

## **PROSPECTUS**

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### **eNova ICAV**

(An Irish collective asset-management vehicle with variable capital constituted as an umbrella fund with segregated liability between Funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

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**DATED 31 OCTOBER 2025**

## IMPORTANT INFORMATION

The Directors of ICAV whose names appear under the heading “Directory” jointly accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Prospectus describes the ICAV, registered as an Irish collective asset-management vehicle with registered number C525514 pursuant to the Act on 9 November 2023. The ICAV is constituted as an umbrella fund insofar as the share capital of the ICAV will be divided into different Shares with one or more Classes of Shares representing a separate Fund comprising a separate pool of assets and which pursues its investment objective through separate investment policies.

Each Fund may be further divided into Shares of different Classes to accommodate different subscription and/or redemption charges and/or minimum investment initial subscription amounts and/or dividend and/or charges and/or fee arrangements and/or denomination currencies and/or currency hedging strategies. A separate pool of assets will not be maintained for each Class. Details of the Funds and their Classes will be specified in the relevant Supplement to the Prospectus.

This Prospectus may be translated into other languages and such translations shall contain only the same information as this Prospectus. 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 and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

It is envisaged that ETF Shares will be bought and sold by retail and institutional investors and professional traders in the Secondary Market like the ordinary shares of a listed company. However, the ICAV cannot guarantee that a liquid Secondary Market will develop in relation to the Shares of any particular Fund.

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

## INVESTOR RESPONSIBILITY

**Prospective investors should review this Prospectus carefully and in its entirety and consult a stockbroker, bank manager, solicitor, accountant or other financial advisers in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Shares; (ii) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchange, redemption or disposal of Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares. Prospective investors should seek the advice of their legal, tax and financial advisers if they have any doubts regarding the contents of this Prospectus.**

Certain terms used in this Prospectus are defined under “Definitions” below.

Information regarding the environmental and / or social characteristics of Funds which are subject to Article 8 of SFDR or the sustainable investment objective subject to Article 9 of SFDR is available in an annex to the relevant Fund Supplement applicable to such Fund.

## AUTHORISATION BY THE CENTRAL BANK

The ICAV is authorised by the Central Bank as a UCITS within the meaning of the Regulations. The authorisation of the ICAV as a UCITS by the Central Bank is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the ICAV by the Central Bank shall 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.

## INVESTMENT RISKS

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. **In view of the fact that a Subscription Fee or a Redemption Fee may be payable on a subscription or redemption by an investor in a Fund the difference at any one time between the sale and repurchase price of shares in the Fund means that the investment should be regarded as a medium to long term investment.** Details of certain investment risks and other information for an investor are set out more fully in this Prospectus.

## LISTING ON A STOCK EXCHANGE

The intention of the ICAV is for each of the ETF Funds to qualify as exchange-traded funds through listing and trading ETF Shares on one or more Relevant Stock Exchange(s) that may include but will not be limited to the Deutsche Börse Xetra, the Borsa Italiana, Euronext Amsterdam, Euronext Dublin, London Stock Exchange and the SIX Swiss Exchange.

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

Neither the admission of the ETF Shares to the Relevant Stock Exchange(s) nor the approval of any relevant listing particulars pursuant to the listing requirements of the Relevant Stock Exchange(s) shall constitute a warranty or representation by the Relevant Stock Exchange(s) as to the competence of the service providers or any other party connected with the ICAV, the adequacy of information contained in the relevant listing particulars or the Prospectus or the suitability of the ICAV or any of its Funds (or Classes thereof) for investment purposes. Neither the delivery of the listing particulars, nor the offer, issue or sale of ETF Shares shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

It is possible that in certain jurisdictions, parties entirely unaffiliated with the ICAV or the Manager, may make the Shares of any Fund available for investment by investors in those jurisdictions through off market (or over the counter) trading mechanisms. Neither the ICAV, nor the Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.

For details of where the ETF Funds are listed or admitted for trading, please refer to [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com).

## DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements.

Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the Application Form, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the then latest published annual report and audited accounts of the ICAV and, if published after such report or annual report, a copy of the latest semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the ICAV.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**1933 Act**”), or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any “US Person” except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof.

The ICAV has not been and will not be registered under the United States 1940 Act of 1940, as amended (the “**1940 Act**”), since Shares will only be sold to US Persons who are “qualified purchasers”, as defined in the 1940 Act.

Each applicant for Shares that is a US Person will be required to certify that it is an “accredited investor” and a “qualified purchaser”, in each case as defined under applicable US federal securities laws.

The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

There will be no public offering of the Shares in the United States.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the ICAV, and should not be reproduced or used for any other purpose. Notwithstanding anything to the contrary herein, each investor in the ICAV (and each employee, representative, or other agent of each investor in the ICAV) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of an investment in the ICAV and all materials of any kind (including opinions or other tax analyses) that are provided to the investor relating to such tax treatment and tax structure. Acceptance of this Prospectus by a recipient constitutes an agreement to be bound by the foregoing terms.

The Instrument of the ICAV gives powers to the Directors to impose restrictions (but not the obligation) on the holding of Shares by (and consequently to effect the redemption of Shares held by) or the transfer of Shares to any US Person (unless permitted under certain exceptions under the laws of the United States) or by any person or persons in circumstances (whether directly or indirectly affecting such person or person, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the ICAV incurring any liability to taxation or suffering pecuniary disadvantage which the ICAV might not otherwise have incurred or suffered.

Under general Irish tax principles, the ICAV must hold a Relevant Declaration in respect of Shareholders who are not Irish Residents and, in respect of those Shareholders who are Irish Residents, to the extent that those Shareholders are not exempted Irish investors. In the absence of a Relevant Declaration, the ICAV will be under an obligation to deduct tax on the happening of a chargeable event.

It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures under the Finance Act 2010 provisions are not required to be made where the Shares, the subject of the application for subscription or registration of transfer, are held in a Recognised Clearing System so designated by the Irish Revenue Commissioners. In this regard, the Directors and the Administrator have determined that the ICAV will require a completed Relevant Declaration from each Investor that has purchased Shares directly from the ICAV. It is the intention of the Directors that all of the ETF Shares will be held in a Recognised Clearing System unless otherwise stated in a Supplement.

Where Shares are held in certificated form outside a Recognised Clearing System, prospective Investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the ICAV or being registered as a transferee of the Shares (as the case may be). Furthermore, the existing Investors will also be required to make a Relevant Declaration (prior to the Shares ceasing to be held in a Recognised Clearing System) as a pre-requisite to being permitted to remain as holders of Shares. A Relevant Declaration will not be required to be completed in this regard where the ICAV has received approval under the Finance Act 2010 provisions where appropriate equivalent measures have been put in place.

## **RELIANCE ON THIS PROSPECTUS AND ON THE KEY INFORMATION DOCUMENT**

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and Key

Information Document and, as appropriate, after publication of the first half-yearly report of the ICAV or, after publication of the first audited annual accounts of the ICAV, the latest audited annual accounts and any subsequent half-yearly report of the ICAV. These reports form part of the Prospectus. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations in connection with the offering of Shares in the ICAV other than those contained in this Prospectus and in any subsequent half-yearly or annual report for the ICAV and, if given or made, such information or representations must not be relied on as having been authorised by the ICAV, the Directors, the Management Company, the relevant Investment Manager, any sub-investment manager, any investment adviser, the Administrator or the Depositary.

