80% |
| Performance Fee | 25% | 20% | 25% | 20% | 25% | 25% |
| Shareholder Servicing Fee | 0% | 0% | 0% | 0% | 0.25% | 0.25% |
| Subscription Fee | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Cash Management Fee | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% |

| **Share Classes** | **CHF Institutional Class A** | **CHF Institutional Class B** | **CHF Institutional Class A Pooled** | **CHF Institutional Class B Pooled** | **CHF Retail** | **CHF Retail Pooled** |
|---|---|---|---|---|---|---|
| Initial Price | CHF100 | CHF100 | CHF100 | CHF100 | CHF100 | CHF100 |
| Minimum Investment | CHF100,000 | CHF5,000,000 | CHF100,000 | CHF5,000,000 | CHF1,000 | CHF1,000 |
| Management Fee | 0.30% | 0.20% | 0.30% | 0.20% | 0.80% | 0.80% |
| Performance Fee | 25% | 20% | 25% | 20% | 25% | 25% |
| Shareholder Servicing Fee | 0% | 0% | 0% | 0% | 0.25% | 0.25% |
| Subscription Fee | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% | 0% |
| Cash Management Fee | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% |

| **Share Classes** | **USD Institutional Class A** | **USD Institutional Class B** | **USD Institutional Class C** | **USD Institutional Class A Pooled** | **USD Institutional Class B Pooled** | **USD Retail** | **USD Retail Pooled** |
|---|---|---|---|---|---|---|---|
| Initial Price | USD100 | USD100 | USD100 | USD100 | USD100 | USD100 | USD100 |
| Minimum Investment | USD100,000 | USD5,000,000 | USD15,000,000 | USD100,000 | USD5,000,000 | USD1,000 | USD1,000 |
| Management Fee | 0.30% | 0.20% | 0% | 0.30% | 0.20% | 0.80% | 0.80% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Performance Fee | 25% | 20% | 0% | 25% | 20% | 25% | 25% |
| Shareholder Servicing Fee | 0% | 0% | 0% | 0% | 0% | 0.25% | 0.25% |
| Subscription Fee | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Cash Management Fee | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% |

| **Share Classes** | **SEK Institutional Class A** | **SEK Institutional Class B** | **SEK Institutional Class A Pooled** | **SEK Institutional Class B Pooled** | **SEK Retail Pooled** |
|---|---|---|---|---|---|
| Initial Offer Price | KR1000 | KR1000 | KR1000 | KR1000 | KR1000 |
| Minimum Investment | KR1,000,000 | KR50,000,000 | KR1,000,000 | KR50,000,000 | KR10,000 |
| Management Fee | 0.30% | 0.20% | 0.30% | 0.20% | 0.80% |
| Performance Fee | 25% | 20% | 25% | 20% | 25% |
| Shareholder Servicing Fee | 0% | 0% | 0% | 0% | 0.25% |
| Subscription Fee | Max 5% | Max 5% | Max 5% | Max 5% | Max 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% |
| Cash Management Fee | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% | Up to 0.2% |

## MANAGER FEES

### Management Fee

The ICAV will be subject to a management fee in respect of the Sub-Fund in an amount which will not exceed:

(i) 0.8% per annum of the Net Asset Value of the Sub-Fund in the case of the Retail Class Shares and the Retail Class Pooled Shares; and

(ii) up to 0.3% per annum of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Shares and the Institutional Class Pooled Shares,

The management fee will accrue daily and will be payable monthly in arrears on the last Dealing Day for that month payable in US Dollars.

The management fee will be paid by the ICAV to the Manager which will pay the fees of the Investment Manager and DUNN out of these fees. The ICAV will also reimburse the Manager out of the assets of the Sub-Fund for reasonable out-of-pocket expenses incurred by the Manager, the Investment Manager and DUNN. The Manager will be responsible for reimbursing the Investment Manager and DUNN for these expenses.

The Manager may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or all of the management fees it receives in relation to the Sub-Fund. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Performance Fee**

The Manager will also be entitled to receive a performance fee in respect of each Share Class (excluding the USD Institutional Class C), calculated as set out at sections A and B below (the "**Performance Fee**"). The Manger may pay some or all of the Performance Fee to the Investment Manager or the Sub-Investment Manager. The calculation of the Performance Fee shall be verified by the Depositary.

The Performance Fee in respect of each Share Class will be calculated in respect of each calendar quarter (a "**Calculation Period**"). The Performance Fee will be deemed to accrue on a daily basis as at each Valuation Day.

The first Calculation Period for any Classes of Shares first issued during a calendar quarter is the period commencing on the Business Day immediately following the end of the Initial Offer Period for that Share Class and ending on the last day of that calendar quarter. The Initial Offer Price will be taken as the starting price of the first Calculation Period.

The Performance Fee is normally payable to the Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

If the Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

A. The Performance Fee for the Institutional Class Shares and Retail Class Shares is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee, which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee will be calculated at the relevant percentage rate per annum shown in the table above for each of the relevant share classes (the "**relevant percentage**") of the appreciation in the Net Asset Value per Share of each such Class during that Calculation Period above the Peak Net Asset Value per Share of that Class.

The Peak Net Asset Value per Share ("**Peak Net Asset Value per Share**") is the greater of (i) the initial price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

*Adjustments*

If an investor subscribes for Retail Class Shares or Institutional Class Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber.

1. If such Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant percentage of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset

Value of the Shares so redeemed will be paid to the Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant percentage of the difference between the then current Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount) equal to the relevant percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to the relevant percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

B. The Manager is also entitled to receive a Performance Fee out of the assets attributable to the Institutional Class Pooled Shares and Retail Class Pooled Shares. The Performance Fee will accrue on each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the relevant Share Classes. The Performance Fee is payable on the last Dealing Day in each Calculation Period, or if the relevant class is terminated before the end of a Calculation Period, the Dealing Day on which the final redemption of shares takes place (each a Payment Date).

The Performance Fee shall be equal in aggregate to the relevant percentage of the amount by which the Net Asset Value of the Retail Class Pooled Shares exceeds the Adjusted Net Asset Value of the relevant class as at the Payment Date, plus any Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period.

The Adjusted Net Asset Value of a class is the Net Asset Value of the class as at the end of the last Calculation Period after which a Performance Fee was paid increased on each Dealing Day by the value of any subscriptions or reduced pro rata by the value of any redemptions on each Dealing Day dealt over the period since the previous Dealing Day.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period but not yet paid.

For the avoidance of doubt, any losses in a Calculation Period must be recouped in future Calculation Periods before any Performance Fee will become payable.

Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

**CASH MANAGEMENT FEES**

The ICAV will be subject to a fee in respect of the cash management of the Sub-Fund which will be payable to Halyard in an amount which will not exceed 0.2% of the Net Asset Value of the Sub-Fund.

**SHAREHOLDER SERVICING FEE**

The Retail Class and Retail Class Pooled Shares will be subject to a shareholder servicing fee of 0.25% per annum of the Net Asset Value of the relevant Share Class. The shareholder servicing fee will be used to cover expenses that are primarily attributable to the sale of the Retail Class and Retail Class Pooled Shares, including the cost of distributing the Prospectus and other sales literature to prospective investors in the Sub-Fund and payment to the Distributor or such other persons and/or dealers who provide support services in connection with the distribution of the Retail Class and Retail Class Pooled Shares. Such fee is accrued at each Valuation Point for the Sub-Fund and paid monthly in arrears and deducted from the portion of the Net Asset Value of the Sub-Fund attributable to the relevant Classes of Shares. The Distributor may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or the entire Shareholder Servicing fee it receives in relation to the Sub-Fund.

**SUBSCRIPTION FEE**

The ICAV may charge a subscription fee of up to 5%. The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

**REDEMPTION FEE**

The ICAV does not currently intend to impose a redemption fee for redemptions from the Sub-Fund.

**ESTABLISHMENT AND OPERATING EXPENSES**

The Sub-Fund's formation expenses, which were €41,411.39, are being borne out of the assets of the Sub-Fund and will be amortised over the first five (5) accounting periods of the Sub-Fund. Certain other costs and expenses incurred in the operation of the ICAV will also be borne out of the assets of the Sub-Fund, including without limitation, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange (if applicable); client service fees; writing, typesetting and printing the Prospectus, sales, literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

## OTHER FEES

Investors should refer to the "**Fees and Expenses**" section of the Prospectus for Depositary fees, Administrator fees, Directors' fees and any other fees that may be payable and which are not specifically mentioned here.

**The directors of MontLake UCITS Platform ICAV (the "Directors") listed in the Prospectus under "The ICAV" accept responsibility for the information contained in the Prospectus and this Supplement. 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 the Prospectus and this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

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# NEW MOUNTAIN VANTAGE UCITS FUND

**A sub-fund of MontLake UCITS Platform ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations**

**SUPPLEMENT DATED 8 APRIL 2016**
**TO PROSPECTUS DATED 8 APRIL 2016**

**MANAGER: MLC MANAGEMENT LIMITED**

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**This Supplement forms part of, and should be read in the context of, and together with, the Prospectus dated 8 April 2016, as may be amended from time to time (the "Prospectus") and the Addendum to the Prospectus dated 8 April 2016 in relation to MontLake UCITS Platform ICAV (the "ICAV") and contains information relating to the New Mountain Vantage UCITS Fund (the "Sub-Fund") which is a separate sub-fund of the ICAV.**

**This Supplement should be read in conjunction with the general description of the ICAV contained in the Prospectus. All information contained in the Prospectus is deemed incorporated herein. Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.**

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## IMPORTANT INFORMATION

This Supplement shall form part of, and should be read in conjunction with, the Prospectus. Statements made in this Supplement are, except where otherwise stated based on the law and practice currently in force in Ireland and are subject to change.

This Supplement contains information relating to the Sub-Fund, a separate sub-fund of the ICAV which is authorised and regulated by the Central Bank as a UCITS.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Supplement and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Supplement (whether or not accompanied by the reports), or any issue of Shares, shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Supplement.

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

Distribution of this Supplement is not authorised unless it is accompanied by a copy of the Prospectus and the ICAV's or the Sub-Fund's latest annual report and audited accounts and/or half-yearly report and unaudited accounts (as applicable). These documents, delivered together, will comprise a complete current prospectus for the offering of Shares of the Sub-Fund.

Prospective investors should seek the advice of their legal, tax and financial advisers if they have any questions regarding the contents of this Supplement.

**The Sub-Fund may invest in financial derivative instruments ("FDI") for investment purposes and for hedging purposes (see "Leverage" below for details of the leverage effect of investing in FDI).**

**Investors should note that the Sub-Fund may invest principally in FDI. This may expose the Sub-Fund to particular risks involving derivatives. Please refer to "Derivative Instruments" in the section of the Prospectus entitled "Special Considerations and Risk Factors".**

## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The ICAV is established pursuant to the UCITS Regulations and this Supplement shall be construed accordingly and will comply with the Central Bank's Rules.

For the purposes of Share dealings and valuations of the Sub-Fund, "**Dealing Day**" shall mean every Business Day in Ireland and the U.S. and such other day or days as the Directors shall from time to time determine and notify in advance to the Shareholders.

The "**Valuation Point**" at which prices shall be used when valuing the assets of the Sub-Fund shall be such time on a Dealing Day which reflects the close of business in the markets relevant to the assets and liabilities of the Sub-Fund or such other time on that Dealing Day as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the Valuation Point for any Dealing Day shall always be a time on that Dealing Day and the time at which the Net Asset Value is calculated will always be after the relevant Subscription Dealing Deadline and the Redemption Dealing Deadline.

The Net Asset Value per Share in respect of any Dealing Day with respect to the Sub-Fund shall be published on the Business Day on which it is calculated on www.montlakeucits.com and on or through such other media as the Investment Manager may from time to time determine and notify to Shareholders. The Net Asset Value per Share published on the above mentioned website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

**"Business Day"** means a day which is a bank business day in Ireland and the United States and in such other countries as the Directors shall from time to time determine and notify in advance to the Shareholders.

"**Institutional Class Shares**" means the EUR Institutional Class Shares, GBP Institutional Class Shares, CHF Institutional Class Shares and USD Institutional Class Shares.

"**Institutional Class Founder Shares**" means the EUR Institutional Class Founder Shares, GBP Institutional Class Founder Shares, CHF Institutional Class Founder Shares and USD Institutional Class Founder Shares.

"**Institutional Class A Founder Shares**" means the USD Institutional Class A Founder Shares.

"**Institutional Class Pooled Shares**" means the EUR Institutional Class Pooled Shares, GBP Institutional Class Pooled Shares, CHF Institutional Class Pooled Shares and USD Institutional Class Pooled Shares.

"**Retail Class Pooled Shares**" means the EUR Retail Class Pooled Shares, GBP Retail Class Pooled Shares, CHF Retail Class Pooled Shares and USD Retail Class Pooled Shares.

"**Business Day**" means a day which is a bank business day in Ireland and the U.S. and in such other countries as the Directors shall from time to time determine and notify in advance to the Shareholders.

The Base Currency for the Sub-Fund shall be US Dollar or such other currency as the Directors shall from time to time determine and notify to the Shareholders and the Central Bank.

## THE SUB-FUND

The Sub-Fund is a sub-fund of the ICAV, an Irish Collective Asset-management Vehicle with variable capital and established as an umbrella fund with segregated liability between sub-funds.

The Sub-Fund issues seventeen (17) classes of Shares, being; the Institutional Class Shares, the Institutional Class Founder Shares, Institutional Class Pooled Shares, Retail Class Pooled Shares and the Institutional Class A Founder Shares. The ICAV may also create additional classes of Shares in the Sub-Fund in the future in accordance with the requirements of the Central Bank.

The Directors may determine to redeem all the outstanding Shares of the Sub-Fund as set out in the Prospectus.

## THE SUB-INVESTMENT MANAGER

The Investment Manager has appointed New Mountain Vantage Advisers, L.L.C. (the "**Sub-Investment Manager**") whose principal place of business is at 787 7$^{th}$ Avenue, 49$^{th}$ Floor, New York, NY 10019 as sub-investment manager to manage and invest the assets of the Sub-Fund in accordance with the investment objective, policies and restrictions described in this Supplement.

The Sub-Investment Manager is a Delaware limited liability company that was formed under the Delaware Limited Liability Company Act on July 1, 2005. The Sub-Investment Manager registered as an investment adviser with the U.S. Securities and Exchange Commission on 24 October 2008 (SEC Number: 801-69688).

Under the Sub-Investment Management Agreement between the Investment Manager and the Sub-Investment Manager dated 8 April 2016 (the "**Sub-Investment Management Agreement**"), the Sub-Investment Manager will provide or procure the provision of discretionary investment management services to the ICAV in respect of the Sub-Fund.

The Sub-Investment Management Agreement provides that neither the Sub-Investment Manager nor any of its partners, officers, employees or agents shall be liable to the Investment Manager or any of its directors, officers, employees or agents for any loss or damage suffered or incurred by them arising out of the performance by the Sub-Investment Manager of its duties under the Sub-Investment Management Agreement, unless such loss or damage arose out of or in connection with the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager.

The Investment Manager is obliged to indemnify and keep indemnified the Sub-Investment Manager and each of its partners, officers, employees or agents, out of the assets of the Sub-Fund from and against all actions, proceedings, claims, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom) directly or indirectly suffered or incurred by the Sub-Investment Manager arising out of or in connection with the performance by the Sub-Investment Manager of its duties thereunder other than due to the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager in the performance of its duties thereunder.

Either party may terminate the Sub-Investment Management Agreement upon ninety (90) days prior written notice to the other party. The Sub-Investment Management Agreement may be terminated by either party at any time by notice in writing if the other party shall (i) commit any material breach of the Sub-Investment Management Agreement, which is either incapable of remedy or has not been remedied within thirty (30) days of notice requiring the remedying of the default; (ii) be the subject of any petition for the appointment of an examiner or similar officer to it; (iii) be unable to pay its debts as they fall due; (iv) have a receiver appointed; or (v) be the subject of an effective resolution for its winding up; (vi) be the subject of a court order for its winding up or liquidation; (vii) be incapable of performing its duties or obligations under the Sub-Investment Management Agreement.