Statements in this Prospectus are based on the law and practice currently in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the ICAV have not changed since the date hereof.

This Prospectus should be read in its entirety before making any application for Shares.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument of the ICAV, copies of which are available as mentioned herein.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into other languages. Where such translation is required, the translated version of the Prospectus will accord in all respects with the English version.

Key Information Documents can be obtained at [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com) or in person at 26-27 Mount Street Upper, Dublin 2, D02 F890, Ireland.

**Shareholders should note that the Instrument 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. Details of any such charges intended to be imposed shall be set out in the relevant Supplement. 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. These charges may only be applied if provided for in the relevant Fund's Supplement.**

The ICAV, the Management Company and the Administrator have a responsibility to regulators for compliance with money laundering regulations around the world and for that reason, existing Shareholders, potential subscribers for and transferees of Shares will be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, either of the above reserve the right to withhold issuance of Shares or any transfer of Shares. In case of delay or failure to provide satisfactory proof of identity, any of the above may take such action as they see fit.

## DIRECTORY

### **Directors:**

Kevin Bardon  
John Quinn

### **Registered Office of the ICAV:**

7th Floor, Block A  
One Park Place  
Upper Hatch Street  
Dublin 2  
Ireland

### **Depository:**

J.P. Morgan SE - Dublin Branch  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2  
D02 RK57  
Ireland

### **Auditors:**

Grant Thornton  
13-18 City Quay  
Dublin  
Ireland

### **Administrator:**

J.P. Morgan  
Administration Services (Ireland) Limited  
200 Capital Dock  
79 Sir John Rogerson's Quay  
Dublin 2  
D02 RK57  
Ireland

### **Secretary:**

Gravitas TCSP (Ireland) Limited  
7th Floor, Block A  
One Park Place  
Upper Hatch Street  
Dublin 2  
Ireland

### **Irish Legal Advisers:**

K&L Gates (Ireland) LLP  
7th Floor, Block A  
One Park Place  
Upper Hatch Street  
Dublin 2  
Ireland

### **Management Company:**

HAL Fund Services Ireland Limited  
26-27 Mount Street Upper  
Dublin 2  
D02 F890  
Ireland

### **Investment Manager**

Disclosed in the relevant Supplement

## INDEX

SECTION	PAGE
IMPORTANT INFORMATION .....	1
DIRECTORY .....	6
DEFINITIONS .....	8
INTRODUCTION .....	20
FUNDS .....	22
HEDGING POLICY .....	27
INVESTMENT RESTRICTIONS.....	28
THE MANAGEMENT COMPANY .....	33
THE INVESTMENT MANAGER/INVESTMENT ADVISER.....	37
THE ADMINISTRATOR.....	38
THE DEPOSITARY .....	39
LOCAL PAYING AGENTS AND DISTRIBUTORS.....	41
FEES AND EXPENSES .....	42
SUBSCRIPTIONS .....	46
REDEMPTIONS .....	59
DIVIDEND DISTRIBUTION POLICY .....	69
RISK FACTORS .....	71
EFFICIENT PORTFOLIO MANAGEMENT .....	105
BORROWING POLICY .....	106
DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE .....	107
TAXATION.....	118
GENERAL.....	128
APPENDIX I.....	135
APPENDIX II.....	147
APPENDIX III.....	1
APPENDIX III	



## DEFINITIONS

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

<b>“1933 Act”</b>	means the US Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the US Investment Company Act of 1940, as amended;
<b>“Act”</b>	means the Irish Collective Asset-management Vehicles Act 2015 as may be amended, and all applicable notices issued by the Central Bank or conditions imposed or derogations granted thereunder;
<b>“Administrator”</b>	means J.P. Morgan Administration Services (Ireland) Limited or such other company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide administration and related services to the ICAV in Ireland;
<b>“Administration Agreement”</b>	means the administration agreement dated 20 March 2024 between the Administrator, the ICAV and the Management Company as amended, supplemented or otherwise modified from time to time;
<b>“AIF”</b>	means alternative investment fund;
<b>“Annual Accounting Date”</b>	means the date by reference to which the annual accounts of the ICAV and each of its Funds shall be prepared and shall be 31 December in each year or such other date as the Directors may decide from time to time;
<b>“Anti-Dilution Levy”</b>	means a provision to cover dealing costs and to preserve the value of the underlying assets of a Fund which may be applied (at the discretion of the Directors) on any Dealing Day on which there are net subscriptions or net redemptions;
<b>“Application Form”</b>	means the form approved by the Directors, which must be completed by investors wishing to subscribe for Shares;
<b>“Auditors”</b>	means Grant Thornton or such other firm of registered auditors as may from time to time be appointed as auditors to the ICAV;
<b>“Authorised Participant”</b>	means a market maker, broker entity or institutional investor which is registered with the ICAV as an authorised participant and therefore able to instruct subscriptions and redemptions directly from the ICAV for ETF Shares in a Fund (i.e., in the Primary Market);
<b>“Authorised Participant Agreement”</b>	means an agreement entered into by the ICAV with each Authorised Participant in respect of subscription for and redemption of ETF Shares;
<b>“Base Currency”</b>	shall have the meaning specified in the relevant Supplement;
<b>“Benchmark Regulation”</b>	means Regulation (EU) 2016/1011 as may be amended, supplemented or replaced from time to time;
<b>“Business Day”</b>	means in relation to any Fund such day or days as is or are specified as such in the Supplement for the relevant Fund;

<b>“Cash Component”</b>	means the amount of cash required to equalise any differences between the value of the securities set out in the Portfolio Composition File and the Net Asset Value for each Minimum Dealing Amount (being the Net Asset Value per Share multiplied by the number of Shares in the Minimum Dealing Amount);
<b>“Central Bank”</b>	means the Central Bank of Ireland or the successor thereof;
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations and related guidance issued by the Central Bank as may be amended, supplemented or replaced from time to time;
<b>“Central Securities Depository”</b>	means a Recognised Clearing System. For Funds that issue ETF Shares through an ICSD, Central Securities Depositories would be Participants in the ICSD;
<b>“Class Currency”</b>	means the currency denomination of a Class;
<b>“Clearing Agent”</b>	means any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the ICAV’s ETF Shares;
<b>“Clearstream”</b>	means Clearstream Banking Société Anonyme, Luxembourg and any such successor in business thereto as operator of the ICSD clearing system, a Recognised Clearing System;
<b>“Common Depository”</b>	means the entity nominated by the relevant ICSD, or such other entity as may be nominated from time to time, to hold the Global Share Certificate in respect of the ETF Shares;
<b>“Common Depository’s Nominee”</b>	means the entity appointed as nominee for the Common Depository and being the registered holder of the ETF Shares;
<b>“CSD”</b>	means Central Securities Depository;
<b>“Collection Account”</b>	means the collection account for each Fund in the name of the Fund through which subscription and redemption proceeds and dividend income (if any) for each Fund are channelled, operated in accordance with the Central Bank’s requirements and the details of which are specified in the Application Form;
<b>“Class”</b>	means each class of Shares in the ICAV;
<b>“Commitment Approach”</b>	represents a methodology to measure risk or “Global Exposure” based on the calculation of the portfolio leverage which includes the netting and hedging of FDI that a Fund may have in place according to the UCITS Regulations. A Fund, which is using the Commitment Approach to measure its Global Exposure, is limited to 100% commitment leverage;
<b>“Data Protection Legislation”</b>	means the Irish Data Protection Acts 1988 and 2018 (as may be amended or re-enacted) and the EU General Data Protection Regulation, Regulation (EU) 2016/679, the effective date of which is 25th May 2018;

<b>“Dealing Day”</b>	shall have the meaning specified in the relevant Supplement;
<b>“Dealing Deadline”</b>	means the relevant cut-off time for subscriptions or redemptions in respect of the relevant Dealing Day as specified in the Supplement for the relevant Fund;
<b>“Declaration”</b>	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA 1997 (as may be amended from time to time);
<b>“Dematerialised Form”</b>	means, in relation to Shares, Shares the title to which is permitted to be transferred by means of a relevant system operated by an operator approved or recognised under the Companies Act, 1990 (Uncertified Securities) Regulations, 1996 (S.I. No. 68 of 1996) and that is a participating security for the purpose of such regulations;
<b>“Depository”</b>	means J.P. Morgan SE - Dublin Branch or such other company in Ireland as may from time to time be appointed as depository of all the assets of the ICAV with the prior approval of the Central Bank;
<b>“Depository Agreement”</b>	means the depository agreement dated 20 March 2024 between the ICAV, the Management Company and the Depository, as amended, supplemented or otherwise modified from time to time;
<b>“Directors”</b>	means the directors of the ICAV for the time being and any duly constituted committee thereof;
<b>“Distributor”</b>	means such person, firm or company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide distribution services to a Fund as specified in the relevant Supplement;
<b>“Duties and Charges”</b>	in relation to any Fund, means all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depository or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption) and any charges associated with payments of cash in lieu of securities delivery as part of the Cash Component of a Portfolio Composition File but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund;

<b>“Eligible Counterparties”</b>	means a counterparty to an over-the-counter derivatives transaction with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following: (i) a Relevant Institution; (ii) an investment firm, authorised in accordance with MiFID in an EEA Member State; or (iii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the USA where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;
<b>“EMIR”</b>	means the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on over the counter (OTC) derivatives, central counterparties (CCPs) and trade repositories (TRs);
<b>“ESG”</b>	means environmental, social or governance;
<b>“ESMA”</b>	means the European Securities and Markets Authority and any successor body from time to time carrying out all or any part of the relevant functions thereof;
<b>“ESMA Guidelines”</b>	means ESMA’s Guidelines on sound remuneration policies under the UCITS Directive 2009/65 EC as amended from time to time, and the Alternative Investment Fund Manager Directive published on 31 March 2016 as may be amended from time to time;
<b>“ETF Fund” or “ETF Funds”</b>	means any Fund at least one Class of which is traded throughout the day on at least one Recognised Market or multilateral trading facility with at least one market maker which takes action to ensure that the stock exchange value of its units does not vary significantly from its Net Asset Value and, where applicable, from its indicative Net Asset Value;
<b>“ETF Share” or “ETF Shares”</b>	means a Share or Shares of an exchange traded Class issued by the ICAV in respect of a Fund;
<b>“EU Member State”</b>	means a Member State of the European Union;
<b>“Euro”, “euro” and “€”</b>	each means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
<b>“Euroclear”</b>	means Euroclear Bank S.A./N.V. Belgium and any such successor in business thereto, as operator of the Euroclear ICSD clearing system, a Recognised Clearing System which provides securities services to the ICAV;
<b>“Exempt Investor”</b>	means any of the following Irish Residents: (i) the Administrator, for so long as the Administrator is a qualified management company as referred to in Section 739B TCA; (ii) a company carrying on life business within the meaning of Section 706 TCA; (iii) a pension scheme which is an exempt approved scheme within the meaning of Section 774 TCA, or a retirement annuity contract or Trust scheme to which Section 784 or Section 785 TCA applies; (iv) any other investment undertaking as referred to in Section 739B TCA or an investment limited partnership within the meaning of Section 739J TCA; (v) a special investment scheme as referred to in Section 737 TCA; (vi) a unit

trust of a type referred to in Section 731(5)(a) TCA; (vii) a person who is entitled to exemption from income tax by virtue of Section 207(1)(b) TCA; (viii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA in circumstances where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (ix) a specified company as referred to in Section 739B TCA; (x) a person entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA in circumstances where the shares are assets of a PRSA; (xi) a credit union with the meaning of Section 739B TCA; (xii) the Courts Service within the meaning of Section 739B TCA; (xiii) the National Treasury Management Agency or a Fund investment vehicle or the Irish State acting through the National Treasury Management Agency as referred to in Section 739D(kb) TCA; (xiv) the National Asset Management Agency; (xv) a company within the charge to corporation tax in accordance with Section 110(2) TCA; or (xvi) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the ICAV to deduct appropriate tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares, and in each case in respect of whom the ICAV is in possession of a Declaration, as applicable;

<b>“FDI”</b>	means financial derivative instruments as described herein and used by the ICAV from time to time;
<b>“Fund” or “Funds”</b>	means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund represented by a separate series of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
<b>“GDPR”</b>	means the General Data Protection Regulation (Regulation 2016/679);
<b>“Global Exposure”</b>	refers to the measure of a Fund’s risk exposure that factors in the market risk exposure of underlying investments, inclusive of the implied leverage associated with financial derivative instruments held in the portfolio. Under the UCITS Regulations, a Fund is required to use either a “Commitment Approach” or a “Value-at-Risk (VaR) Approach” to measure their Global Exposure (see separate definitions for these terms);
<b>“Global Share Certificate”</b>	means the certificate evidencing entitlement to the Shares issued pursuant to the Instrument and the Prospectus, described in further detail under the section entitled “Clearing and Settlement”;
<b>“Hedged Class”</b>	means a Class which is denominated in a currency other than the Base Currency of the Fund, and in respect of which the Investment Manager employs techniques and instruments with a view to protecting against fluctuations between the Class Currency of the relevant Class and the Base Currency of its Fund;
<b>“ICAV”</b>	means eNova ICAV;