## INVESTMENT OBJECTIVE AND POLICIES

**Investment Objective**

The Investment Objective of the Sub Fund is to seek capital appreciation over the medium to long term.

Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective. Investors should also be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the "**SPECIAL CONSIDERATIONS AND RISK FACTORS**" section of the Prospectus and below.

**Investment Policy**

In order to achieve its investment objective, the Sub-Fund will primarily invest in (both long and short) U.S. equities and equity-related securities (including common equities and preference shares) which will be listed or traded on a Recognised Market, units in collective investment schemes ("**CIS**") and exchange traded funds ("**ETF**"). FDI will be primary utilised to obtain short exposures to U.S. equity securities and equity-related securities. In addition, while noting that the principal focus of the Sub-Fund is on U.S. and U.S. related investments as outlined above, the Sub-Fund may also invest to a limited extent in non-U.S. equities and equity-related securities.

The Sub-Fund is not subject to any specific industry sector constraints on target investments but will focus on certain industries such as business services (i.e. payroll services, benefits services and information services), the technology sector (i.e. payment processors, software), media (paid television operators, cable networks), healthcare (specialty pharma, hospitals) and the energy sector (typically energy services related companies). The Sub-Fund is not subject to any market capitalisation constraints on target investments. The Sub-Investment Manager will select the industries and sectors in which the Sub-Fund will invest in accordance with the Investment Strategy (as described below).

All CIS and ETF investments shall be UCITS authorised pursuant to the UCITS Directive or shall be non-UCITS CIS or ETF (in accordance with the Central Bank Rules) which will primarily provide exposure to U.S. equities and equity-related securities (as described above). Investment by the Sub-Fund in open-ended CIS and ETF may be up to 10% of the Net Asset Value of the Sub-Fund. Any investment in open-ended non-UCITS ETFs shall be restricted to those considered by the directors to constitute eligible collective investment schemes for UCITS investment purposes and in accordance with the Central Bank's Guidance Bank Rules.

The Sub-Fund may use options, swaps, futures and contracts for difference as further described in the "**Use of FDI for Investment Purposes**" below to obtain exposure both long and/or short to the investments outlined above where the Sub-Investment Manager determines that the use of FDI is more efficient or cost effective than direct investment. The Sub-Fund may only obtain short exposure through the use of FDI. Through the use of FDI, it is expected that the long/short ratio will be approximately 70-100% long and 0-60% short. However, the positions taken by the Sub-Fund may be 100% net long or net short at any one time. The Sub-Fund may also utilise forward for currency hedging purposes (as further described in the "**Use of FDI for Currency Hedging Purposes**" below).

The Sub-Fund may also, pending reinvestment or in circumstances of extreme volatility or if market factors require and if considered appropriate to the investment objective of the Sub-Fund, invest in cash, cash equivalents (including, but not limited to, cash deposits, commercial paper and certificates of deposit) and money market instruments (including but are not limited to) short term commercial paper, floating rate notes, medium term notes, securities issued or guaranteed by any OECD government, its agencies or instrumentalities or by any supra-national entity with investment grade rating as rated by a Recognised Rating Agency.

The instruments in which the Sub-Fund will invest will be listed or traded in the markets and exchanges set out in Appendix I to the Prospectus. The Sub-Fund may also invest in new issues which will be listed or traded on a Recognised Market within one year. However, the ICAV will not invest more than 10% of its Net Asset Value in such new issues.

**Investment Strategy**

The Sub-Investment Manager utilises fundamental research to select a portfolio of U.S. equities and equity-related securities which the Sub-Investment Manager deems to be high quality companies (with positive cash flows and strong balance sheets) whose equity securities the Sub-Investment Manager believes are substantially undervalued relative to their intrinsic value, and where the Sub-Investment Manager believes there are opportunities for price appreciation in such equity securities. The Sub-Investment Manager may engage third party consultants to assist in this regard.

The Sub-Investment Manager will also, for short exposure, seek to identify weak businesses (which may include deteriorating competitive positions, weakening cash flows and leveraged capital structures), especially those in industries undergoing secular decline, and overhyped companies with minimal cash flows to support their valuations. The Sub-Investment Manager's research and analytical process seeks to assign an estimate of a company's intrinsic value and to form a judgment of the team's confidence in that estimate. Key elements of this process include reviewing securities filings and other public information, analysis of historical results, detailed financial and valuation analysis, construction of proprietary financial models, engagement of outside consultants, management meetings, industry and competitor research, legal and accounting work (when appropriate), a comprehensive risk analysis and establishment of price targets.

For the avoidance of doubt, the ICAV shall not acquire any shares carrying voting rights in excess of 20% of any of its portfolio companies or to the extent that it would enable the Sub-Fund to exercise significant influence over any of its portfolio companies.

**Use of FDI for Investment Purposes**

For the avoidance of doubt, any reference in these investment objectives and policies to investment in securities by the Sub-Fund may be deemed also to refer to indirect investment in such securities through the use of FDI. Subject to compliance with the Sub-Fund's investment objective, the Sub-Fund may use FDI to obtain exposure both long and short to other investments outlined above in the Investment Policy section where the Sub-Investment Manager determines that the use of FDI is more efficient or cost effective than direct investment.

FDI may be used to create short positions to create negative exposures to certain securities or market factors, so as to benefit from falling prices, without the Sub-Fund having any corresponding or related long position. In particular, FDI may be utilised to obtain short exposures to particular U.S. equities and equity-related securities as described in further detail in the "**Investment Policy**" section.

The use of FDI will be subject to the Sub-Fund's investment objective and to the provisions set forth in Appendix III and Appendix IV to the Prospectus.

Options:

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. The Sub-Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are U.S. equities and equity-related securities as further described in the investment policy of the Sub-Fund.

Swaps:

The Sub-Fund may enter into contractual agreements with counterparties in which typically a fixed income cash flow is exchanged for an equity based cash flow as they are received for a predetermined time period, with the terms initially set so that the present value of the swap is zero. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. In most swap contracts, the notional principal of the swap is not exchanged but is used to calculate the periodic payments. Swaps are usually traded OTC.

Contracts for Difference:

A contract for difference ("**CFD**") is an agreement to exchange the difference between the opening and closing price of the position under the contract on various financial instruments. CFD trading is a convenient instrument for trading shares, indices or futures as it allows an exposure to a market, a sector or an individual security without buying into the underlying market, sector or security directly. The financial instrument underlying a CFD contract is not delivered to the purchaser. CFDs do not usually have a defined maturity and are generally closed out at any time at the discretion of the position taker. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement whereby the party which is in profit on the closing day receives cash from the other party on the difference between the starting share price and the share price on the closing date of the contract.

CFDs enable profits to be made from falling values of the underlying asset without actually selling short any assets. Therefore, CFDs can be used for hedging purposes as well as for gaining positive exposure to the underlying U.S. equities and equity-related securities without the need for full capital expenditure.

Futures:

The Sub-Fund may enter into contracts to buy or sell equities or equity related securities (or, in some cases, receive or pay cash based on the performance of equities or equity related securities) 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 frequently results in lower transaction costs being incurred.

**Use of FDI for Currency Hedging Purposes**

The Sub-Fund may enter into currency transactions including forward currency contracts, currency swaps, and currency options to hedge the foreign currency exposure of individual Share Classes against the Base Currency or the currencies in which the assets of the Sub-Fund are denominated. Further details in respect of hedging transactions and their impact on individual Share Classes are set out in Appendix II of the Prospectus in the section titled "**Currency Transactions**".

Notwithstanding any other term of the Prospectus, the following requirements will apply where the Investment Manager utilises FDI on behalf of the Sub-Fund in accordance with the investment objective and investment policy of the Sub-Fund set out above and the conditions and limits set out in the Central Bank's notices. In the event of any conflict between the provision of this section and any other term of the Prospectus, the requirements in this section shall prevail with respect to the Sub-Fund only.

The Sub-Fund shall enter into FDI with Approved Counterparties on an over-the-counter ("**OTC**") basis, or shall invest in FDI listed or traded on the markets and exchanges set out in Appendix I to the Prospectus. The underlying instruments will be equity securities and currencies.

The use of FDI solely for hedging purposes may only be effected in accordance with normal market practice. All assets received in this context should be considered as collateral and should comply with the criteria set out below in relation to collateral. All the revenues arising from the use of FDI, when utilised for hedging purposes, shall be returned to the Sub-Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to counterparties, in respect of the Sub-Fund from time to time. Such fees and expenses, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Sub-Fund. Details of Sub-Fund revenues arising and attendant direct and indirect operational costs and fees in respect of the Sub-Fund from time to time shall be included in the ICAV's semi-annual and annual reports. To the extent that a counterparty defaults on its obligation, the Sub-Fund may be delayed or prevented from exercising its rights with respect to the investments in its portfolio and may experience a decline in the value of its position. From time to time, the Sub-Fund may engage with counterparties that are related parties to the Depositary, or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to section entitled "**Conflicts of Interest**" in the Prospectus for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the ICAV's semi-annual and annual reports.

Forwards:

A forward contract locks in the price at which an 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.

**Leverage**

The Sub-Fund will use a Value-at-Risk ("**VaR**") model with the objective of limiting the market risk of the portfolio to a fixed percentage of its Net Asset Value. VaR will be calculated daily. This fixed or absolute VaR limit is considered appropriate as the Sub-Fund does not define the investment target in relation to a benchmark. In accordance with the requirements of the Central Bank, the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund, measured with a confidence level of 99% and a holding period of 20 working days. The VaR model used by the Sub-Fund typically uses data from the last 200 weeks or greater, but a shorter observation period will be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and they will be included in an updated Supplement which will be sent to investors.

Investors should be aware that VaR is a way of measuring the potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. It is not an assurance that the Sub-Fund will experience a loss of any particular size and the Sub-Fund could be exposed to losses which are much greater than envisaged VaR, more so under abnormal market conditions. In particular, it does not capture future significant changes in volatility. It should also be noted that VaR is only a statistical risk measure which does not explicitly measure leverage.

However, the Sub-Investment Manager will monitor the level of leverage (calculating as the sum of the notional exposure of FDI being utilised by the Sub-Fund), which is expected to be within the range of 100% to 300%. It is possible that leverage may exceed this range and the Sub-Fund may be subject to higher or lower leverage levels from time to time.

The calculation of the expected level of leverage range, based on the sum of the absolute value of notionals of the derivatives used, is produced in accordance with the requirements of the Central Bank. This figure does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. It is therefore not a risk-adjusted method of measuring leverage, which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account. As these netting and hedging arrangements, if taken into account, may reduce the level of actual investment exposure.

**Investment Restrictions**

The general investment restrictions contained in the Investment Restrictions section of the Prospectus also apply.

**Risk Management**

The Manager is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to FDI that it uses. The VaR method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank in the risk management process statement the Manager filed with the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Sub-Fund will not utilise any FDI that are not included in its existing risk management process cleared by the Central Bank, and it will not use such FDI until such time as they have been cleared by the Central Bank and an updated risk management process statement has been filed.

**Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.**

**Profile of a Typical Investor**

The Sub-Investment Manager expects that a typical investor will be seeking to achieve capital appreciation on their investment in the medium to long term and are willing to accept a medium to high level of volatility.

## HOW TO BUY SHARES

The denomination of each Share Class is set out in the Fees and Expenses table below. Shares of all Classes of the Sub-Fund which are not yet funded and which have not yet been issued are available for subscription at the Initial Price (as set out in the Fees and Expenses table below). Shares of all Classes of the Sub-Fund which are funded and which are in issue are available for subscription at the relevant Net Asset Value per Share on each Dealing Day. Details of the Shares of all Classes of the Sub-Fund which are in issue are available on www.montlakeucits.com. The minimum subscription amount for each Share Class is as set out in the Fees and Expenses Section below. The Directors may waive the minimum initial subscription amount at their discretion.

Orders for Shares of all Classes of the Sub-Fund that are received and accepted by or on behalf of the Administrator or the ICAV at the address specified in the Application Form prior to 1.00 p.m. (Irish time) (the "**Subscription Dealing Deadline**") one (1) Business Day preceding the relevant Dealing Day, will be processed at the offering price determined in respect of that Dealing Day, and Shares will be provisionally allotted subject to receipt of the cleared subscription monies, provided that cleared funds are received and accepted by or on behalf of the Administrator or the ICAV before 11.59 p.m. (Irish time) on the Business Day three (3) Business Days following the relevant Dealing Day (the "**Funding Deadline**"). Orders to subscribe for Shares received and accepted by or on behalf of the Administrator or the ICAV after the Subscription Dealing Deadline for the Sub-Fund will be processed at the offering price determined in respect of the next Dealing Day. It is the responsibility of the Distributor and intermediaries as appointed in accordance with the requirements of the Central Bank to ensure that orders placed through them are transmitted onwards to the Administrator on a timely basis.

Where subscription monies are not received by the ICAV before the Funding Deadline, the ICAV may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the Sub-Fund, subject to the receipt of the cleared subscription monies no later than ten (10) Business Days after the Funding Deadline. Any such borrowings will be in accordance with the requirements of the Central Bank and will not, in any event, exceed 10% of the Net Asset Value of the Sub-Fund. Once the subscription monies are received the Sub-Fund will use such subscription monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates. In addition the investor shall indemnify the ICAV for any losses, costs or expenses suffered directly or indirectly by the ICAV or the Sub-Fund as a result of the investor's failure to pay for Shares applied for by the due date set forth in the Prospectus and this Supplement. The ICAV reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. In computing any losses covered under this paragraph, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the ICAV or the Sub-Fund in taking proceedings against the applicant.

The ICAV may charge a subscription fee of up to 5% as specified under the section entitled "**Fees and Expenses**". The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

For additional information concerning subscriptions, please consult "**Investing in Shares**" in the Prospectus.

## HOW TO REDEEM SHARES

**Shareholders may redeem their Shares by post or fax.** Shareholders may request the ICAV to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share in respect of such Dealing Day. Any amendments to a Shareholder's registration details or payment instructions will only be effected on receipt of original documentation.

Save where expressly provided herein or in the Prospectus, a redemption request forwarded by post or fax must be received by the ICAV, c/o the Administrator, at the address specified in an Application Form not later than 1.00 p.m. (Irish time) one (1) Business Day prior to relevant Dealing Day (the "**Redemption Dealing Deadline**"). Faxes should be sent to +353 1 531 8504. Redemption proceeds will normally be paid within three (3) Business Days of the relevant Dealing Day and no later than ten (10) Business Days of the relevant Redemption Dealing Deadline. However, no redemption payments will be made until the original subscription documentation required by the ICAV has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Requests received after the Redemption Dealing Deadline on a Dealing Day shall be processed as at the next Dealing Day unless previously withdrawn. All requests for redemption must be endorsed by the record owner(s) exactly as the Shares are registered. In addition, in some cases the Administrator may require the furnishing of additional documents such as where the Shares are registered in the name of a corporation, partnership or fiduciary.

**For additional information concerning redemptions and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

## HOW TO EXCHANGE OR TRANSFER SHARES

Shareholders may exchange Shares in the Sub-Fund on any Dealing Day for Shares of another Class in the Sub-Fund or Shares in any Class of any other sub-fund authorised by the Central Bank. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares or shares of another sub-fund (together, "**New Shares**") with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the New Shares will be issued at the Net Asset Value per Share of the corresponding Class of the applicable sub-fund. Exchange requests for Shares must be made through the Distributor for onward transmission to the Administrator in accordance with such detailed instructions regarding exchange procedures as are furnished by the Distributor. The exchange of Shares in New Shares will be subject to the Shareholder meeting the eligibility requirements applicable to the New Shares, including without limitation minimum subscription and minimum shareholding requirements, if any.

No exchange fee will be charged by the ICAV, the Manager or the Investment Manager.

Transfers of Shares must be affected by submission of an original Stock Transfer Form. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors (or the Administrator on their behalf) may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors.