<b>“iNAV”</b>	means the intra-day Net Asset Value made available by the ICAV or its delegates on behalf of the ICAV for one or more ETF Share Classes;
<b>“Index”</b>	means an index of securities or other assets which a Fund may aim to track, replicate or outperform, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement;
<b>“Index Provider”</b>	means in relation to a Fund, the entity or person acting by itself or through a designated agent which complies, calculates and publishes information on the Index corresponding to a Fund and who has licensed the Index to the ICAV, as specified in the relevant Supplement;
<b>“Initial Offer Period”</b>	means the period as specified in the relevant Supplement, during which Shares in a Fund or Class are initially offered;
<b>“Initial Offer Price”</b>	means the initial price payable for a Share (excluding the Subscription Fee, if any) as specified in the relevant Supplement for each Fund;
<b>“Instrument”</b>	means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time;
<b>“International Central Securities Depositories” or “ICSD”</b>	means such Recognised Clearing Systems used by the ICAV issuing Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets;
<b>“Investments”</b>	means any securities, instruments or obligations of whatsoever nature in which the ICAV may invest in respect of a Fund;
<b>“Investment Manager”</b>	means such person, firm or company as may from time to time be appointed in accordance with the requirements of the Central Bank to provide investment management or advisory services to the Funds as specified in the relevant Supplement;
<b>“Investment Management Agreement”</b>	means an investment management agreement between the ICAV and/or the Management Company and the relevant Investment Manager, as may be amended, supplemented or otherwise modified from time to time, as specified in the relevant Supplement;
<b>“Investor”</b>	means a Shareholder and/or a beneficial holder of Shares who is not a Shareholder;
<b>“Ireland”</b>	means the Republic of Ireland;
<b>“Irish Resident”</b>	means any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners;
<b>“Irish Revenue Commissioners”</b>	means the Irish authority responsible for taxation;

<b>“KID” or “KIID”</b>	means a key information document issued in respect of each relevant Class pursuant to the Packaged Retail and Insurance-based Investment Products Regulation (EU) No.1286/2014 and the Delegated Regulation (EU) 2021/2268, as may be amended from time to time or a key investor information document issued in respect of each relevant Class pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended; the Commission Regulation (EU) No 583/2010 of 1 July 2010; all related ESMA Guidelines; and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended;
<b>“Management Company”</b>	means HAL Fund Services Ireland Limited or such other company as may from time to time be appointed in accordance with the requirements of the Central Bank;
<b>“Management Agreement”</b>	means the management agreement between the ICAV and the Management Company dated 20 March 2024 as substituted, amended, supplemented, novated or otherwise amended from time to time in accordance with the requirements of the Central Bank;
<b>“MiFID”</b>	means the European Communities (Markets in Financial Instruments) Regulations 2007;
<b>“Minimum Dealing Amount”</b>	means the minimum amount which may be subscribed for or redeemed in a Class at any one time and shall be specified in the relevant Supplement as either (i) a number of Shares or (ii) a cash amount in respect of which the applicable number of Shares shall at least equate in value to the cash amount specified. The Minimum Dealing Amount may be reduced or waived by the Investment Manager in any case at its discretion;
<b>“Minimum Fund Size”</b>	means such amount as the Directors may consider for a Fund and as set out in the relevant Supplement for the relevant Fund;
<b>“Net Asset Value” or “NAV”</b>	means the net asset value of the ICAV or a Fund calculated as described or referred to herein;
<b>“Net Asset Value per Share”</b>	means, in relation to any Class, the Net Asset Value divided by the number of Shares of the relevant Class in issue or deemed to be in issue in respect of a Fund at the relevant Valuation Point subject to such adjustments, if any, as may be required in relation to any Class in a Fund;
<b>“Non-ETF Fund”</b>	means any Fund which is not an ETF Fund;
<b>“Non-ETF Shares”</b>	means a Class issued by the ICAV in respect of a Fund which are not exchange-traded;

<b>“OECD”</b>	the Organisation for Economic Co-operation and Development comprising Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States of America and such other countries that may become a member country of the OECD from time to time;
<b>“Ordinary Resolution”</b>	means a resolution passed by a simple majority of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class, as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>“OTC Swaps”</b>	means over-the-counter derivative contracts, entered into by a Fund and a counterparty for the purpose of gaining economic exposure to actual or notional portfolio of assets, as specified in the Prospectus;
<b>“Participant”</b>	means an accountholder in Clearstream or Euroclear (which may include Authorised Participants, their nominees, CSDs or ICSDs) and who hold, settle and/or clear their interest in Shares through Clearstream or Euroclear;
<b>“Paying Agent”</b>	means the entity appointed to act as paying agent to the Fund;
<b>“Permitted US Person”</b>	means a US Person who also falls within the meaning of the US Internal Revenue Code of 1986, as amended, that is subject to the US Employee Retirement Income Security Act of 1974, as amended, or is otherwise exempt from payment of US Federal Income Tax or an entity substantially all of the ownership interests in which are held by tax-exempt US Persons;
<b>“Portfolio Composition File”</b>	means the file setting out the Investments and Cash Component which the ICAV is willing to accept on a subscription for Shares in satisfaction of the price of Shares thereof or which the ICAV will provide in respect of a properly submitted redemption request in satisfaction of the payment of redemption proceeds;
<b>“Primary Market”</b>	means a market on which the ETF Shares of a Fund are subscribed for or redeemed (off exchange) directly with the ICAV;
<b>“Prospectus”</b>	means this document, any supplement designed to be read and construed together with and to form part of this document and the ICAV’s most recent annual report and accounts (if issued) or, if more recent, its interim report and accounts;



<b>“Recognised Clearing System”</b>	means a recognised clearing system for the settlement of transactions in relation to the securities designated by the Irish Revenue Commissioners as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 (as amended) which at the date hereof comprise BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD), Central Moneymarkets Office, Clearstream Banking SA, Clearstream Banking AG, CREST, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Euroclear, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Center (JASDEC), Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing Corporation, Sicovam SA, SIS Sega Intersettle AG, The Canadian Depository for Securities Ltd and VPC AB (Sweden);
<b>“Recognised Market”</b>	means any recognised exchange or market listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets. The recognised markets are listed in Appendix Ii hereto;
<b>“Redemption Fee”</b>	means in respect of a Fund the charge payable (if any) on a redemption of Shares as is specified in the Supplement for the relevant Fund;
<b>“Redemption Form”</b>	means a form approved by the ICAV or its delegate which must be completed by a Shareholder in order to redeem all or a portion of their Shares;
<b>“Regulations” or “UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended and any amendment thereto for the time being in force;
<b>“Relevant Declaration”</b>	means a declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA, confirming that the Investor or prospective Investor is not an Irish resident and not a person ordinarily resident in Ireland in respect of whom it is necessary to deduct tax;
<b>“Relevant Institutions”</b>	means credit institutions authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
<b>“Relevant Stock Exchange(s)”</b>	means in respect of a Fund, the stock exchange(s) on which ETF Shares of such Fund will be listed and/or admitted to trading;
<b>“Secondary Market”</b>	means a market on which Shares of the Funds are traded between investors rather than with the ICAV itself, which may either take place on a Relevant Stock Exchange or over the counter;
<b>“Settlement Time”</b>	means the relevant time specified for the settlement of subscription or redemption applications in the relevant Supplement;

<b>“RMP” or Risk Management Process</b>	means a risk management process cleared by the Central Bank in connection with the ICAV’s investment in FDI;
<b>“Service Providers”</b>	means the service providers of the ICAV, including the Management Company, the Investment Manager, the Administrator and the Depositary;
<b>“Share” or “Shares”</b>	means participating shares in the ICAV (both ETF Shares and Non-ETF Shares) and includes, where the context so permits or requires, the Shares in a Fund which may be divided into different Classes;
<b>“Shareholder”</b>	means a person registered as a holder of Shares;
<b>“Special Resolution”</b>	means a resolution passed with the support of 75% or more of the votes cast in its favour by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant Class as the case may be, or a resolution in writing signed by all the Shareholders entitled to vote on such resolution;
<b>“Subscriber Shares”</b>	means the initial issued share capital of 2 Shares of €1 each and initially designated as Subscriber Shares;
<b>“Subscriber Shareholder” or “Subscriber Shareholders”</b>	means a holder or holders of Subscriber Shares;
<b>“Subscription Fee”</b>	means in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund;
<b>“Subscription Price”</b>	means, in respect of each Share applied for, the cost to the investor of each Share based on, inter alia, the Net Asset Value per Share adjusted for any Duties and Charges (other than the Subscription Fee) or anti-dilution levy calculated as at the Valuation Day related to the Dealing Day upon which such Share is to be issued;
<b>“Sum of Notional”</b>	measures the expected level of leverage in a Fund by calculating the absolute sum of market risk exposure of the underlying securities in the relevant Fund, where the calculation of derivatives instruments exposure is converted, per the UCITS Regulations, into the market value of an equivalent position in the underlying asset of that derivative.
<b>“Supplement”</b>	means a document which contains specific information supplemental to this document in relation to a particular Fund and any addenda thereto;
<b>“Sustainability Factors”</b>	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters;
<b>“Sustainability Risk”</b>	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment;
<b>“Sustainable Finance Disclosures Regulation” or “SFDR”</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;

<b>“Sustainable Investment”</b>	means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance;
<b>“TCA”</b>	means the Taxes Consolidation Act, 1997 of Ireland, as amended from time to time;
<b>“Total Return Swap”</b>	means a derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;
<b>“UCITS”</b>	means any undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations;
<b>“UCITS Directive”</b>	means Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;
<b>“UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and any amendment thereto for the time being in force;
<b>“Unhedged Class”</b>	means a class of Shares which is denominated in a currency other than the Base Currency of the Fund and in respect of which the Investment Manager does not employ techniques and instruments to protect against fluctuations between the Class Currency and the Base Currency of the Fund;
<b>“US”</b>	means the United States of America, its territories and possessions including the States and the District of Columbia and other areas subject to its jurisdiction;
<b>“US Person”</b>	means an individual or entity that is a “US Person” as defined in Regulation S promulgated under the 1933 Act;
<b>“Valuation Point”</b>	shall have such meaning as shall be specified in the relevant Supplement; and
<b>“VaR”</b>	represents an approach for measuring risk or “Global Exposure” based on Value-at-Risk or VaR, which is a statistical methodology that predicts, using historical data, the maximum potential daily loss of a Fund that can arise at a given confidence level over a specific time period under normal market conditions. Depending on which VaR approach is suitable for a Fund, VaR may be expressed in absolute terms as a percentage of the Fund assets or in relative terms, where the VaR of the Fund is divided by the VaR of its relevant

benchmark, generating a ratio known as relative VaR. Under the UCITS Regulations, VaR is measured at 99% level of confidence over 1 month horizon.

## INTRODUCTION

### General

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Funds. The ICAV is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. A separate portfolio of assets will be maintained in relation to each Fund.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument, copies of which are available as described under the heading “Documents for Inspection” in this Prospectus.

It is intended that certain of the Funds will be exchange-traded funds or have an ETF Class. Where that is the case, at least one Class of ETF Shares will be listed on one or more stock exchanges. Application will from time to time also be made for certain Classes of ETF Shares to be admitted to trading on stock exchanges that may include but will not be limited to the Deutsche Börse Xetra, the Borsa Italiana, Euronext Amsterdam, Euronext Dublin, London Stock Exchange and the SIX Swiss Exchange.

### Name of the ICAV

“Nova” is a term derived from the Latin word “nova” meaning “new”, which signifies renewal, innovation and forward thinking investment strategies. The prefix “e” stands for efficient, evolved and European. The name of the ICAV is intended to be distinctive and future-oriented.

### Umbrella Fund

The ICAV is an umbrella fund with segregated liability, which is comprised of different Funds, each with one or more classes of Shares. Different classes of Shares may be issued from time to time with the prior notification and clearance of the Central Bank. Each Class represents interests in a Fund. Prior to the issue of any Shares, the ICAV will designate the Fund in relation to which such Shares shall be issued. A separate Fund with separate records and accounts will be maintained and assets in such Fund will be invested in accordance with the investment objectives applicable to such Fund.

The Board of Directors is responsible for managing the business affairs of the ICAV. Under the Instrument, the Directors have delegated the day-to-day management of the assets and investments of the ICAV to the Management Company. The Management Company has appointed the Administrator to provide 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 services and related services). The Management Company may also appoint Investment Managers to manage the assets and investments of each Fund. The ICAV has appointed the Depositary to provide custodial services including maintaining bank accounts, safekeeping and verification of assets.

The Directors are listed below with their principal occupations. None of the Directors has entered into an individual service contract with the ICAV nor is any such contract proposed. 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’ fraud, negligence or wilful default. The Instrument 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.

### Directors of the ICAV

The Directors of the ICAV are:

**Kevin Bardon (Non-Executive Director - Irish resident)**

Kevin Bardon joined HAL Fund Services Ireland Limited at the beginning of April 2022 as country head for HAL Funds Services and CEO of the Management Company. Mr. Bardon has over 30 years' experience in the Banking and Asset Management industry. Mr. Bardon has a track record of building, managing and establishing governance in internationally regulated entities, trading platforms, products and functions. Mr. Bardon has held senior management positions in business management, internal audit, risk and compliance in Ireland, Germany, the UK and the US with international banks and asset managers. He has worked with multiple industry groups and committees and participated in the industry AIFMD fact gathering and training with the EU Commission and members of the European Parliament.

**John Quinn (Independent Non-Executive Director - Irish resident)**

John Quinn is a fellow of the Chartered Institute of Certified Accountants, a Certified Investment Fund Director and an associate of the Institute of Taxation in Ireland. Mr. Quinn is resident in Ireland and has been involved in the financial services sector for over 25 years.

Mr. Quinn has extensive administration, accounting, compliance, operational and management experience within the industry. For most of his career, Mr. Quinn has worked in a senior capacity within the Alternatives division of State Street servicing multiple large multi-manager hedge funds across a wide variety of domiciles and investment strategies. Mr. Quinn is currently working as an independent director and consultant in the Funds Industry.

**ICAV Secretary**

The ICAV secretary is Gravitas TCSP (Ireland) Limited, 7th Floor, Block A, One Park Place, Upper Hatch Street, Dublin 2.

## **FUNDS**

### **INVESTMENT OBJECTIVE AND POLICIES**

The ICAV is an umbrella investment vehicle and the investment objectives and policies for each Fund are formulated by the ICAV at the time of creation of each Fund and will be specified in the relevant Supplement to the Prospectus.