**For additional information concerning exchanges and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

Shares are freely transferable and may not be subject to any transfer restrictions or compulsory redemption save where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, or where such transfer would result in a Shareholder falling below the specified minimum holding, if applicable. To avoid such regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, transfers of Shares are subject to the prior approval of the Directors or the Administrator on their behalf. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a Declaration (as described in the section of the Prospectus entitled "**Taxation**") in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares.

## DIVIDEND POLICY

The Directors do not intend to declare dividend distributions in respect of the Sub-Fund. Accordingly all income and capital gains in respect of the Sub-Fund will be re-invested in the Sub-Fund and shall be reflected in the Net Asset Value per Share of the Sub-Fund.

## SPECIAL CONSIDERATIONS AND RISK FACTORS

Investors should be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the "**SPECIAL CONSIDERATIONS AND RISK FACTORS**" section of the Prospectus and below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

### General Investment Risk

The securities and instruments in which the Sub-Funds invests are subject to normal market fluctuations and other risks inherent in investing in such investments, and there can be no assurance that any appreciation in value will occur. There can be no assurance that a Sub-Fund will achieve its investment objective. The value of Shares may rise or fall, as the capital value of the securities in which a Sub-Fund invests may fluctuate. The investment income of each Sub-Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Sub-Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

### Leverage Risk

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

### Cash Collateral

As the Sub-Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, reinvesting cash collateral will be exposed to the risks associated with such investments, such as failure or default of the issuer of the relevant security or the relevant counterparty on its obligations under the relevant contract.

### Equity Securities Generally

The prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. It is worth noting that the value of equities can fall as well as rise and investors into equities funds may not get back the amount that was originally invested.

### Hedging Transactions

Hedging involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Sub-Investment Manager's assessment of certain market movements is incorrect, the risk that the use of hedging could result in losses greater than if hedging had not been used.

### Credit Risk and Counterparty Risk

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

### Correlation Risk

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

### Derivatives Risk

Derivatives may be used as a means of gaining indirect exposure to a specific asset and/or as part of a strategy designed to reduce exposure to other risks, such as currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset. Investing in a derivative instrument could cause the Sub-Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Sub-Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. The prices of derivative instruments, including futures and options 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 programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currency related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

### Short Selling Risk

Although the Regulations prohibit the short selling of physical securities, UCITS are permitted to create synthetic short positions through the use of FDIs. A short sale means any sale of a security which the seller does not own at the time of entering into the agreement to sell including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the security for delivery at settlement. The seller sells the borrowed or agreed to be borrowed securities in anticipation of a decline in price of the relevant security. The benefit to the seller where the value of the security declines is the difference between the price at which the security is sold and the cost of repurchasing the borrowed security in order to return it to the person from whom it was borrowed. A synthetic short position allows a fund to achieve a similar economic outcome without short selling the physical securities. Synthetic short selling may be achieved through the use of a variety of FDIs including contracts for differences, futures and options. Please refer to the section 'Derivative Risk' for further details in relation to the risks attached to trading each of these FDIs.

**Risk Factors Not Exhaustive**

The investment risks set out in this Supplement do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Sub-Fund may be exposed to risks of an exceptional nature from time to time.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus. The table below summarises the fees that are currently imposed in respect of each Share Class. Further details in relation to each of these fees are set out below.

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus. The table below summarises the fees that are currently imposed in respect of each Share Class. Further details in relation to each of these fees, including the maximum fee which may be charged by the Sub-Fund are set out below.

| **Share Classes** | **EUR Inst Class** | **GBP Inst Class** | **USD Inst Class** | **CHF Inst Class** |
|---|---|---|---|---|
| **Initial Price** | EUR100 | GBP100 | USD100 | CHF100 |
| **Minimum Investment** | EUR100,000 | GBP100,000 | USD100,000 | CHF100,000 |
| **Minimum Subsequent Investment** | EUR100,000 | GBP100,000 | USD100,000 | CHF100,000 |
| **Management Fee** | 1.50% | 1.50% | 1.50% | 1.50% |
| **Performance Fee** | 20% | 20% | 20% | 20% |
| **Shareholder Servicing Fee** | 0% | 0% | 0% | 0% |
| **Subscription Fee** | 0% | 0% | 0% | 0% |
| **Redemption Fee** | 0% | 0% | 0% | 0% |
| **Exchange Fee** | 0% | 0% | 0% | 0% |

| **Share Classes** | **EUR Inst Class Pooled** | **GBP Inst Class Pooled** | **USD Inst Class Pooled** | **CHF Inst Class Pooled** |
|---|---|---|---|---|
| **Initial Price** | EUR100 | GBP100 | USD100 | CHF100 |
| **Minimum Investment** | EUR100,000 | GBP100,000 | USD100,000 | CHF100,000 |
| **Minimum Subsequent Investment** | EUR100,000 | GBP100,000 | USD100,000 | CHF100,000 |

| | | | | |
|---|---|---|---|---|
| **Management Fee** | 1.50% | 1.50% | 1.50% | 1.50% |
| **Performance Fee** | 20% | 20% | 20% | 20% |
| **Shareholder Servicing Fee** | 0% | 0% | 0% | 0% |
| **Subscription Fee** | 0% | 0% | 0% | 0% |
| **Redemption Fee** | 0% | 0% | 0% | 0% |
| **Exchange Fee** | 0% | 0% | 0% | 0% |

| **Share Classes** | **EUR Retail Class Pooled** | **GBP Retail Class Pooled** | **USD Retail Class Pooled** | **CHF Retail Class Pooled** |
|---|---|---|---|---|
| **Initial Price** | EUR100 | GBP100 | USD100 | CHF100 |
| **Minimum Investment** | EUR10,000 | GBP10,000 | USD10,000 | CHF10,000 |
| **Minimum Subsequent Investment** | EUR10,000 | GBP10,000 | USD10,000 | CHF10,000 |
| **Management Fee** | 2% | 2% | 2% | 2% |
| **Performance Fee** | 20% | 20% | 20% | 20% |
| **Shareholder Servicing Fee** | 0% | 0% | 0% | 0% |
| **Subscription Fee** | Up to 5% of the Gross Subscription Proceeds | Up to 5% of the Gross Subscription Proceeds | Up to 5% of the Gross Subscription Proceeds | Up to 5% of the Gross Subscription Proceeds |
| **Redemption Fee** | 0% | 0% | 0% | 0% |
| **Exchange Fee** | 0% | 0% | 0% | 0% |

| **Share Classes** | **EUR Inst Class Founder** | **GBP Inst Class Founder** | **USD Inst Class Founder** | **CHF Inst Class Founder** | **USD Inst Class A Founder** |
|---|---|---|---|---|---|
| **Initial Price** | EUR100 | GBP100 | USD100 | CHF100 | **Initial Price** |
| **Minimum Investment** | EUR10,000,000 | GBP10,000,000 | USD10,000,000 | CHF10,000,000 | USD50,000,000 |
| **Minimum Subsequent Investment** | EUR1,000,000 | GBP1,000,000 | USD1,000,000 | CHF1,000,000 | USD1,000,000 |
| **Management** | 1% | 1% | 1% | 1% | 0.25% |

| | | | | | |
|---|---|---|---|---|---|
| **Fee** | | | | | |
| **Performance Fee** | 15% | 15% | 15% | 15% | 0% |
| **Shareholder Servicing Fee** | 0% | 0% | 0% | 0% | 0% |
| **Subscription Fee** | 0% | 0% | 0% | 0% | 0% |
| **Redemption Fee** | 0% | 0% | 0% | 0% | 0% |
| **Exchange Fee** | 0% | 0% | 0% | 0% | 0% |

Each of the percentages set out above is a percentage of the Net Asset Value of the Sub-Fund unless stated otherwise.

**MANAGER FEES**

**Management Fee**

The ICAV will be subject to a management fee in respect of the Sub-Fund in an amount which will not exceed:

(i) 0.25% per annum in the case of the Net Asset Value of the Sub-Fund in the case of the Institutional Class A Founder Shares;

(ii) 1.00% per annum in the case of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Founder Shares;

(iii) 1.50% per annum of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Shares and the Institutional Class Pooled Shares; and

(iv) 2.00% per annum of the Net Asset Value of the Sub-Fund in the case of Retail Class Pooled Shares.

The management fee will accrue daily and will be payable monthly in arrears on the last Dealing Day for that for that month payable in US Dollars.

The management fee will be paid by the ICAV to the Manager which will pay the fees of the Investment Manager and the Sub-Investment Manager out of these fees. The ICAV will also reimburse the Manager out of the assets of the Sub-Fund for reasonable out-of-pocket expenses incurred by the Manager, the Investment Manager and the Sub-Investment Manager. The Manager will be responsible for reimbursing the Investment Manager and the Sub-Investment Manager for these expenses, including the operating expenses related to researching, implementing, carrying out and disposing of specialised and specific investment research for the Sub-Fund, including fees payable to third party consultants, (the "**Research Fee**").

The Research Fee will be paid by the Manager out of the assets of the ICAV. The Research Fee is allocated across each of the sub-fund of the ICAV managed by the Sub-Investment Manager or its affiliates pro-rata to the assets under management of each fund. The Research Fee is expected to be approximately 0.05% of the Net Asset Value of the Sub-Fund and will not exceed 0.10% of the Net Asset Value of the Sub-Fund.

The Manager may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or all of the management fees it receives in relation to the Sub-Fund. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Performance Fee**

The Manager will also be entitled to receive a performance fee in respect of each Share Class, calculated as set out at sections A and B below (the "**Performance Fee**"). The Manger may pay some or all of the Performance Fee to the Investment Manager or the Sub-Investment Manager. The calculation of the Performance Fee shall be verified by the Depositary.

The Performance Fee in respect of each Share Class will be calculated in respect of each calendar quarter (a "**Calculation Period**"). The end of the Calculation Period is the end of each calendar quarter. The Performance Fee will be deemed to accrue on a daily basis as at each Valuation Day.

The Performance Fee is normally payable to the Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

If the Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

For the avoidance of doubt, there is no performance fee in respect of the Institutional Class A Founder Shares.

A. The Performance Fee for the Institutional Class Shares and the Institutional Class Founder Shares is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee, which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each such Institutional Class Share and Institutional Class Founder Share will be equal to 20 per cent and 15 per cent of the appreciation in the Net Asset Value per Share of each such Class respectively during that Calculation Period above the Peak Net Asset Value per Share of that Class.

The Peak Net Asset Value per Share ("**Peak Net Asset Value per Share**") is the greater of (i) the initial price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

*Adjustments*

If an investor subscribes for Institutional Class Shares or Institutional Class Founder Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber.

1. If such Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 20 per cent for the relevant Institutional Class Shares and 15 per cent for the relevant Institutional Class Founder Shares of

any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to 20 per cent for the relevant Institutional Class Shares and 15 per cent for the relevant Institutional Class Founder Shares between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount) equal to 20 per cent of the difference for the relevant Institutional Class Shares and 15 per cent of the difference for the relevant Institutional Class Founder Shares between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per relevant Class Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to 20 per cent and 15 per cent of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

B. The Manager is also entitled to receive a Performance Fee out of the assets attributable to the Institutional Class Pooled Shares and the Retail Class Pooled Shares. The Performance Fee will accrue on each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the Institutional Class Pooled Shares and the Retail Class Pooled Shares. The Performance Fee is payable on the last Dealing Day in each Calculation Period, or if the relevant Class is terminated before the end of a Calculation Period, the Dealing Day on which the final redemption of shares takes place (each a Payment Date).

The Performance Fee shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value of the Institutional Class Pooled Shares and the Retail Class Pooled Shares exceeds the Adjusted Net Asset Value of the relevant Class as at the Payment Date, plus any Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period.

The Adjusted Net Asset Value of a Class is the Net Asset Value of the Class as at the end of the last Calculation Period after which a Performance Fee was paid increased on each Dealing Day by the value of any subscriptions or reduced pro rata by the value of any redemptions on each Dealing Day dealt over the period since the previous Dealing Day.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fee accrued in relation to the Class in respect of redemptions during the Calculation Period but not yet paid.

For the avoidance of doubt, any losses in a Calculation Period must be recouped in future Calculation Periods before any Performance Fee will become payable.

The Depositary shall verify the accrual and calculation of the Performance Fee as at each Payment Date.

Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

**SUBSCRIPTION FEE**

The ICAV may charge a subscription fee of up to 5% of the gross Subscription Proceeds in respect of Retail Class Pooled Shares. The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

**REDEMPTION FEE**

The ICAV does not currently intend to impose a redemption fee for redemptions from the Sub-Fund.

**ESTABLISHMENT AND OPERATING EXPENSES**

The Sub-Fund's formation expenses, which were €38,500 are being borne out of the assets of the Sub-Fund and are being amortised over the first three (3) accounting periods of the Sub-Fund. Certain other costs and expenses incurred in the operation of the Sub-Fund will also be borne out of the assets of the Sub-Fund, including without limitation, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange (if applicable); client service fees; writing, typesetting and printing the Prospectus, sales, literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefor (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

**OTHER FEES**

Investors should refer to the "**Fees and Expenses**" section of the Prospectus for Depositary fees, Administrator fees, Directors' fees and any other fees that may be payable and which are not specifically mentioned here.

**The directors of MontLake UCITS Platform ICAV (the "Directors") listed in the Prospectus under "The ICAV" accept responsibility for the information contained in the Prospectus and this Supplement. 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 the Prospectus and this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

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# NORTH MAXQ MACRO UCITS FUND

**A sub-fund of MontLake UCITS Platform ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations.**

**SUPPLEMENT DATED 8 APRIL 2016**

**TO PROSPECTUS DATED 8 APRIL 2016**

**MANAGER: MLC MANAGEMENT LIMITED**

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**This Supplement forms part of, and should be read in the context of, and together with the Prospectus dated 8 April 2016, as may be amended from time to time (the "Prospectus") dated 8 April 2016, in relation to MontLake UCITS Platform ICAV (the "ICAV") and contains information relating to the North MaxQ Macro UCITS Fund (the "Sub-Fund") which is a separate sub-fund of the ICAV.**

**This Supplement should be read in conjunction with the general description of the ICAV contained in the Prospectus. All information contained in the Prospectus is deemed incorporated herein. Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.**

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## IMPORTANT INFORMATION

This Supplement shall form part of, and should be read in conjunction with, the Prospectus. Statements made in this Supplement are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to change.

This Supplement contains information relating to the North MaxQ Macro UCITS Fund (the "**Sub-Fund**"), a separate sub-fund of the ICAV which is authorised and regulated by the Central Bank as a UCITS.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Supplement and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Supplement (whether or not accompanied by the reports), or any issue of Shares, shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Supplement.

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

Distribution of this Supplement is not authorised unless it is accompanied by a copy of the Prospectus and the ICAV's or the Sub-Fund's latest annual report and audited accounts and/or half-yearly report and unaudited accounts (as applicable). These documents, delivered together, will comprise a complete current prospectus for the offering of Shares of the Sub-Fund.

Prospective investors should seek the advice of their legal, tax and financial advisers if they have any questions regarding the contents of this Supplement.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Sub-Fund may invest in financial derivative instruments ("FDI") for investment purposes and for hedging and efficient portfolio management purposes. (See “Leverage” below for details of the leverage effect of investing in FDI).**

**Investors should note that the Sub-Fund may invest principally in FDI. This may expose the Sub-Fund to particular risks involving FDI. Please refer to "Derivative Instruments" in the section of the Prospectus entitled "Special Considerations and Risk Factors".**

## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The ICAV is established pursuant to the UCITS Regulations and this Supplement shall be construed accordingly and will comply with the Central Bank’s Rules.

For the purposes of Share dealings and valuations of the Sub-Fund, "**Dealing Day**" shall mean every Wednesday provided such day is a Business Day or the following Business Day where the relevant Wednesday is not a Business Day and the last Business Day of every month or such other day or days as the Directors shall from time to time determine and notify in advance to the Shareholders. An indicative Net Asset Value per Share will be available from the Administrator on each Business Day that is not a Dealing Day although Share dealings will only be permitted on a Dealing Day.

The “**Valuation Point**” at which prices shall be used when valuing the assets of the Sub-Fund shall be 16.30 (Irish time) on a Dealing Day or such other time on that Dealing Day as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the Valuation Point for any Dealing Day shall always be a time on that Dealing Day and the time at which the Net Asset Value is calculated will always be after the relevant Subscription Dealing Deadline and Redemption Dealing Deadline.

The Net Asset Value per Share in respect of any Dealing Day with respect to the Sub-Fund shall be published on the Business Day on which it is calculated on www.montlakeucits.com and on or through such other media as the Investment Manager may from time to time determine and notify Shareholders. The Net Asset Value per Share published on the above mentioned website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

"**Business Day**" means a day which is a bank business day in Dublin and New York and in such other countries as the Directors shall from time to time determine and notify in advance to the Shareholders.

"**Institutional Class Shares**" means the Euro Institutional Class Shares, Sterling Institutional Class Shares, Swiss Franc Institutional Class Shares and US Dollar Institutional Class Shares.

"**Institutional Pooled Class Shares**" means the Euro Institutional Pooled Class Shares, Sterling Institutional Pooled Class Shares, Swiss Franc Institutional Pooled Class Shares and US Dollar Institutional Pooled Class Shares.

"**Retail Pooled Class Shares**" means the Euro Retail Pooled Class Shares, Sterling Retail Pooled Class Shares, Swiss Franc Retail Pooled Class Shares and US Dollar Retail Pooled Class Shares.

The Base Currency of the Sub-Fund shall be US Dollars or such other currency as the Directors shall from time to time determine and notify to the Shareholders.

## THE SUB-FUND

The Sub-Fund is a sub-fund of the ICAV, an Irish Collective Asset-management Vehicle established as an umbrella fund with segregated liability between sub-funds.

The ICAV offers twelve (12) classes of Shares in the Sub-Fund, being; the Institutional Class Shares, the Institutional Pooled Class Shares and the Retail Pooled Class Shares. The ICAV may also create additional classes of Shares in the Sub-Fund in the future in accordance with the Central Bank Rules.

The Directors may determine to redeem all the outstanding Shares of the Sub-Fund as set out in the Prospectus.

## THE SUB-INVESTMENT MANAGER

The Investment Manager has appointed North Asset Management LLP as sub-investment manager to the Sub-Fund (the "**Sub-Investment Manager**").

The Sub-Investment Manager has been appointed to manage and invest the assets of the Sub-Fund in accordance with the investment objective, policy and restrictions described in this Supplement.

The Sub-Investment Manager, having its principal place of business at 50 Hans Crescent, London, SW1X 0NA, is authorised by the United Kingdom Financial Conduct Authority (the "**FCA**") in the conduct of its regulated activities.

The Sub-Investment Manager is an independent investment management firm which has in excess of $815 million in assets under management worldwide as at 31 August 2014.

Under the sub-investment management agreement between the Investment Manager and the Sub-Investment Manager dated 8 April 2016 (the "**Sub-Investment Management Agreement**"), the Sub-Investment Manager will provide discretionary investment management services to the ICAV in respect of the Sub-Fund.

The Sub-Investment Management Agreement provides that neither the Sub-Investment Manager nor any of its members, officers, employees or agents shall be liable to the Investment Manager or any of its directors, officers, employees or agents for any loss or damage suffered or incurred by them arising out of the performance by the Sub-Investment Manager of its duties under the Sub-Investment Management Agreement, unless such loss or damage arose out of or in connection with the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager.

The Investment Manager is obliged to indemnify and keep indemnified the Sub-Investment Manager and its partners, officers, employees or agents, out of the assets of the Sub-Fund from and against all actions, proceedings, claims, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom) directly or indirectly suffered or incurred by the Sub-Investment Manager arising out of or in connection with the performance by the Sub-Investment Manager of its duties thereunder other than due to the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager in the performance of its duties thereunder.

Either party to the Sub-Investment Management Agreement may terminate the Sub- Investment Management Agreement upon ninety (90) days prior written notice to the other party. The Sub-Investment Management Agreement may be terminated by any party thereto at any time by notice in writing if the other party shall (i) commit any material breach of the Sub- Investment Management Agreement, which is either incapable of remedy or has not been remedied within thirty (30) days of notice requiring the remedying of the default; (ii) be the subject of any petition for the appointment of an examiner or similar officer to it; (iii) be unable to pay its debts as they fall due; (iv) have a receiver appointed; or (v) be the subject of an effective resolution for its winding up; (vi) be the subject of a court order for its winding up or liquidation; (vii) be incapable of performing its duties or obligations under the Sub-Investment Management Agreement.

## INVESTMENT OBJECTIVE AND POLICIES

**Investment Objective**

The Sub-Fund's investment objective is to seek to provide a real rate of return in the medium to long term which is superior to 3 month Euribor, primarily through capital appreciation.

Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.

**Investment Policy**

The Sub-Fund seeks to achieve its investment objective by gaining exposure (on a long and/or short basis) to four (4) major asset classes, i.e. interest rates, foreign exchange currency, equities and exchange traded products ("**ETPs**") which gain exposure to certain products of an exchange traded nature (the "**Asset Classes**"). The Sub-Fund may invest in both Developed and Emerging Markets which will be listed or traded in the markets and exchanges set out in Appendix I of the Prospectus. The Sub-Investment Manager's main focus will be on mature and/or liquid financial markets in European countries.

The Sub-Fund may invest directly in government, supra-national and corporate bonds (which may be fixed or floating and with a minimum rating of B3 (Moody's), B- (Standard and Poor's) or equivalent by a Recognised Rating Agency) and equities. The Sub-Fund will invest indirectly through the utilisation of financial derivative instruments ("**FDI**") to gain exposure to the Asset Classes. The Sub-Fund will gain exposure to interest rates via investing directly in government, supra-national and corporate bonds (which may be fixed or floating with a minimum rating of B3 (Moody's), B- (Standard and Poor's) or equivalent by a Recognised Rating Agency), interest rate futures, interest options, interest rate swaps and credit derivatives. The Sub-Fund will gain exposure to foreign exchange via foreign exchange forwards, foreign exchange futures and foreign exchange options. The Sub-Fund will gain exposure to equities via equities, equity futures, equity options and equity swaps (as described in further detail in the "**Use of FDI for Investment Purposes**" section below). There is no particular industry or sector focus to the investment in equities. It is intended that investment will primarily (i.e. greater than 50%) be in interest rates and foreign exchange.

ETPs will be securities listed or traded on a Recognised Market, with a redemption facility provided by the issuer. The return on the ETP will be linked to a commodity, foreign exchange currency, equities or interest rate but the return will be paid in cash. ETPs shall include exchange traded funds (ETFs), exchange traded vehicles (ETVs), exchange traded notes (ETNs) and exchange traded certificates (ETCs). They will not embed any derivatives. The entities that issue the ETPs will be credit institutions and asset managers which are authorised for the purposes of issuing ETPs. Any investment in ETPs shall be restricted to those considered by the directors to constitute eligible investments for UCITS investment purposes. The use of ETPs may give rise to leveraged exposure. The calculation of the expected level of leverage range is produced in accordance with the Central Bank Rules and described in further detail in the "**Leverage**" section below.

The Sub-Fund may use FDI (as described in the "**Use of FDI for Investment Purposes**" below) to obtain exposure both long and short to the investments outlined above in the Investment Policy section where the Sub-Investment Manager determines that the use of FDI is more efficient or cost effective than direct investment.

FDI may be used to create short positions so as to benefit from falling prices, without the Sub-Fund having any corresponding or related long position. In particular, FDI may be utilised to obtain short exposures to the Asset Classes as described in further detail in the "**Investment Policy**" section.

100% of the Sub-Fund's positions may be long or short at any one time.

The Sub-Fund may also invest in financial indices such as the S&P500 which will provide exposure to US equities. Any such investment in financial indices will be made indirectly through FDI. Such financial indices will typically be rebalanced annually but may be more frequent in certain cases, noting that the rebalancing frequency will not impact on the strategy of the Sub-Fund or on transaction costs associated with the Sub-Fund. Where the weighting of any particular component in a financial index exceeds the permitted UCITS investment restrictions, any holding in such financial index will be disposed of by the Sub-Fund within a reasonable timeframe taking into account the interests of shareholders to ensure that all regulatory requirements continue to be satisfied.

The Sub-Fund may also, pending reinvestment, or if this is considered appropriate to the investment objective, invest in cash, cash equivalents (including, but not limited to, cash deposits, commercial paper and certificates of deposit) or collective investment schemes ("**CIS**").

**Investment Strategy**

The Sub-Investment Manager's investment strategy is to seek to identify investment opportunities in the Asset Classes. Investment opportunity means an investment identified by the Sub-Investment Manager that will allow the Sub-Fund to provide a real rate of return to investors through long and short exposure to the Asset Classes.

The Sub-Investment Manager seeks to identify such investment opportunities by undertaking its own research and analysis into global macro fundamentals such as economics, national accounts, economic survey data, monetary and fiscal policy, investment flows, inflation and real GDP growth; for example (a) where the Sub-Investment Manager analyses inflation and real GDP growth in a particular country, and their analysis leads them to believe that a particular interest rate is going to rise and that the current pricing in the interest rate swap market does not reflect this trend, the Sub-Fund may enter into an interest rate swap position paying the fixed rate and benefiting from any increase or (b) where the Sub-Investment Manager analyses foreign exchange currencies and investment flows, and their analysis leads them to identify that currency 1 is likely to depreciate with respect to currency 2, the Sub-Fund may enter into a foreign exchange forward to buy currency 2 against currency 1 or (c) where the Sub-Investment Manager analyses fiscal and monetary policy initiatives in a particular country and their analysis leads them to believe that such policies will result in increased growth in a particular sector and depreciation in local currency, the Sub-Fund may purchase equities in the relevant sector and hedge against changes in the global growth outlook by taking a short position in a financial index such as the S&P500 Index.

While the above examples highlight the application of the investment strategy to the investment policy of the Sub-Fund, the Sub-Investment Manager may engage in variations of the examples provided for, within the parameters of the investment strategy as outlined above and in accordance with the investment policy of the Sub-Fund.

**Use of FDI for Investment Purposes**

For the avoidance of doubt, any reference in these investment objectives and policies to investment in securities by the Sub-Fund may be deemed also to refer to indirect or short exposure to such securities through the use of FDI.

The use of FDI will be subject to the Sub-Fund’s investment objective and to the provisions set forth in Appendix II, Appendix III and Appendix IV to the Prospectus. In particular, the Sub-Fund may use FDI such as swaps (including total return swaps), contracts for differences, exchange traded and OTC put and call options relating to stocks, shares and indices, and exchange traded and OTC futures relating to stocks, shares and indices, foreign exchange contracts and forward contracts for the purpose of gaining exposure to the Asset Classes. A description of each of the FDI to be used by the Sub-Fund is set out in further detail below.

The Sub-Fund shall enter into FDI with Approved Counterparties on an OTC basis, or shall invest in FDI listed or traded on a in the markets and exchanges set out in Appendix I to the Prospectus.

<u>Swaps:</u>

Generally, a swap is a contractual agreement between two counterparties in which the cash flows from two reference assets are exchanged as they are received for a predetermined time period, with the terms initially set so that the present value of the swap is zero. Swaps may extend over substantial periods of time, and typically call for the making of payments on a periodic basis. In most swap contracts, the notional principal of the swap is not exchanged but is used to calculate the periodic payments. Swaps are usually traded OTC.

Swaps may be funded or unfunded and used to exchange future payments in one currency for payments in another currency in order to transform the currency denomination of assets and liabilities (for example interest rate swaps and currency swaps) or to secure a profit or avoid a loss by reference to fluctuations in the value or price of an asset of any description or other factor designated for that purpose in the contract.

Interest rate swaps, equity swaps, variance and volatility swaps will be utilised by the Sub-Fund to hedge against the movements of the interest rate and foreign exchange markets and / or gain synthetic exposure to such markets instead of direct investment. The purpose of any swaps used by the Sub-Fund will be gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

Total Return Swaps:

A total return swap may be used to provide exposure to the investments outlined above in a more cost-efficient manner than a direct investment in such investments. In a swap, the gross returns to be exchanged or “swapped” between the parties are calculated with respect to a “notional amount”, i.e. the return or increase in value of the Asset Classes.  Total return swap agreements may be used by the Fund to gain exposure to the Asset Classes, whereby the Fund agrees to pay a stream of payments based on an agreed interest rate in exchange for payments representing the total economic performance, over the life of the swap, of the asset or assets underlying the swap, in this case, the economic performance of the Asset Classes.

The Sub-Fund may enter into total return swaps with any counterparty (as identified in the Sub-Fund's financial statements) meeting the UCITS eligible counterparty criteria as set out in the UCITS Regulations. For the avoidance of doubt, such counterparty shall not assume any discretion or approval control over the composition or management of the Sub-Fund's investment portfolio.

Variance or Volatility Swaps:

A variance or volatility swap allows one party to receive a return based on the volatility (size and frequency of movement) in the price of a specified asset or index in exchange for a payment typically based on prevailing interbank interest rates plus a margin.

Variance or volatility swaps can be used to hedge against the effect of changes in the level of market volatility on an investment portfolio or to profit from the over-pricing or under-pricing of general market risk (of which real or perceived volatility is a major component). A similar objective can be achieved by using options but option returns are also influenced by the performance of the security or asset on this the option is written.

Swaptions:

Swaptions are a contract whereby one party receives a fee in return for agreeing to enter into a swap at a predetermined fixed rate of some contingency occurs (normally where future rates are set on relation to a fixed benchmark).

Swaptions may be used for hedging and investment purposes or, if sold, as a source of additional income in the form of a premium.

The purpose of any swaps used by the Sub-Fund will be to gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules

Options:

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 Sub-Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are relevant assets, instruments (such as futures) or indices in respect of the investment policy of the Sub-Fund.

Foreign exchange options, interest rate options (described in further detail below), equity options and exotic or path-dependent options, such as knock-out, knock-in, double knock-in or double knock-out options will be utilised by the Sub-Fund to hedge against the movements of a the interest rate, foreign exchange and equity markets and / or gain synthetic exposure to such markets instead of direct investment. The purpose of any options used by the Sub-Fund will be gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

Options on Bond Futures:

The underlying instruments for intermediate and long-term interest rate futures are government notes and bonds. Their liquidity and capital properties are essentially the same as for short-term contracts. Options on bond futures may be used to increase or reduce exposure to currency price movements.

Interest Rate Options:

An interest rate option refers to interest rate caps and floors. Interest rate caps, floors and collars (a combination of a cap and a floor) are contracts that operate in effect as a series of option contracts entitling the holder to receive part payment if the type of interest specified in the contract exceeds a set rate (the interest rate "**cap**") or falls below a set rate (the interest rate floor).

Exotic or Path Dependant Options:

Path-dependent options are options where the option pay-out depends on the occurrence or non-occurrence of a specific event, such as the price of a specified asset reaching or not reaching a certain value, depending on the terms of the option contract. Path-dependency refers to the fact that the value of the option depends on the path the price of the underlying asset takes during the life of the option. A knock-out option contract would typically provide that the option will function in the same way as any other put or call option, unless the price of the underlying asset reaches a certain value (or either of two set values in the case of a double knock-out option), in which case the option is automatically terminated without reaching expiry. A knock-in option, on the other hand, might provide that the option only comes into existence if the underlying asset reaches a set value (either of two values for a double knock-in option), but once the value is reached and the option comes into effect, it behaves just like a normal option.

The purpose of any options used by the Sub-Fund will be to gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

Futures:

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.

Foreign exchange futures and interest rate futures will be utilised by the Sub-Fund to hedge against the movements of the interest rate, foreign exchange and equity markets and / or gain synthetic exposure to such markets instead of direct investment. 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.

Interest Rate Futures:

An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

The purpose of any futures used by the Sub-Fund will be to gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

Contracts for Difference:

A contract for difference ("**CFD**") is an agreement to exchange the difference between the opening and closing price of the position under the contract on various financial instruments. CFD trading is a convenient instrument for trading shares, indices or futures as it allows an exposure to a market, a sector or an individual security without buying into the underlying market, sector or security directly. The financial instrument underlying a CFD contract is not delivered to the purchaser. CFDs do not usually have a defined maturity and are generally closed out at any time at the discretion of the position taker. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement whereby the party which is in profit on the closing day receives cash from the other party on the difference between the starting share price and the share price on the closing date of the contract.