The list of stock exchange markets and regulated derivative markets on which the ICAV's investments in securities and FDIs will be listed or traded is set out in Appendix li.

### **ACTIVELY MANAGED FUNDS**

Where a Fund's objective is structured with an active management strategy it may result in a Fund seeking to out-perform an index or a basket of reference assets or to engage in a discretionary asset management strategy (i.e., one not linked to the constituents of an index). Where a Fund is actively managed, an Investment Manager will have greater discretion in relation to the composition of the Fund's portfolio, subject to the investment objectives and policies stated in the Supplement.

### **PASSIVELY MANAGED FUNDS**

Where a Fund's objective is to track or replicate the performance of a particular Index (or indices) or strategy through (i) direct investment in some or all of the constituents of the relevant Index or strategy (assuming that those constituents are eligible assets); (ii) direct investments in eligible assets that provide indirect exposure to the relevant Index or strategy (or the constituents thereof); (iii) FDI that provide indirect exposure to the relevant Index or the constituents thereof; (iv) other eligible access instruments; or (v) a combination of (i) to (iv) above, depending on which the Investment Manager considers to be the most appropriate strategy for the particular Fund at the relevant time. The Supplement of each Fund will specify and describe the strategy that the Fund intends to use and provide details of where information on the Index tracked by that Fund may be obtained.

#### **(a) Full Index Replication**

Funds which employ full index replication seek to replicate as closely as possible the constituents of the relevant Index by holding all the securities comprising the relevant Index in similar proportion to their weightings in the relevant Index. However, it may not always be possible and practicable to purchase each and every constituent of the relevant Index in accordance with the weightings of the relevant Index, or doing so may be detrimental to Shareholders (due to considerable costs or practical difficulties involved in compiling a portfolio of the constituents of the relevant Index in order to replicate the relevant Index, or where a constituent of the relevant Index becomes temporarily illiquid, unavailable or less liquid).

#### **(b) Optimised Index Replication**

It may not be practical or cost efficient for a Fund to fully replicate its Index. In such instances, the Fund may use optimisation or representative sampling techniques. Optimisation or representative sampling techniques may include the strategic selection of some (rather than all) of the securities that make up the Index (generally whose risk, return and other characteristics resemble the risk, return and other characteristics of the Index as a whole) in proportions that differ from the proportions of the Index and/or the use of FDI to track the performance of certain securities that make up the Index. An Investment Manager may also select securities which are not underlying constituents of the Index where it believes such securities may provide similar performance (with matching risk profile) to certain securities that make up the Index. The extent

to which a Fund utilises optimisation techniques will partly depend on the nature of the constituents of the relevant Index. For example, the Fund may utilise optimisation techniques and may be able to provide a return similar to that of its Index by investing in a sub-set of the constituents on its Index.

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

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

There may be circumstances in which the holding of an Index’s securities may be prohibited by regulation or may not otherwise be in the interests of investors. These include but are not limited to, where:

- (a) restrictions on the proportion of each Fund’s value which may be held in individual securities arise from compliance with the UCITS Regulations;
- (b) changes to the index constituents cause the relevant Investment Manager to determine that it would be preferable to implement different investment methods, in accordance with the terms of the relevant Supplement, to provide similar performance and a similar risk profile to that of the Index;
- (c) the Index’s securities are unavailable or no market exists for such security, in which case, a Fund may instead hold depository receipts relating to such securities or may hold FDI giving exposure to the performance of such securities;
- (d) corporate actions occur in respect of an Index’s securities; in which case the relevant Investment Manager has discretion to manage these events in the most efficient manner;
- (e) a Fund holds ancillary liquid assets and/or has receivables, in which case the relevant Investment Manager may purchase FDI, for direct investment purposes, to produce a return similar to the return on the Index;
- (f) Index securities held by a Fund Index become illiquid or are otherwise unobtainable at fair value, in which circumstances, the relevant Investment Manager may use a number of techniques,



including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index or purchasing a sample of stocks in the Index;

- (g) following consideration of the costs of any proposed portfolio transaction, the relevant Investment Manager believes that it is not efficient to execute transactions to bring the Fund perfectly into line with the Index at all times; and
- (h) a Fund sells Index securities in anticipation of their removal from the Index, or purchases securities which are not currently represented in the relevant Index, in anticipation of their becoming Index securities.

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

## **CHANGES OF INDEX**

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

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

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

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

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

## **CHANGE IN INVESTMENT OBJECTIVE OR POLICIES**

Changes to the investment objective or material changes to the investment policies of a Fund each as disclosed in the relevant Supplement will only be effected with the approval of the Directors in consultation with the Management Company and subject to the prior approval of the Shareholders of the relevant Fund by way of an Ordinary Resolution. In the event that any such change is effected, reasonable notice to the Shareholders of that Fund will be provided to enable Shareholders to redeem prior to implementation.

## **CROSS INVESTMENT**

When the Investment Manager on behalf of a Fund (the “**Investing Fund**”) invests in the units of another Fund of the ICAV (the “**Receiving Fund**”), that investment is subject to the following requirements, in addition to the restrictions set out in the section of the Prospectus entitled “Investment Restrictions”:

1. the Receiving Fund cannot hold units in any other Fund within the ICAV; and
2. the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund’s assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors 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 of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the Fund.

## **SUSTAINABLE INVESTMENTS**

### **EU Sustainable Finance Disclosure Regulation**

As an EU entity, the Management Company is subject to the SFDR. This section summarises the Management Company’s and the Fund’s status under SFDR and cross-refers to other sections of this Prospectus or Supplements where additional information is provided. We set out the manner in which Sustainability Risks are integrated into the Management Company’s investment decisions for the Funds and the results of the Management Company’s assessment of the likely impacts of Sustainability Risks on the returns of the Funds.

### **Sustainability Risks**

The Management Company has appointed the Investment Manager to provide discretionary investment management services in respect of the relevant Fund, and as such, places reliance on the Investment Manager to manage the portfolio in accordance with the Investment Manager’s investment strategy for the Fund. Consideration of Sustainability Risks in respect of each Fund is therefore determined by the Investment Manager in the first instance. The Management Company, in consultation with the Investment Manager, has implemented a risk management policy in respect of the integration of Sustainability Risks in the investment decision making process, which applies in relation to each of the Funds. Further information on this policy and the results of the Management Company’s and the Investment Manager’s

assessment of the likely impacts of Sustainability Risks on the returns of the Funds is set out in the relevant Supplement.

### **Fund categorisation under SFDR**

A description of each Fund's consideration of Sustainability Risks and the likely impacts of Sustainability Risks on the returns of the Fund is set out in the relevant Supplement in the section headed "Sustainable Finance Disclosures". Where the Management Company, in consultation with the Investment Manager, categorises a Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics or Article 9 of SFDR for products that have a sustainable investment objective, additional disclosure requirements for such financial products as referred to in Article 8 or Article 9 of the SFDR will be set out in the Supplement for the relevant Fund.