CFDs enable profits to be made from falling values of the underlying asset without actually selling short any assets. Therefore, CFDs can be used for hedging purposes as well as for gaining positive exposure to the underlying instruments without the need for full capital expenditure.

Credit Derivatives:

A credit derivative is a privately held negotiable bilateral contract that allows users to manage their exposure to credit risk such as credit default swaps. Credit derivatives are financial assets like forward contracts, swaps, and options for which the price is driven by the credit risk of economic agents.

Credit derivatives will be utilised by the Sub-Fund to hedge against the movements of a the interest rate, foreign exchange and equity markets and / or gain synthetic exposure to such markets instead of direct investment. The purpose of any credit derivatives used by the Sub-Fund will be gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

Credit Default Swaps:

A credit default swap is a type of credit derivative which allows one party (the "**Protection Buyer**") to transfer credit risk of a reference entity (the "**Reference Entity**") to one or more other parties (the "**Protection Seller**"). The Protection Buyer pays a periodic fee to the Protection Seller in return for protection against the occurrence of a number of events experienced by the Reference Entity. Credit default swaps may be used by the Sub-Fund to purchase protection against the default of individual assets held by the Sub-Fund or against a security which the Sub-Fund does not hold but in anticipation of a worsening in that issuer's credit position. Protection may also be sold under a credit default swap in anticipation of a stable or improving credit position. The Sub-Fund may enter into credit default swaps either individually or in combinations as part of a relative value trade, whereby protection is purchased and sold respectively on two assets in order to remove the general market exposure but retain the credit specific exposure.

**Use of FDI for Currency Hedging Purposes**

Assets of the Sub-Fund may be denominated in a currency other than the Base Currency and changes in exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The Sub-Fund may (but is not obliged to) seek to mitigate this exchange rate risk by entering into currency transactions including forward currency contracts, currency swaps, currency options to hedge the foreign currency exposure of individual Share Classes against the Base Currency or the currencies in which the assets of the Sub-Fund are denominated in order to hedge the currency exposure of assets of the Sub-Fund into the Base Currency. No assurance, however, can be given that such mitigation will be successful.

The Sub-Fund shall enter into FDI with Approved Counterparties on an OTC basis, or shall invest in FDI listed or traded on a Recognised Market. The underlying instruments will be currencies.

Forwards:

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.

Foreign exchange forwards will be utilised by the Sub-Fund to hedge against the movements of the interest rate and foreign exchange markets and / or gain synthetic exposure to such markets instead of direct investment. Foreign exchange forward contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares. The purpose of any forwards used by the Sub-Fund will be gain exposure to the Asset Classes and will at all times be in compliance with the Central Bank Rules.

**Leverage**

The Sub-Fund will use the absolute Value-at-Risk ("**VaR**") model (a fixed VaR limit) to restrict the market risk of the measured portfolio. The absolute VaR model is considered appropriate as the Sub-Fund does not define the investment target in relation to a benchmark. In accordance with the Central Bank Rules, the VaR of the Sub-Fund's portfolio may not exceed 20% of the Net Asset Value of the Sub-Fund with a confidence level of not less than 99% and a holding period of not less than 20 days. The historical observation period will typically be 200 weeks or greater but a shorter observation period may be used in instances of recent significant price volatility.

It should be noted that these are the current VaR limits required by the Central Bank. In the event that the Central Bank changes these limits, the Sub-Fund will have the ability to avail of such new limits and they will be included in an updated Supplement which will be sent to investors.

Investors should note that the significance of the "One-tailed" 99% confidence level used by the Sub-Fund is that, based on the model of price behaviour used by the Sub-Investment Manager, when at maximum risk, losses are not expected to exceed the 20% level more than 99% of the time or on 99 out of every 100 trading months. However, at this risk level, the model would also predict that losses of more than this amount could happen in 1 month of every 100, and the size of the losses may be much more than 20% of the Sub-Fund value.

Investors should be aware that VaR is a way of measuring the potential loss due to market risk with a given degree of confidence (i.e. probability) under normal market conditions. It is not an assurance that the Sub-Fund will experience a loss of any particular size and the Sub-Fund could be exposed to losses which are much greater than envisaged VaR, more so under abnormal market conditions. It should be noted that VaR does not explicitly measure leverage, and that VaR is a statistical risk measure and the actual loss of a particular transaction or to the Sub-Fund overall may materially exceed the loss indicated by the use of VaR.

There are limitations in using VaR as a statistical measure of risk because it does not directly limit the level of leverage in the Sub-Fund and only describes the risk of loss in prevailing market conditions and would not capture future significant changes in volatility.

The use of FDI on a long/short basis will give rise to leveraged exposure. When measured using the full market or notional value of all FDI held in the Sub-Fund's portfolio, and without taking account of any offsetting exposures or deducting the value of any cash or any short term liquidity held by the Sub-Fund, the leverage may be expected to be between 3,000% and 9,000% of Net Asset Value of the Sub-Fund, but may be higher. Under normal market conditions, it is expected that typically this level will be approximately 5,000% of the Net Asset Value of the Sub-Fund.

The high level of leverage is due to the investment policy of the Sub-Fund, particularly its investment in the foreign exchange and interest rate markets. A feature of these markets is that, under normal market conditions, the FDI used in these markets often have low levels of market risk (in the sense of the likely speed and size of price changes) in relation to the values of the assets they represent, compared to, say, a corresponding FDI in the equity markets, where there is generally a much more direct relationship between a change in value in an underlying equity asset and any associated FDI.

The result is that, when comparing FDI offering similar levels of risk and potential return in different markets, those FDI used in the foreign exchange and interest rate markets will often have much higher values of underlying assets, or notional values, than those associated with the equity markets.

The calculation of the expected level of leverage range, based on the sum of the absolute value of notionals of the FDI used, is produced in accordance with the Central Bank Rules. This figure does not take into account any netting and hedging arrangements that the Sub-Fund has in place at any time even though these netting and hedging arrangements are used for risk reduction purposes. It is therefore not a risk-adjusted method of measuring leverage, which means this figure is higher than it otherwise would be if such netting and hedging arrangements were taken into account.

The high level of leverage on a notional basis is a result of the high correlation inherent between the assets traded within the Fund's individual sub-strategies. Although leverage is monitored, more relevant risk measures such as Value-at-Risk, Stress Testing, and free cash levels are also used to control portfolio risks. However, the Su-Investment Manager will review leverage on an on-going basis, as even where a portfolio is constructed properly with general market exposures largely offset, there will be times where markets behave abnormally and offsetting transactions do not behave as expected, such that the Sub-Fund could experience large losses. Keeping simple leverage lower in terms of market stress can help to reduce this risk.

While leverage presents opportunities for increasing the Sub-Fund's return to Shareholders, leverage also has the potential to increase losses should the return on the FDIs be negative. Shareholders should note that the use of high levels of leverage may increase losses and result in a Shareholder suffering more extensive losses under abnormal market conditions. In order to manage risks resulting from abnormal market conditions, the Sub-Investment Manager will use specific risk management techniques, including (but not limited to) taking into account the existence of extreme price movements in its VaR calculation.

**Investment Restrictions**

Any investment in other open-ended collective investment schemes ("**CIS**") shall not exceed in aggregate 10% of the Net Asset Value of the Sub-Fund. The Sub-Fund will only invest in non-UCITS CIS that satisfy the conditions as set out in the Central Bank Rules.

The general investment restrictions contained in the Investment Restrictions section of the Prospectus also apply.

**Risk Management**

The Manager is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to FDI that it uses. The VaR method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank in the risk management process statement the Manager filed with the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Sub-Fund will not utilise any FDI that are not included in its existing risk management process cleared by the Central Bank, and it will not use such FDI until such time as they have been cleared by the Central Bank and an updated risk management process statement has been filed.

**Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.**

**Profile of a Typical Investor**

The Sub-Investment Manager expects that a typical investor will be seeking to achieve a return on their investment in the medium to long term.

## HOW TO BUY SHARES

The denomination of each Share Class is set out in the Fees and Expenses table below. Shares of all Classes of the Sub-Fund which are not yet funded and which have not yet been issued are available for subscription at the Initial Price (as set out in the Fees and Expenses table below). Shares of all Classes of the Sub-Fund which are funded and which are in issue are available for subscription at the relevant Net Asset Value per Share on each Dealing Day. Details of the Shares of all Classes of the Sub-Fund which are in issue are available on www.montlakeucits.com. The minimum subscription amount for each Share Class is as set out in the Fees and Expenses Section below. The Directors may waive the minimum initial subscription amount at their discretion.

Following the closing of the Initial Offer Period, orders for Shares of all Classes of the Sub-Fund that are received and accepted by or on behalf of the Administrator or the ICAV at the address specified in the Application Form prior to 1.00 p.m. (Irish time) (the "**Subscription Dealing Deadline**") on the Business Day preceding the relevant Dealing Day, will be processed at the Net Asset Value in respect of that Dealing Day, and Shares will be provisionally allotted subject to receipt of the cleared subscription monies, provided that cleared funds are received and accepted by or on behalf of the Administrator of the ICAV before 11.59 p.m. (Irish time) on the Business Day four (4) Business Days following the relevant Dealing Day (the "**Funding Deadline**"). Orders to subscribe for Shares received and accepted by or on behalf of the Administrator or the ICAV after the Subscription Dealing Deadline for the Sub-Fund will be processed at the Net Asset Value in respect of the next Dealing Day. It is the responsibility of the Distributor and intermediaries as appointed in accordance with the Central Bank Rules to ensure that orders placed through them are transmitted onwards to the Administrator on a timely basis.

Where subscription monies are not received by the ICAV before the Funding Deadline, the ICAV on behalf of the Sub-Fund may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the Sub-Fund, subject to the receipt of the cleared subscription monies no later than five (5) Business Days after the Funding Deadline. Any such borrowings will be in accordance with the Central Bank Rules and will not, in any event, exceed 10% of the Net Asset Value of the Sub-Fund. Once the subscription monies are received the Sub-Fund will use such subscription monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates. In addition, the investor shall indemnify the ICAV for any losses, costs or expenses suffered directly or indirectly by the ICAV or the Sub-Fund as a result of the investor's failure to pay for Shares applied for by the due date set forth in the Prospectus and this Supplement. The ICAV reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. In computing any losses covered under this paragraph, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the ICAV or the Sub-Fund in taking proceedings against the applicant.

The ICAV may charge a subscription fee of up to 5% as specified under the section entitled "**Fees and Expenses**". The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

For additional information concerning subscriptions, please consult "**Investing in Shares**" in the Prospectus.

## HOW TO REDEEM SHARES

**Shareholders may redeem their Shares by mail or fax.** Shareholders may request the ICAV to redeem their Shares on and with effect from Dealing Day at a price based on the relevant Net Asset Value per

Share in respect of such Dealing Day. Any amendments to a Shareholder's registration details or payment instructions will only be effected on receipt of original documentation.

Save where expressly provided herein or in the Prospectus, a redemption request forwarded by mail or fax must be received by the ICAV, c/o the Administrator, at the address specified in an Application Form not later than 1.00 p.m. (Irish time) three (3) Business Days prior to the relevant Dealing Day (the "**Redemption Dealing Deadline**"). Faxes should be sent to +353 1 531 8504. Redemption proceeds will normally be paid within three (3) Business Days of the Relevant Redemption Dealing Day and no more than ten (10) Business Days of the Redemption Dealing Deadline. However, no redemption payments will be made until the original subscription documentation required by the ICAV has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Requests received after the Redemption Dealing Deadline on a Dealing Day shall be processed as at the next Dealing Day unless previously withdrawn. All requests for redemption must be endorsed by the record owner(s) exactly as the Shares are registered. Third party payments are not permitted. In addition, in some cases the Administrator may require the furnishing of additional documents such as where the Shares are registered in the name of a corporation, partnership or fiduciary.

**For additional information concerning redemptions and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

## HOW TO EXCHANGE OR TRANSFER SHARES

Shareholders may exchange Shares in the Sub-Fund on any Dealing Day for Shares of another Class in the Sub-Fund or Shares in any Class of any other sub-fund of the ICAV authorised by the Central Bank. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares or shares of another sub-fun (together, "**New Shares**") with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the New Shares will be issued at the Net Asset Value per Share of the corresponding Class of the applicable sub-fund. Exchange requests for Shares must be made through the Distributor for onward transmission to the Administrator in accordance with such detailed instructions regarding exchange procedures as are furnished by the Distributor. The exchange of Shares in New Shares will be subject to the Shareholder meeting the eligibility requirements applicable to the New Shares, including without limitation minimum subscription and minimum shareholding requirements, if any.

No exchange fee will be charged by the ICAV, the Manager or the Investment Manager.

Transfers of Shares must be affected by submission of an original Stock Transfer Form. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors (or the Administrator on their behalf) may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors.

**For additional information concerning exchanges and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

Shares are freely transferable and may not be subject to any transfer restrictions or compulsory redemption save where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, or where such transfer would result in a Shareholder falling below the specified minimum holding, if applicable. To avoid such regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, transfers of Shares are subject to the prior approval of the Directors or the Administrator on their behalf. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a Declaration (as described in the section of the Prospectus entitled "**Taxation**") in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares as described in the section headed "**Taxation**" in the Prospectus.

## DIVIDEND POLICY

The Directors do not intend to declare dividend distributions in respect of the Sub-Fund. Accordingly all income and capital gains in respect of the Sub-Fund will be re-invested in the Sub-Fund and shall be reflected in the Net Asset Value per Share of the Sub-Fund.

## SPECIAL CONSIDERATIONS AND RISK FACTORS

Investors should be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the "**SPECIAL CONSIDERATIONS AND RISK FACTORS**" section of the Prospectus and below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

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

(b) Emerging Markets - Investing in Emerging Markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US dollars; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and depositary arrangements; (xii) less protection through registration of assets and (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and protection of shareholders.

(c) Cash Collateral - As the Sub-Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security or the relevant counterparty on its obligations under the relevant contract.

(d) Sub-Investment Grade Bonds - The debt securities in which the Sub-Fund is permitted to invest may be rated lower than "investment grade" and hence may be considered to be "junk bonds" or distressed securities. Investment in such sub-investment grade bonds are particularly risky investments that may offer the potential for correspondingly high returns. Not all securities or instruments invested in by the Sub-Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Sub-Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. The Sub-Fund may lose all or substantially all of its investment arising from, the default of the issuer or an inability to sell on the bond.

(e) Options Trading – The Sub-Fund may sell and purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of an unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option.

The Sub-Fund may sell and purchase put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (paid to establish the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

(f) Distressed Investments - The Sub-Fund may invest in "below investment grade" securities and obligations of companies and other entities (“**Distressed Companies**”) in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including Distressed Companies involved in insolvency, reorganisation or liquidation proceedings. Among the risks inherent in investments in troubled Distressed Companies is the fact that it frequently may be difficult to obtain information as to the true condition of such Distressed Companies. In addition, there is no minimum credit standard that is a prerequisite to the Sub-Fund's investment in any instrument. In any reorganisation or liquidation proceeding relating to Distressed Companies, the Sub-Fund may lose its entire investment. Such investments also may be adversely affected by applicable laws and regulations relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and judicial decisions to disallow, reduce, subordinate or disenfranchise particular claims. The realisable value of such investments are also subject to abrupt and erratic movements and above-average volatility, and the spread between the bid and asked prices of such securities may be greater than those prevailing for other types of securities. It may take a number of years for the realisable value of such investments to reflect their intrinsic value. In liquidation (both in and out of insolvency) and other forms of corporate reorganisation, there exists the risk that the reorganisation either will be unsuccessful (due to, for example, failure to obtain requisite approvals), will be delayed (for example, until various liabilities, actual or contingent, have been satisfied), or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the Sub-Fund of the investment with respect to which such distribution was made.

(g) Reinvestment of Cash Collateral Risk - As the Sub-Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, the Sub-Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

(h) Total Return Swaps - Total return swaps and other credit derivatives involve certain risks, including, among other things: (i) the possibility that the market will move in a manner or direction that would have resulted in gain for the Sub-Fund had such transaction not been utilised, (ii) the risk of imperfect correlation between the risk sought to be hedged and the transaction, (iii) potential liquidity for the hedging instrument utilised, which may make it difficult for the Sub-Fund to close-out or unwind a hedging transaction and (iv) the risk that the counterparty to a transaction does not perform on its obligations thereunder. For example, in the event that the Sub-Investment Manager enters into a credit derivative with a counterparty that subsequently becomes insolvent or files a bankruptcy case, the credit derivative may be terminated in accordance with its terms and the Sub-Investment Manager's ability to realise its rights under the credit derivative could be adversely affected.

Total return swaps and other credit derivatives are a relatively recent development in the financial markets. Consequently, there are certain legal, tax and market uncertainties that present risks in entering into such total return swaps and other credit derivatives. There is currently little or no case law or litigation characterising total return swaps or other credit derivatives, interpreting their provisions, or characterising their tax treatment. In addition, additional regulations and laws may apply to total return swaps or other credit derivatives that have not heretofore been applied. There can be no assurance that future decisions construing similar provisions to those in any swap agreement or other related documents or additional regulations and laws will not have a material adverse effect on the Sub-Fund.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus. The table below summarises the fees that are currently imposed in respect of each Class. Further details in relation to each of these fees are set out below.

| **Share Classes** | **EUR Institutional** | **GBP Institutional** | **CHF Institutional** | **USD Institutional** |
|---|---|---|---|---|
| Initial Price | EUR 100 | GBP 100 | CHF 100 | USD 100 |
| Minimum Investment | EUR 100,000 | GBP 100,000 | CHF 100,000 | USD 100,000 |
| Minimum Subsequent Investment | EUR 100,000 | GBP 100,000 | CHF 100,000 | USD 100,000 |
| Management Fee | 1.50% | 1.50% | 1.50% | 1.50% |
| Performance Fee | 20% | 20% | 20% | 20% |
| Shareholder Servicing Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Subscription Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Redemption Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Exchange Fee | 0.00% | 0.00% | 0.00% | 0.00% |

| **Share Classes** | **EUR Institutional Pooled** | **GBP Institutional Pooled** | **CHF Institutional Pooled** | **USD Institutional Pooled** |
|---|---|---|---|---|
| Initial Price | EUR 100 | GBP 100 | CHF 100 | USD 100 |
| Minimum Investment | EUR 100,000 | GBP 100,000 | CHF 100,000 | USD 100,000 |
| Minimum Subsequent Investment | EUR 100,000 | GBP 100,000 | CHF 100,000 | USD 100,000 |

| | | | | |
|---|---|---|---|---|
| Management Fee | 1.50% | 1.50% | 1.50% | 1.50% |
| Performance Fee | 20% | 20% | 20% | 20% |
| Shareholder Servicing Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Subscription Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Redemption Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Exchange Fee | 0.00% | 0.00% | 0.00% | 0.00% |

| **Share Classes** | **EUR Retail Pooled** | **GBP Retail Pooled** | **CHF Retail Pooled** | **USD Retail Pooled** |
|---|---|---|---|---|
| Initial Price | EUR 100 | GBP 100 | CHF 100 | USD 100 |
| Minimum Investment | EUR 10,000 | GBP 10,000 | CHF 10,000 | USD 10,000 |
| Minimum Subsequent Investment | EUR 10,000 | GBP 10,000 | CHF 10,000 | USD 10,000 |
| Management Fee | 2.00% | 2.00% | 2.00% | 2.00% |
| Performance Fee | 20% | 20% | 20% | 20% |
| Shareholder Servicing Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Subscription Fee | Up to 5.00% | Up to 5.00% | Up to 5.00% | Up to 5.00% |
| Redemption Fee | 0.00% | 0.00% | 0.00% | 0.00% |
| Exchange Fee | 0.00% | 0.00% | 0.00% | 0.00% |

**MANAGER FEES**

**Management Fee**

The ICAV will be subject to a management fee in respect of the Sub-Fund in an amount which will not exceed:

i. up to [TBC]% per annum of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Shares; and

ii. up to [TBC]% per annum of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Accumulating Shares and Institutional Class Distributing Shares,

The management fee will accrue daily and will be payable monthly in arrears on the last Dealing Day for that month payable in US Dollars.

The management fee will be paid by the ICAV to the Manager which will pay the fees of the Investment Manager and the Sub-Investment Manager out of these fees. The ICAV will also reimburse the Manager out of the assets of the Sub-Fund for reasonable out-of-pocket expenses incurred by the Manager, the Investment Manager and the Sub-Investment Manager. The Manager will be responsible for reimbursing the Investment Manager and the Sub-Investment Manager for these expenses.

The Manager may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or all of the management fees it receives in relation to the Sub-Fund. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Performance Fee**

The Manager will also be entitled to receive a performance fee in respect of each Share Class, calculated as set out at Sections A and B below (the "**Performance Fee**"). The Manager may pay some or all of the Performance Fee to the Investment Manager or the Sub- Investment Manager. The calculation of the Performance Fee shall be verified by the Depositary as at each Payment Date.

The Performance Fee in respect of each Share Class will be calculated in respect of each calendar quarter (a “**Calculation Period**”). The Performance Fee will be deemed to accrue on a daily basis as at each Valuation Day.

The Performance Fee is normally payable to the Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

If the Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

A. The Performance Fee for the Institutional Class Shares is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee, which equates precisely with that Share’s performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of each such Institutional Class Shares will be equal to 20% of the appreciation in the Net Asset Value per Share of each such Class during that Calculation Period above the Peak Net Asset Value per Share of that Class.

The Peak Net Asset Value per Share (“**Peak Net Asset Value per Share**”) is the greater of (i) the Initial Price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

*Adjustments*

If an investor subscribes for Institutional Class Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber.

1. If such Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at par value such number of the investor’s Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for

any Performance Fee) equal to 20% for the relevant Institutional Class Shares of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to 20% for the relevant Institutional Class Shares between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount) equal to 20% for the relevant Institutional Class Shares between the Net Asset Value per Share of that Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per Institutional Class Shares (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to 20% for the relevant Institutional Class Shares multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

B. The Manager is also entitled to receive a Performance Fee out of the assets attributable to the Institutional Pooled Class Shares and the Retail Pooled Class Shares. The Performance Fee will accrue on each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the Institutional Pooled Class Shares and the Retail Pooled Class Shares. The Performance Fee is payable on the last Dealing Day in each Calculation Period, or if the relevant class is terminated before the end of a Calculation Period, the Dealing Day on which the final redemption of shares takes place (each a Payment Date).

The Performance Fee shall be equal in aggregate to 20 per cent of the amount by which the Net Asset Value of the Institutional Pooled Class Shares and the Retail Pooled Class Shares exceeds the Adjusted Net Asset Value of the relevant class as at the Payment Date, plus any Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period.

The Adjusted Net Asset Value of a class is the Net Asset Value of the class as at the end of the last Calculation Period after which a Performance Fee was paid increased on each Dealing Day by the value of any subscriptions or reduced pro rata by the value of any redemptions on each Dealing Day dealt over the period since the previous Dealing Day.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period but not yet paid.

For the avoidance of doubt, any losses in a Calculation Period must be recouped in future Calculation Periods before any Performance Fee will become payable.

Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

**SHAREHOLDER SERVICING FEE**

The ICAV does not currently intend to impose a shareholder servicing fee in respect of the Sub-Fund.

The shareholder servicing fee is normally used to cover expenses that are primarily attributable to the sale of the Shares, including the cost of distributing the Prospectus and other sales literature to prospective investors in the Sub-Fund and payment to the Distributor or such other persons and/or dealers who provide support services in connection with the distribution of the Shares. Such fee is accrued at each Valuation Point for the Sub-Fund and paid monthly in arrears and deducted from the portion of the Net Asset Value of the Sub-Fund attributable to the relevant Class of Shares. The Distributor may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or the entire Shareholder Servicing fee it receives in relation to the Sub-Fund.

**SUBSCRIPTION FEE**

The ICAV does not currently intend to impose a subscription fee for subscriptions in the Sub-Fund in relation to the Institutional Class Shares or the Institutional Pooled Class Shares.

The ICAV may impose a subscription fee of up to 5.00% of the Net Asset Value of the Sub-Fund for subscriptions in the Sub-Fund for Retail Pooled Class Shares.

**REDEMPTION FEE**

The ICAV may impose a redemption fee for redemptions from the Sub-Fund.

**ESTABLISHMENT AND OPERATING EXPENSES**

The Sub-Fund's formation expenses, which were €34,320.00, are being borne out of the assets of the Sub-Fund and are being amortised over the first three (3) accounting periods of the Sub-Fund. Certain other costs and expenses incurred in the operation of the Sub-Fund will also be borne out of the assets of the Sub-Fund, including without limitation, Middle Office and Back Office service fees, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange (if applicable); client service fees; writing, typesetting and printing the Prospectus, sales literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefor (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

**OTHER FEES**

Investors should refer to the "**Fees and Expenses**" section of the Prospectus for Depositary fees, Administrator fees, Directors' fees and any other fees that may be payable and which are not specifically mentioned here.

**The directors of MontLake UCITS Platform ICAV (the "Directors") listed in the Prospectus under "The ICAV"; accept responsibility for the information contained in the Prospectus and this Supplement. 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 the Prospectus and this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.**

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# TOSCA MICRO CAP UCITS FUND

**A sub-fund of MontLake UCITS Platform ICAV, an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations.**

**SUPPLEMENT DATED 8 APRIL 2016**

**TO PROSPECTUS DATED 8 APRIL 2016**

**MANAGER: MLC MANAGEMENT LIMITED**

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**This Supplement forms part of, and should be read in the context of, and together with the Prospectus dated 8 April 2016, as may be amended from time to time (the "Prospectus") and the Addendum to the Prospectus dated 8 April 2016, in relation to MontLake UCITS Platform ICAV (the "ICAV") and contains information relating to the Tosca Micro Cap UCITS Fund (the "Sub-Fund") which is a separate sub-fund of the ICAV.**

**This Supplement should be read in conjunction with the general description of the ICAV contained in the Prospectus. All information contained in the Prospectus is deemed incorporated herein. Words and expressions not specifically defined in this Supplement bear the same meaning as that attributed to them in the Prospectus. To the extent that there is any inconsistency between this Supplement and the Prospectus, this Supplement shall prevail.**

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## IMPORTANT INFORMATION

This Supplement shall form part of, and should be read in conjunction with, the Prospectus. Statements made in this Supplement are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to change.

This Supplement contains information relating to the Tosca Micro Cap UCITS Fund, a separate sub-fund of the ICAV which is authorised and regulated by the Central Bank as a UCITS.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Supplement and the reports referred to below and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Supplement (whether or not accompanied by the reports), or any issue of Shares, shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Supplement.

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

Distribution of this Supplement is not authorised unless it is accompanied by a copy of the Prospectus and the ICAV's or the Sub-Fund's latest annual report and audited accounts and/or half-yearly report and unaudited accounts (as applicable). These documents, delivered together, will comprise a complete current prospectus for the offering of Shares of the Sub-Fund.

Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Supplement.

## DEFINITIONS

Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein. The ICAV is established pursuant to the UCITS Regulations and will comply with the Central Bank's Rules.

For the purposes of Share dealings and valuations of the Sub-Fund, "Dealing Day" shall mean every Wednesday, provided such day is a Business Day or the following Business Day where the relevant Wednesday is not a Business Day, and the last Business Day of every month and such other day or days as the Directors shall from time to time determine and notify in advance to the Shareholders. An indicative Net Asset Value per Share will be available from the Administrator on each Business Day. However Share dealings will only be permitted on a Dealing Day.

The "Valuation Point" as at which prices shall be used when valuing the assets of the Sub-Fund shall be such time on a Dealing Day which reflects the close of business in the markets relevant to the assets and liabilities of the Sub-Fund or such other time on that Dealing Day as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the Valuation Point for any Dealing Day shall always be a time on that Dealing Day and the time at which the Net Asset Value is calculated will always be after the relevant Subscription Dealing Deadline or Redemption Dealing Deadline.

The Net Asset Value per Share in respect of any Dealing Day with respect to the Sub-Fund shall be published on the Business Day on which it is calculated on the following website ***www.montlakeucits.com*** and on or through such other media as the Investment Manager may from time to time determine and notify to Shareholders. The Net Asset Value per Share published on the abovementioned website will be updated on each Business Day. The Net Asset Value per Share will also be available from the office of the Administrator.

"Business Day" means a day which is a bank business day in Ireland and United Kingdom and in such other countries as the Directors shall from time to time determine and notify in advance to the Shareholders.

"Institutional Class Shares" means the EUR Institutional Class Shares, GBP Institutional Class Shares, CHF Institutional Class Shares and USD Institutional Class Shares.

"Institutional Class Pooled Shares" means the EUR Institutional Class Pooled Shares, GBP Institutional Class Pooled Shares, CHF Institutional Class Pooled Shares and USD Institutional Class Pooled Shares.

"Retail Class Shares" means the EUR Retail Class Shares, GBP Retail Class Shares, CHF Retail Class Shares and USD Retail Class Shares.

"Retail Class Pooled Shares" means the GBP Retail Class Pooled Shares.

The Base Currency for the Sub-Fund shall be Sterling or such other currency as the Directors shall from time to time determine and notify to the Shareholders and the Central Bank.

## THE SUB-FUND

The Sub-Fund is a sub-fund of MontLake UCITS Platform ICAV (the "**ICAV**"), an Irish Collective Asset-management Vehicle established as an umbrella fund with segregated liability between sub-funds.

The ICAV issues thirteen (13) classes of Shares in respect of the Sub-Fund being; Institutional Class Shares, Institutional Pooled Class Shares, Retail Class Shares and Retail Class Pooled Shares. The ICAV may also create additional classes of Shares in the Sub-Fund in the future in accordance with the Central Bank Rules.

The Directors may determine to redeem all the outstanding Shares of the Sub-Fund as set out in the Prospectus.

## THE SUB-INVESTMENT MANAGER

The Investment Manager has appointed Toscafund Asset Management LLP as sub-investment manager to manage and invest the assets of the Sub-Fund in accordance with the investment objective, approach and restrictions described in this Supplement (the "**Sub-Investment Manager**").

The Sub-Investment Manager was incorporated and registered in the United Kingdom as a limited liability partnership on 13 June 2006 and is authorised by the Financial Conduct Authority in the United Kingdom under the Markets in Financial Instruments Directive to provide investment management services and as an Alternative Investment Fund Manager under the Alternative Investment Fund Managers Directive. The Sub-Investment Manager is engaged in the business of providing discretionary investment management services to collective investment schemes.

Under the Sub-Investment Management Agreement between the Investment Manager and the Sub-Investment Manager dated 8 April 2016 (the "**Sub-Investment Management Agreement**"), the Sub-Investment Manager will provide discretionary investment management services to the ICAV solely in respect of the Sub-Fund.

The Sub-Investment Management Agreement provides that neither the Sub-Investment Manager nor any of its partners, officers, employees or agents shall be liable to the Investment Manager or any of its directors, officers, employees or agents for any loss or damage suffered or incurred by them arising out of the performance by the Sub-Investment Manager of its duties under the Sub-Investment Management Agreement, unless such loss or damage arose out of or in connection with the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager.

The Investment Manager is obliged to indemnify and keep indemnified the Sub-Investment Manager and each of its partners, officers, employees or agents, out of the assets of the Sub-Fund from and against all actions, proceedings, claims, liabilities, losses, damages, costs and expenses (including legal and professional fees and expenses arising therefrom) directly or indirectly suffered or incurred by the Sub-Investment Manager arising out of or in connection with the performance by the Sub-Investment Manager of its duties thereunder other than due to the negligence, wilful default, bad faith or fraud of or by the Sub-Investment Manager in the performance of its duties thereunder.