### **EU BENCHMARK REGULATION**

In accordance with the relevant Supplement, certain Funds may be users of benchmarks as defined by the Benchmark Regulation. The ICAV may only use a benchmark if such benchmark is provided by a benchmark administrator that is or will be included in the register referred to in Article 36 of the provided by a benchmark administrator that is or will be included in the register referred to in Article 36 of the Benchmark Regulation. The Management Company and the ICAV, acting in accordance with the Benchmark Regulation and applicable laws, has a documented benchmark contingency procedure, which shall apply in the case that any benchmark that may be used by any Fund, materially changes or ceases to be available.

## **HEDGING POLICY**

### **CLASS CURRENCY HEDGING**

The ICAV may enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a Hedged Class into the Base Currency of the relevant Fund (which is equal to the reference currency) for the purposes of efficient portfolio management.

While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the ICAV. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% (over-hedging) and does not fall below 95% (under-hedging) of the Net Asset Value of the Hedged Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of the Hedged Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Hedged Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with the Central Bank UCITS Regulations. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging. Under-hedged positions must not fall short of 95% of the portion of Net Asset Value of the Hedged Class which is to be hedged and under-hedged positions will be kept under review to ensure it is not carried forward from month to month.

While the ICAV may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of the Hedged Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Hedged Class. All gains/losses which may be made by any Hedged Class of any Fund as a result of such hedging transactions shall accrue to the relevant Hedged Class. Hedging transactions shall be clearly attributable to the relevant Hedged Class. Any currency exposure of a Hedged Class may not be combined with or offset against that of any other Unhedged Class of a Fund. The currency exposure of the assets attributable to a Hedged Class may not be allocated to other Classes. To the extent that hedging is successful, the performance of the Hedged Class is likely to move in line with the performance of the underlying assets (net of fees, cost and charges for the share class hedging) and investors in a Hedged Class will not benefit if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

### **UNHEDGED CURRENCY CLASSES**

In the case of Unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk / exchange rate risk in relation to the Base Currency.

### **FUND CURRENCY HEDGING**

Where a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of the relevant Fund, the Net Asset Value of the Fund may be affected by the value of the local currency relative to Base Currency of the Fund. The ICAV, acting on behalf of the Fund, may use currency hedging techniques to remove the currency exposure against the Base Currency as applicable in order to limit currency exposure between the currencies of the Fund's investment portfolio and the Base Currency of the Fund; however, this may not be possible or practicable in all cases.

## INVESTMENT RESTRICTIONS

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

### 1. Permitted Investments

Investments of a UCITS are confined to:

- (a) Transferable securities and money market instruments as prescribed in the Central Bank UCITS Regulations 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.
- (b) Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- (c) Money market instruments other than those dealt on a regulated market.
- (d) Units of UCITS.
- (e) Units of AIFs.
- (f) Deposits with credit institutions.
- (g) Financial derivative instruments.

### 2. Investment Restrictions

2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 Subject to paragraph 2, a responsible person may invest no more than 10% of net assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.

Paragraph 1 does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that:

- (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
- (b) the securities are not illiquid securities i.e., they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.

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

- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
- 2.5 The limit of 10% (in paragraph 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in paragraph 2.4 and 2.5 shall not be taken into account for the purposes of applying the limit of 40% referred to in paragraph 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Saudi Arabia (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction

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

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3. Investment in Collective Investment Schemes (“CIS”)

- 3.1 A UCITS may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
- 3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment adviser receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

4. Index Tracking Fund

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

5. General Provisions

- 5.1 An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS; or
  - (d) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (b), (c) and (d) 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 Paragraphs 5.1 and 5.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by a Member
- (b) State or its local authorities;
- (c) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (d) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (e) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 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;
- (f) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unitholders' request exclusively on their behalf.

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

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

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

5.7 Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- (a) transferable securities;
- (b) money market instruments;
- (c) units of investment funds; or



(d) financial derivative instruments.

5.8 A UCITS may hold ancillary liquid assets.

6. FDIs

6.1 The UCITS global exposure relating to FDI must not exceed its total Net Asset Value.

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

6.3 Funds may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

Without limitation, the Directors may 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. Any such additional investment restrictions will be disclosed in the Prospectus or supplement. In addition, the investment restrictions set out above may be changed from time to time by the Directors 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 the Fund will at all times be invested in accordance with the restrictions on investments set out in the Regulations and the Central Bank 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 ICAV to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

If the limits set forth above are exceeded for reasons beyond the control of the Management Company and/or the relevant Investment Manager, the Management Company and/or the Investment Manager must adopt as its primary objective in its sale transactions the remedying of such situation, taking due account of the interests of the relevant Fund's Shareholders.

The Management Company and/or the relevant Investment Manager employs a risk management process in respect of the ICAV which enables it to accurately measure, monitor and manage the various risks associated with the FDI. A statement of this RMP has been submitted to the Central Bank. **A Fund will only utilise those FDIs as set out in the relevant Supplement and as listed in the RMP and that have been cleared by the Central Bank.** The ICAV will, on request, provide supplementary information to Shareholders relating to the RMP employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

## THE MANAGEMENT COMPANY

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

### *Management of the ICAV - General*

The Directors control the affairs of the ICAV and have delegated certain of their duties to the Management Company, which, in turn, has delegated certain of its duties to the Administrator, the relevant Investment Manager and the Distributor, where relevant. The Depositary has also been appointed to hold the assets of each Fund. Consequently, all Directors of the ICAV in relation to the ICAV are non-executive.

### *The Management Company*

The ICAV has appointed the Management Company to act as manager of the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV pursuant to the Management Agreement. The Management Company was incorporated in Ireland as a Private Company Limited by shares on 11 April 2014 with registration number 542445. The Management Company is authorised by the Central Bank to act as a manager to Irish collective investment schemes.

The Management Company will be responsible for the investment and management of each of the Funds’ assets, including analysing and selecting the investments in which the Funds may invest.

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

The Management Company may, in accordance with the requirements of the Central Bank delegate in whole or in part any of its duties or obligations (including discretionary investment management) to investment managers or investment advisers upon such terms as to authority, liability and indemnity as shall be determined by the Management Company. Such investment managers or investment advisers will not be paid directly by the ICAV. Disclosure of the appointment of any investment managers or investment advisers for a Fund will be disclosed in the relevant Supplement. The Management Company shall exercise due care and diligence in such appointment and shall supervise the conduct of any delegation it makes. The appointment of discretionary investment managers/advisers must be cleared in advance by the Central Bank.

Unless otherwise set out in the Supplement for the relevant Fund, the management company will act as Distributor of the ICAV and each Fund pursuant to the terms of the management agreement. Under the terms of the management agreement, the management company shall have the authority to appoint delegate distributors to distribute the Shares of one or more Funds.

The secretary of the Management Company is Tudor Trust Limited and the directors of the Management Company are as follows:

### **Conor Molloy (Independent and Non-Executive Chair - Irish Resident)**

Conor Molloy has more than 25 years’ of regulated Financial Services Board and Executive experience in the areas of Risk Management, Regulatory Compliance, Audit, Governance and Leadership across Europe including Ireland, United Kingdom, Malta, Lithuania, France, Germany, Netherlands, Spain, Italy and other European markets, as well as the United States. His expertise includes Board Governance, Regulatory, Financial Crime, Risk Management, Board Strategy and Financial Reporting.