Either party may terminate the Sub-Investment Management Agreement upon ninety (90) days prior written notice to the other party. The Sub-Investment Management Agreement may be terminated by either party at any time by notice in writing if the other party shall (i) commit any material breach of the Sub-Investment Management Agreement, which is either incapable of remedy or has not been remedied within thirty days of notice requiring the remedying of the default; (ii) be the subject of any petition for the appointment of an examiner or similar officer to it; (iii) be unable to pay its debts as they fall due; (iv) have a receiver appointed; or (v) be the subject of an effective resolution for its winding up; (vi) be the subject of a court order for its winding up or liquidation; (vii) be incapable of performing its duties or obligations under the Sub- Investment Management Agreement.

## INVESTMENT OBJECTIVE AND POLICIES

### Investment Objective

The Sub-Fund's investment objective is to achieve long-term capital appreciation.

### Investment Policy

The Sub-Fund will invest primarily in "micro cap" companies (i.e. companies with a market capitalisation of up to £250 million) that are listed in the United Kingdom, and which are or are expected to become constituents of the FTSE Small Cap ex Investment Trust Index or the FTSE AIM All Share Index. The Sub-Fund may also invest up to 20% of its Net Asset Value in equity securities issued by companies that are listed in the United Kingdom with a market capitalisation between £250 million and £1 billion. As a result, investment will primarily be in equity and equity-linked securities (which may include but are not limited to such instruments as shares and warrants) which are listed or traded on a stock exchange or market in the United Kingdom, and the remainder invested in equity and equity linked securities (including, without limitation, common and preferred stocks) which are listed or traded on other Recognised Markets and in the other types of instruments set out in this investment policy. The Sub-Fund will not invest in companies with a market capitalisation in excess of £1 billion.

In selecting investments for the portfolio, the Sub-Investment Manager shall carry out a detailed analysis of the issuer in which it ultimately invests but may also consider such other factors as sectoral prospects, monetary policy, global trade and regulation as it believes relevant. The Sub-Investment Manager will use a number of screens, including the use of both proprietary and third party data to filter out potential stocks and themes. The Sub-Investment Manager will then employ a bottom up approach that will involve broker research, its own analysis, company interaction and peer group comparisons to select stocks for inclusion in the Sub-Fund. The Sub-Fund does not have any specific industry or sector focus.

The Sub-Investment Manager may use financial derivative instruments ("**FDI**") to invest indirectly in the above companies, or may use FDI to hedge market exposure. The Sub-Investment Manager also has the ability to acquire a synthetic short position to an issuer through the use of FDI, but this is not expected to be a significant part of the investment strategy. The Sub-Fund will normally have market exposure of between 70% and 100% long on both a net and a gross basis. If market circumstances lead the Sub-Investment Manager to deem it appropriate, however, the Sub-Fund may use short FDI positions to reduce net exposure, which could raise gross exposure above 100%. The Sub-Fund will maintain a maximum limit on net exposure of 100%, and a maximum limit on gross exposure of 150%.

The Sub-Fund may also, pending reinvestment or in circumstances of extreme volatility or if market factors require and if considered appropriate to achieve the investment objective of the Sub-Fund, invest up to 100% of the Sub-Fund's Net Asset Value in cash, cash equivalents (including, but not limited to, cash deposits, commercial paper and certificates of deposit), and money market instruments (including but not limited to) short term commercial paper, floating rate notes, medium term notes or securities issued or guaranteed by any OECD government, its agencies or instrumentalities or by any supra-national entity with investment grade rating as rated by a Recognised Rating Agency.

**Use of FDI for Investment Purposes**

For the avoidance of doubt, any reference in these investment objectives and policies to investment in securities by the Sub-Fund may be deemed also to refer to indirect or short exposure to such securities through the use of FDI.

The use of FDI will be subject to the Sub-Fund's investment objective and to the provisions set forth in Appendix II, Appendix III and Appendix IV to the Prospectus. In particular, the Sub-Fund may use FDI such as swaps, contracts for differences, exchange traded and OTC put and call options relating to stocks, shares and indices, and exchange traded and OTC futures relating to stocks, shares and indices for the purpose of gaining exposure to the underlying securities. A description of each of the FDI to be used by the Sub-Fund is set out in further detail below.

The Sub-Fund shall enter into FDI with Approved Counterparties on an OTC basis, or shall invest in FDI listed or traded on a Recognised Market as set out in Appendix I to the Prospectus.

Futures:

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.

Foreign exchange futures and interest rate futures will be utilised by the Sub-Fund to hedge against the movements of the interest rate, foreign exchange and equity markets and / or gain synthetic exposure to such markets instead of direct investment. 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.

Contracts for Difference:

A contract for difference ("**CFD**") is an agreement to exchange the difference between the opening and closing price of the position under the contract on various financial instruments. CFD trading is a convenient instrument for trading shares, indices or futures as it allows an exposure to a market, a sector or an individual security without buying into the underlying market, sector or security directly. The financial instrument underlying a CFD contract is not delivered to the purchaser. CFDs do not usually have a defined maturity and are generally closed out at any time at the discretion of the position taker. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement whereby the party which is in profit on the closing day receives cash from the other party on the difference between the starting share price and the share price on the closing date of the contract.

CFDs enable profits to be made from falling values of the underlying asset without actually selling short any assets. Therefore, CFDs can be used for hedging purposes as well as for gaining positive exposure to the underlying instruments without the need for full capital expenditure.

Options:

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 Sub-Fund may buy or sell (write) exchange-traded or OTC put and call options whose underlyings are relevant assets, instruments (such as futures) or indices in respect of the investment policy of the Sub-Fund.

**Use of FDI for Currency Hedging Purposes**

Assets of the Sub-Fund may be denominated in a currency other than the Base Currency and changes in exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The Sub-Fund may (but is not obliged to) seek to mitigate this exchange rate risk by entering into currency transactions including forward currency contracts, currency swaps, currency options to hedge the foreign currency exposure of individual Share Classes against the Base Currency or the currencies in which the assets of the Sub-Fund are denominated in order to hedge the currency exposure of assets of the Sub-Fund into the Base Currency. No assurance, however, can be given that such mitigation will be successful.

The Sub-Fund may enter into FDI with Approved Counterparties on an OTC basis, or shall invest in FDI listed or traded on a Recognised Market. The underlying instruments will be currencies.

Forwards:

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.

Foreign exchange forwards will be utilised by the Sub-Fund to hedge against the movements of the foreign exchange markets and / or gain synthetic exposure to such markets instead of direct investment. Foreign exchange forward contracts are specifically useful and may be used for the hedging in connection with hedged currency classes of shares.

**Leverage**

In accordance with the Central Bank Rules, the Sub-Fund may be leveraged through its investment in FDI by up to 100% which will be measured using the commitment approach, whereby, in general, FDI exposures are calculated by adding together the values of the assets notionally underlying each FDI. The Sub-Fund may also take account of netting and hedging arrangements when calculating global exposure in accordance with the Central Bank Rules. The global exposure of the Sub-Fund will be measured using the commitment approach and the maximum global exposure will be 200% (comprising 100% of the Net Asset Value of the Sub-Fund and 100% leverage through its investment in FDI). The Sub-Investment Manager does not intend that the Sub-Fund will principally invest in FDI, although it may invest in FDI for hedging purposes and as an alternative to direct investment where it is more cost efficient for the Sub-Fund to do so. It is intended that any such investment in FDI would replicate the market exposure and volatility expected from investing directly in the underlying instrument.

**Risk Management**

The Manager is required under the UCITS Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to FDI that it uses. The commitment method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank in the risk management process statement the Manager filed with the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

The Sub-Fund will not utilise any FDI that are not included in its existing risk management process cleared by the Central Bank, and it will not use such FDI until such time as they have been cleared by the Central Bank and an updated risk management process statement has been filed.

**Investors should note that there can be no guarantee that the Sub-Fund will achieve its investment objective.**

**Investment Restrictions**

The Sub-Fund will not invest in other open-ended collective investment schemes.

The general investment restrictions contained in the Investment Restrictions section of the Prospectus also apply.

**Profile of a Typical Investor**

The Investment Manager expects that a typical investor will be seeking to achieve a return on their investment in the long term with a high level of volatility and are willing to accept the risks associated with an investment of this nature.

## HOW TO BUY SHARES

The denomination of each Share Class is set out in the Fees and Expenses table below. Shares of all Classes of the Sub-Fund which are not yet funded and which have not yet been issued are available for subscription at the Initial Price (as set out in the Fees and Expenses table below). Shares of all Classes of the Sub-Fund which are funded and which are in issue are available for subscription at the relevant Net Asset Value per Share on each Dealing Day. Details of the Shares of all Classes of the Sub-Fund which are in issue are available on www.montlakeucits.com. The minimum subscription amount for each Share Class is as set out in the Fees and Expenses Section below. The Directors may waive the minimum initial subscription amount at their discretion.

Orders for Shares of all Classes of the Sub-Fund that are received and accepted by or on behalf of the Administrator or the ICAV at the address specified in the Application Form prior to 1.00 p.m. (Irish time) (the "**Subscription Dealing Deadline**") on the Business Day preceding the relevant Dealing Day, will be processed at the Net Asset Value determined in respect of that Dealing Day, Shares will be provisionally allotted subject to receipt of the cleared subscription monies, provided that cleared funds are received and accepted by or on behalf of the Administrator or the ICAV before 11.59 p.m. (Irish time) on the Business Day three (3) Business Days following the relevant Dealing Day (the "**Funding Deadline**"). Orders to subscribe for Shares received and accepted by or on behalf of the Administrator or the ICAV after the Subscription Dealing Deadline for the Sub-Fund will be processed at the Net Asset Value in ICAV of the next Dealing Day. It is the responsibility of the Distributor and intermediaries as appointed in accordance with the Central Bank Rules to ensure that orders placed through them are transmitted onwards to the Administrator on a timely basis.

Where subscription monies are not received by the ICAV before the Funding Deadline, the ICAV may temporarily borrow an amount equal to the subscription monies and invest such monies in accordance with the investment objectives and policies of the Sub-Fund, subject to the receipt of the cleared subscription monies no later than ten Business Days after the Funding Deadline. Any such borrowings will be in accordance with the Central Bank Rules and will not, in any event, exceed 10% of the Net Asset Value of the Sub-Fund. Once the subscription monies are received the Sub-Fund will use such subscription monies to repay the relevant borrowings and reserves the right to charge that investor interest on such outstanding subscription monies at normal commercial rates. In addition the investor shall indemnify the ICAV for any losses, costs or expenses suffered directly or indirectly by the ICAV or the Sub-Fund as a result of the investor's failure to pay for Shares applied for by the due date set forth in the Prospectus and this Supplement. The ICAV also reserves the right to cancel the provisional allotment of the relevant Shares in those circumstances. In computing any losses covered under this paragraph, account shall be taken, where appropriate, of any movement in the price of the Shares concerned between the transaction date and cancellation of the transaction or redemption of the Shares, and of the costs incurred by the ICAV or the Sub-Fund in taking proceedings against the applicant.

The ICAV may charge a subscription fee of up to 5% as specified under the section entitled "**Fees and Expenses**". The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription.

For additional information concerning subscriptions, please consult "**Investing in Shares**" in the Prospectus.

## HOW TO REDEEM SHARES

**Shareholders may redeem their Shares by mail or fax.** Shareholders may request the ICAV to redeem their Shares on and with effect from any Dealing Day at a price based on the relevant Net Asset Value per Share in respect of such Dealing Day. Any amendments to a Shareholder's registration details or payment instructions will only be effected on receipt of original documentation.

Save where expressly provided herein or in the Prospectus, a redemption request forwarded by mail or fax must be received by the ICAV, c/o the Administrator, at the address specified in an Application Form not later than 1.00 p.m. (Irish time) three (3) Business Days prior to relevant Dealing Day (the "**Redemption Dealing Deadline**"). Faxes should be sent to +353 1 531 8504. Redemption proceeds will normally be paid within three (3) Business Days of the relevant Dealing Day and no later than ten (10) Business Days of the relevant Redemption Dealing Deadline. However, no redemption payments will be made until the complete subscription documentation in original form where required by the ICAV has been received by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Requests received after the Redemption Dealing Deadline on a Dealing Day shall be processed as at the next Dealing Day unless previously withdrawn. All requests for redemption must be endorsed by the record owner(s) exactly as the Shares are registered. In addition, in some cases the Administrator may require the furnishing of additional documents such as where the Shares are registered in the name of a corporation, partnership or fiduciary.

**For additional information concerning redemptions and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

## HOW TO EXCHANGE OR TRANSFER SHARES

Shareholders may exchange Shares in the Sub-Fund on any Dealing Day for Shares of another Class in the Sub-Fund or Shares in any Class of any other sub-fund authorised by the Central Bank. An exchange request will be treated as an order to redeem the Shares held prior to the exchange and a purchase order for new Shares or shares of another sub-fund (together, "**New Shares**") with the redemption proceeds. The original Shares will be redeemed at their Net Asset Value per Share and the New Shares will be issued at the Net Asset Value per Share of the corresponding Class of the applicable sub-fund. Exchange requests for Shares must be made through the Distributor for onward transmission to the Administrator in accordance with such detailed instructions regarding exchange procedures as are furnished by the Distributor. The exchange of Shares in New Shares will be subject to the Shareholder meeting the eligibility requirements applicable to the New Shares, including without limitation minimum subscription and minimum shareholding requirements, if any.

No exchange fee will be charged by the ICAV, the Manager or the Investment Manager.

Transfers of Shares must be effected by submission of an original Stock Transfer Form. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Directors (or the Administrator on their behalf) may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the ICAV, or such other place as the Directors may reasonably require, accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form to the satisfaction of the Directors.

**For additional information concerning exchanges and restrictions thereon, please consult "Investing in Shares" in the Prospectus.**

Shares are freely transferable and may not be subject to any transfer restrictions or compulsory redemption save where the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, or where such transfer would result in a Shareholder falling below the specified minimum holding, if applicable. To avoid such regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or its Shareholders as a whole, transfers of Shares are subject to the prior approval of the Directors or the Administrator on their behalf. A proposed transferee may be required to provide such representations, warranties or documentation as the Directors may require in relation to the above matters. In the event that the ICAV does not receive a Declaration (as described in the section of the Prospectus entitled "**Taxation**") in respect of a transferee, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase or other payment in respect of the Shares as described in the section headed "**Taxation**" in the Prospectus.

## DIVIDEND POLICY

The Directors do not intend to declare dividend distributions in respect of the Sub-Fund. Accordingly all income and capital gains in respect of the Sub-Fund will be re-invested in the Sub-Fund and shall be reflected in the Net Asset Value per Share of the Sub-Fund.

## SPECIAL CONSIDERATIONS AND RISK FACTORS

Investors should be aware of the risks of the Sub-Fund including, but not limited to, the risks described in the "**SPECIAL CONSIDERATIONS AND RISK FACTORS**" section of the Prospectus and below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

*Small Cap Risk*

The Sub-Fund's investment policy is focused on companies with lower levels of traded capital than is typical in an equity securities fund. The Sub-Investment Manager expects that this will offer opportunities to generate higher returns than would normally be the case in a typical equity fund, but there are some risks that are specifically associated with this sector of the market as a result of the smaller amounts of traded capital in circulation. For example, the more limited market in these securities compared to securities of companies with larger market capitalisations and broader trading markets means it may be more difficult to effect sales of such securities at a given time without having to accept a substantial drop in price. This can also lead to greater price volatility following company announcements or business developments. Analyst coverage may be limited, so the impact of developments affecting the company may be poorly understood by investors, adding to the risk of higher volatility and mismatches between fundamental and perceived market value, albeit that this also creates opportunities to identify hidden or unrecognised value before the market does.

Additional risk factors associated with companies whose market capitalisation is small cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

*Risk Factors Not Exhaustive*

The risks set out in this Supplement do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or the Sub-Fund may be exposed to risks of an exceptional nature from time to time.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "**Fees and Expenses**" in the Prospectus. The table below summarises the fees that are currently imposed in respect of each Share Class. Further details in relation to each of these fees are set out below.

| **Share Classes** | **EUR Institutional Class** | **GBP Institutional Class** | **CHF Institutional Class** | **USD Institutional Class** |
|---|---|---|---|---|
| Initial Price | EUR100 | GBP100 | CHF100 | USD100 |
| Minimum Investment | EUR100,000 | GBP100,000 | CHF100,000 | USD100,000 |
| Minimum Subsequent Investment | EUR5,000 | GBP5,000 | CHF5,000 | USD5,000 |
| Management Fee | 1.5% | 1.5% | 1.5% | 1.5% |
| Performance Fee | 15% | 15% | 15% | 15% |
| Subscription Fee | 5% | 5% | 5% | 5% |
| Redemption Fee | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% |

| **Share Classes** | **EUR Institutional Class Pooled** | **GBP Institutional Class Pooled** | **CHF Institutional Class Pooled** | **USD Institutional Class Pooled** |
|---|---|---|---|---|
| Initial Price | EUR100 | GBP100 | CHF100 | USD100 |
| Minimum Investment | EUR100,000 | GBP100,000 | CHF100,000 | USD100,000 |
| Minimum Subsequent Investment | EUR5,000 | GBP5,000 | CHF5,000 | USD5,000 |
| Management Fee | 1.5% | 1.5% | 1.5% | 1.5% |
| Performance Fee | 15% | 15% | 15% | 15% |
| Subscription Fee | 5% | 5% | 5% | 5% |
| Redemption Fee | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% |

| Share Classes | EUR Retail Class | GBP Retail Class | CHF Retail Class | USD Retail Class | GBP Retail Class Pooled |
|---|---|---|---|---|---|
| Initial Price | EUR100 | GBP100 | CHF100 | USD100 | GBP100 |
| Minimum Investment | EUR1,000 | GBP1,000 | CHF1,000 | USD1,000 | GBP1,000 |
| Minimum Subsequent Investment | EUR1,000 | GBP1,000 | CHF1,000 | USD1,000 | GBP1,000 |
| Management Fee | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Performance Fee | 20% | 20% | 20% | 20% | 20% |
| Shareholder Servicing Fee | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Subscription Fee | 5% | 5% | 5% | 5% | 5% |
| Redemption Fee | 0% | 0% | 0% | 0% | 0% |
| Exchange Fee | 0% | 0% | 0% | 0% | 0% |

**MANAGER FEES**

**Management Fee**

The ICAV will be subject to an management fee in respect of the Sub-Fund in an amount which will not exceed

(i) 1.5% per annum of the Net Asset Value of the Sub-Fund in the case of the Institutional Class Shares and Institutional Class Pooled Shares; and

(ii) 2.0% per annum of the Net Asset Value of the Sub-Fund in the case of the Retail Class Shares and Retail Class Pooled Shares.

The management fee will accrue daily and will be payable monthly in arrears on the last Dealing Day for that month payable in Sterling.

The management fee will be paid by the ICAV to the Manager which will pay the fees of the Investment Manager and Sub-Investment Manager out of these fees. The ICAV will also reimburse the Manager out of the assets of the Sub-Fund for reasonable out-of-pocket expenses incurred by the Manager, the Investment Manager and the Sub-Investment Manager. The Manager will be responsible for reimbursing the Investment Manager and Sub-Investment Manager for these expenses.

The Investment Manager may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or all of the management fees it receives in relation to the Sub-Fund. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder.

**Performance Fee**

The Manager will also be entitled to receive a performance fee in respect of each Share Class, calculated as set out at Sections A and B below (the "**Performance Fee**"). The Manager may pay some or all of the Performance Fee to the Investment Manager or the Sub-Investment Manager. The calculation of the Performance Fee shall be verified by the Depositary.

The Performance Fee in respect of each Share Class will be calculated in respect of each calendar quarter (a "**Calculation Period**"). The end of the Calculation Period is the last Dealing Day of each calendar quarter. The Performance Fee will be deemed to accrue on a daily basis as at each Valuation Day.

*A. Institutional Class Shares and Retail Class Shares*

The Performance Fee for the Institutional Class Shares and Retail Class Shares is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Sub-Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee will be calculated at the relevant percentage rate per annum shown in the table above for each of the relevant share classes (the "**relevant percentage**") of the appreciation in the Net Asset Value per Share of each such Class during that Calculation Period above the Peak Net Asset Value per Share of that Class.

The Peak Net Asset Value per Share ("**Peak Net Asset Value per Share**") is the greater of (i) the initial price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

*Adjustments*

If an investor subscribes for Retail Class Shares or Institutional Class Shares at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber.

1. If such Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the Performance Fee will be charged at the end of each Calculation Period by redeeming at the prevailing Net Asset Value per Share of the Class such number of the investor's Shares of the relevant Class as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to the relevant percentage of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Manager as a Performance Fee. The Sub-Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares. Performance Fee Redemptions are employed to ensure that the Sub-Fund maintains a uniform Net Asset Value per Share of each Class. As regards any remaining performance of the Shares above the Hurdle Net Asset Value, and any other Shares of that Class held by the investor, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

2. If such Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to the relevant percentage of the difference between the then current Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Sub-Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Sub-Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Sub-Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount) equal to the relevant percentage of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per relevant Class Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to the relevant percentage of the excess, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Sub-Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

*B. Institutional Class Pooled Shares and Retail Class Pooled Shares*

The Manager is also entitled to receive a Performance Fee out of the assets attributable to the Institutional Class Pooled Shares and Retail Class Pooled Shares. The Performance Fee will accrue on each Valuation Point and the accrual will be reflected in the Net Asset Value per Share of the relevant Share Classes. The Performance Fee is payable on the last Dealing Day in each Calculation Period, or if the relevant class is terminated before the end of a Calculation Period, the Dealing Day on which the final redemption of shares takes place (each a "**Payment Date**").

The Performance Fee shall be equal in aggregate to the relevant percentage of the amount by which the Net Asset Value of the Institutional Class Pooled Shares or Retail Class Pooled Shares exceed the Adjusted Net Asset Value of the class as at the Payment Date, plus any Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period.

The Adjusted Net Asset Value of a class is the Net Asset Value of the class as at the end of the last Calculation Period after which a Performance Fee was paid increased on each Dealing Day by the value of any subscriptions or reduced pro rata by the value of any redemptions on each Dealing Day dealt over the period since the previous Dealing Day.

For the purposes of the Performance Fee calculation, the Net Asset Value shall be calculated before the deduction of any accrual for Performance Fee for that Calculation Period, other than Performance Fee accrued in relation to the class in respect of redemptions during the Calculation Period but not yet paid.

For the avoidance of doubt, any losses in a Calculation Period must be recouped in future Calculation Periods before any Performance Fee will become payable.

The Performance Fee is normally payable to the Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

If the Management Agreement is terminated before the end of any Calculation Period, the Performance Fee in respect of the then current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant period.

The Depositary shall verify the calculation of the Performance Fee as at each Payment Date.

Where Performance Fees are payable by the Sub-Fund, these will be based on net realised and net unrealised gains and losses as at each Payment Date. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

**SHAREHOLDER SERVICING FEE**

The Retail Class and Retail Class Pooled Shares will be subject to a shareholder servicing fee of 0.25% per annum of the Net Asset Value of the relevant Share Class. The shareholder servicing fee will be used to cover expenses that are primarily attributable to the sale of the Retail Class and Retail Class Pooled Shares, including the cost of distributing the Prospectus and other sales literature to prospective investors in the Sub-Fund and payment to the Distributor or such other persons and/or dealers who provide support services in connection with the distribution of the Retail Class and Retail Class Pooled Shares. Such fee is accrued at each Valuation Point for the Sub-Fund and paid monthly in arrears and deducted from the portion of the Net Asset Value of the Sub-Fund attributable to the relevant Classes of Shares. The Distributor may from time to time, and in its sole discretion and out of its own resources, decide to rebate to some or all Shareholders (or their agents) or to intermediaries, part or the entire Shareholder Servicing fee it receives in relation to the Sub-Fund.

**SUBSCRIPTION FEE**

The ICAV may charge a subscription fee of up to 5%. The ICAV may waive all or a portion of the subscription fee and may pay all or a portion of any subscription fee charge to a distributor and/or to any intermediaries, for services provided in connection with the solicitation of subscriptions. Any applicable subscription fee will be deducted from the subscribers' subscription payment for the purpose of determining the net amount available for investment in Shares.

**REDEMPTION FEE**

The ICAV does not currently intend to impose a redemption fee for redemptions from the Sub-Fund.

**ESTABLISHMENT AND OPERATING EXPENSES**

Certain costs and expenses incurred in the operation of the ICAV will be borne out of the assets of the Sub-Fund, including without limitation, registration fees and other expenses relating to regulatory, supervisory or fiscal authorities in various jurisdictions, the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange (if applicable); client service fees; writing, typesetting and printing the Prospectus, sales, literature and other documents for investors; taxes and commissions; issuing, purchasing, repurchasing and redeeming Shares; transfer agents, dividend dispersing agents, registrars; printing, mailing, auditing, accounting and legal expenses; reports to Shareholders and governmental agencies; meetings of Shareholders and proxy solicitations therefore (if any); insurance premiums; association and membership dues; and such non-recurring and extraordinary items as may arise.

**OTHER FEES**

Investors should refer to the "**Fees and Expenses**" section of the Prospectus for Depositary fees, Administrator fees, Directors' fees and any other fees that may be payable and which are not specifically mentioned here.

1. **GERMAN PAYING AND INFORMATION AGENT**

Marcard, Stein & Co. AG Ballindamm 36 in 20095 Hamburg, has been appointed as the Paying and Information Agent for the Federal Republic of Germany (the "**German Paying and Information Agent**").

2. **EXCHANGE AND REDEMPTION OF SHARES**

Exchange and redemption requests for Shares can be submitted to the German Paying and Information Agent. Upon the Shareholders' request, redemption proceeds, distributions or other payments to the Shareholders, if any, may also be made in Euro via the German Paying and Information Agent.

3. **DOCUMENTS AND NOTICES**

The Prospectus, the Key Investor Information Documents, the Instrument of Incorporation of the ICAV, the audited annual accounts and half-yearly accounts may be inspected at and are available free of charge from the German Paying and Information Agent in electronic format.

Notifications to the Shareholders, if any, are available from the German Paying and Information Agent and are communicated to Shareholders in the Federal Republic of Germany by post.

4. **PUBLICATION OF PRICES**

The Net Asset Value per share of the Sub-Funds (as set out in the table below) of the ICAV and the purchase and redemption prices are available from the German Paying and Information Agent on every bank business day in Hamburg. Moreover, issue and redemption prices, together with the interim profit and the aggregate amount of income deemed to have been received by the holder of foreign investment units after 31 December 1993, are published daily on the electronic platform of "fundinfo AG" (www.fundinfo.com).

| Sub Fund Name | Share Class |
|---|---|
| **Dunn WMA Institutional UCITS Fund** | EUR Institutional Class A Shares |
| | EUR Institutional Class B Shares |
| | EUR Retail Class Shares |
| | EUR Institutional Class A Pooled |
| | EUR Institutional Class B Pooled Shares |
| | EUR Retail Class Pooled Shares |
| | GBP Institutional Class A Shares |
| | GBP Institutional Class B Shares |
| | GBP Retail Class Shares |
| | GBP Institutional Class A Pooled |
| | GBP Institutional Class B Pooled Shares |
| | GBP Retail Class Pooled Shares |
| | CHF Institutional Class A Shares |
| | CHF Institutional Class B Shares |
| | CHF Retail Class Shares |
| | CHF Institutional Class A Pooled |
| | CHF Institutional Class B Pooled Shares |
| | CHF Retail Class Pooled Shares |
| | USD Institutional Class A Shares |
| | USD Institutional Class B Shares |
| | USD Institutional Class C Shares |
| | USD Retail Class Shares |
| | USD Institutional Class A Pooled |
| | USD Institutional Class B Pooled Shares |
| | USD Retail Class Pooled Shares |
| | SEK Institutional Class A |
| | SEK Institutional Class B |

| | |
|---|---|
| | SEK Retail Class Pooled |
| | SEK Institutional Class A Pooled |
| | SEK Institutional Class B Pooled |
| | |
| **Tosca Micro Cap UCITS Fund** | EUR Retail Class Shares |
| | EUR Institutional Class Shares |
| | EUR Institutional Class Pooled Shares |
| | GBP Retail Class Shares |
| | GBP Institutional Class Shares |
| | GBP Retail Class Pooled Shares |
| | GBP Institutional Class Pooled Shares |
| | CHF Retail Class Shares |
| | CHF Institutional Class Shares |
| | CHF Institutional Class Pooled Shares |
| | USD Retail Class Shares |
| | USD Institutional Class Shares |
| | USD Institutional Class Pooled Shares |
| | |
| **North MaxQ Macro UCITS Fund** | Euro Retail Pooled Class |
| | Euro Institutional Class |
| | Euro Institutional Pooled Class |
| | GBP Retail Pooled Class |
| | GBP Institutional Class |
| | GBP Institutional Pooled Class |
| | CHF Retail Pooled Class |
| | CHF Institutional Class |
| | CHF Institutional Pooled Class |
| | USD Retail Pooled Class |
| | USD Institutional Class |
| | USD Institutional Pooled Class |
| | |
| **New Mountain Vantage UCITS Fund** | EUR Retail Class Pooled Shares |
| | EUR Institutional Class Shares |
| | EUR Institutional Class Founder Shares |
| | EUR Institutional Class Pooled Shares |
| | GBP Retail Class Pooled Shares |
| | GBP Institutional Class Shares |
| | GBP Institutional Class Founder Shares |
| | GBP Institutional Class Pooled Shares |
| | CHF Retail Class Pooled Shares |
| | CHF Institutional Class Shares |
| | CHF Institutional Class Founder Shares |
| | CHF Institutional Class Pooled Shares |
| | USD Retail Class Pooled Shares |
| | USD Institutional Class Shares |
| | USD Institutional Class Founder Shares |
| | USD Institutional Class A Founder Shares |
| | USD Institutional Class Pooled Shares |
| | |

5. **PARTICULAR EVENTS**

An additional notice will be published on the German electronic Federal Gazette about the following events:

- the suspension of redemption of a Sub-Fund's shares;
- the termination of the management of a Sub-Fund or the liquidation thereof,
- changes being made to the Instrument of Incorporation of the ICAV which are not in

compliance with the existing investment principles or which affect material investor rights or which relate to fees and cost refunds that may be withdrawn from a Sub-Fund;

- the merger of a Sub-Fund; and, where applicable,
- the conversion of a Sub-Fund into a feeder fund and a change of a master.

## 6. TAXATION

For questions on the tax impact of an investment in the ICAV please contact your tax advisor.

## 7. SUB-FUNDS NOT PUBLICLY MARKETED IN GERMANY

The following Sub-Fund of the ICAV is not registered in Germany according to Section 310 of the German Investment Code (KAGB):

- **Angel Oak Multi-Strategy Income UCITS Fund;**
- **Ardsley Partners US Equity UCITS Fund;**
- **Ash Park Global Consumer Franchise UCITS Fund;**
- **Burren Global Arbitrage UCITS Fund;**
- **Disciplined Alpha U.S. Long Short UCITS Fund;**
- **FVC Alternative Risk Premia UCITS Fund;**
- **Harvest Multi Asset UCITS Fund;**
- **MontLake Purple Global Adaptive Equity UCITS Fund;**
- **Mygale Event Driven UCITS Fund;**
- **Open Field Capital Technology UCITS Fund;**
- **OTS Asia Opportunity UCITS Fund;**
- **QCM AFP UCITS Fund;**
- **RoboCap UCITS Fund;**
- **Skyline EM Long Only UCITS Fund;**
- **Skyline UCITS Fund;**
- **SMH Capital High Yield UCITS Fund;**
- **Sparx OneAsia Long Short UCITS Fund;**
- **Tiber Diversified UCITS Fund;**
- **Tower GEM UCITS Fund;**
- **Wanger European Smaller Companies UCITS Fund;**
- **Wanger US Smaller Companies UCITS Fund.**

Shares of the above mentioned Sub-Funds are not allowed to be distributed publicly in Germany.