Mr. Molloy's industry experience includes Banking, Fintech, Digital Assets, Insurance, Reinsurance, Asset Management and Private Equity.

Over the past 14 years, Mr. Molloy has served as a regulated Financial Services Board Member, Financial Services Non-Executive Director, Board Chair, Board Audit Committee Chair, Board Remuneration, Board Nominations and Board Risk Committee. Conor has helped lead a Global FS Consultancy's European Financial Services and Government Regulatory advisory practice. His engagements included European, ECB, CBI, ESMA & ESA regulatory examinations, On Site Bank Inspections (OSIs), and Bank RMP review remediation programs.

Mr. Molloy, authorised by the MFSA, is also authorized by the Central Bank and the Cayman Islands Monetary Authority (CIMA) and was regulated by the UK Financial Services regulator re: advisory services on Investment Banking, Corporate Finance, Fixed Income, Capital Markets, Securities & Equity Capital Markets and is a CF23 Approved Person for Controlled Function. Mr. Molloy is approved by the Central Bank as a Board Chair, Board Audit Committee Chair, Board Risk Committee (including Chair), Board Director and Board Nominations Committee Chair/Member (since 2010).

Mr. Molloy was also appointed to the Central Bank's Regulatory Decisions Unit (RDU) as an External Adviser / Decision Maker on Administrative Sanctions, Fitness and Probity, Regulatory Directives breaches (including MiFID, Market Abuse, Securities Financings), and License Revocations, and Refusals.

Mr. Molloy has extensive experience in UK, Ireland, European (Luxembourg, French, Italy etc.) and US Corporate Governance and Stewardship Codes & International standards for accounting and auditing work and is vastly experienced in managing & leading Audit Committees, Board Governance Reviews, Management Fitness Assessments, Regulatory and Supervisory Examinations, Regulatory Compliance & Enforcement reviews for Banks, Private Equity, Investment Banking, Insurance, Reinsurance & Asset Management.

Mr. Molloy recently served as Director of Funds and Asset Management at the Institute of Bankers and serves as an Examiner on the UK Institute of Risk Management's Senior Executive Program.

Mr. Molloy is a Chartered Banker (& Fellow Member), Chartered Director (& Fellow IOD UK), Chartered Company Secretary (& Fellow Member CGI), FCCA (& Fellow ACCA), FCPA (& Fellow), Fellow Member of the UK Institute of Risk Management, ILA Luxembourg Certified Director, US Certified Company Director, Certified Investment Fund Director, BCOMM (Accounting & Finance), and is CAMS / ACAMS approved.

#### **Kevin Bardon (Chief Executive Officer - Irish Resident)**

See biography under section headed "Directors of the ICAV" of the Prospectus.

#### **Emma Looney (Executive Director - Irish Resident)**

With over 25 years of experience in the asset management industry, Ms. Looney is the Head of Investments and Executive Director at HAL Fund Services Ireland Limited.

Prior to joining the Company in October 2018, Ms. Looney was the Head of the Thematic and Emerging Equity team in KBC Fund Management Limited. Ms. Looney joined the portfolio management team in KBC Fund Management Limited in 2003 where she managed their global thematic equity portfolios. In this role, she took responsibility for the management of global and regional funds with a diverse range of investment processes and methodologies. This involved the management of the full end-to-end flow of portfolio management, including the management of fund subscriptions and redemptions, portfolio

construction and rebalancing and the initiation of all transactions including equity, foreign currency and derivative instruments. Ms. Looney played an active role in the KBC Asset Management investment committee. She was involved in the development of proposals for new funds and mandates, as well the continuous review and implementation of changes related to existing products and investment processes with a focus on quality, efficiency and risk control.

Ms. Looney was appointed as Head of Thematic and Emerging Equity Funds in 2009. In this role, Ms. Looney was responsible for overseeing the management of over forty funds with a combined value of over €11 billion in assets under management at their peak. The range of funds managed in the team included responsible investing, quantitative, thematic and passive portfolios in developed, emerging and frontier markets. In this role, Ms. Looney was responsible for ensuring that all funds adhered to legal, compliance and risk control regulations and guidelines. Ms. Looney was responsible for leading the team of portfolio managers and for the overall strategic direction of the team. Ms. Looney played a leading role in key group-wide projects and she took responsibility for the preparation and presentation of all equity fund related activities to the KBC Fund Management Limited board and management committee.

Ms. Looney graduated from University College Cork with a Bachelor of Commerce (BComm Hons.) degree and a first class honours Masters of Economics (MBS). Ms. Looney is a CFA Charterholder since 2005 and she is a member of CFA Society Ireland.

#### **Lisa Backes (Non-Executive Director - German Resident)**

Lisa Backes is a member of the board of Hauck & Aufhäuser Fund Services in Luxembourg. Ms. Backes is responsible for the firm's management company, AIFM and KVG functions as well as securities fund administration from Luxembourg.

Ms. Backes joins Hauck Aufhäuser Lampe from Adepa Asset Management, where she was part of the global management team and, as managing director, was responsible for business processes in Luxembourg. Ms. Backes began her career in 1992 at LBBW Luxemburg and was there until 2011, most recently as head of the asset management unit. She is one of the founding members of YCAP Asset Management and was head of the company at the Luxembourg location from 2011 to 2017.

#### **The Management Agreement**

The Management Agreement dated 20 March 2024 has been entered into between the ICAV and the Management Company pursuant to which the Management Company has been appointed as manager of the ICAV. Under the terms of the Management Agreement, the Management Company has been appointed to provide or procure the services of investment manager, administrator, registrar, transfer agent and distributor to the ICAV and to undertake certain corporate and regulatory duties.

The Management Agreement provides that the appointment of the Management Company will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated earlier upon certain breaches or the insolvency of either party.

The Management Agreement provides that in the absence of wilful default, wilful misconduct, recklessness, fraud, bad faith or negligence, the Management Company shall not be under any liability to the ICAV or any investor in the ICAV on account of anything done or suffered by the Management Company in accordance with or in pursuance of rendering the services under the Management Agreement or any request or advice of the ICAV.

The Management Agreement provides further that the ICAV shall indemnify the Management Company (and each of its directors, officers, employees, delegates, sub-delegates, servants and agents) out of the

assets of the relevant Fund against all actions, proceedings, claims, costs, direct losses and expenses (including pre-agreed reasonable legal and professional expenses arising therefrom) which may be brought against, suffered or incurred by the Management Company by reason of its performance of its duties under the terms of the Management Agreement (otherwise than due to wilful default, wilful misconduct, recklessness, fraud, bad faith or negligence in the performance or non-performance by the Management Company).

### **Professional Indemnity Insurance**

To cover potential professional liability risks resulting from its activities as Management Company, the Management Company shall maintain appropriate professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered

### **Remuneration Policy of the Management Company**

The Management Company has remuneration policies and practices in place consistent with the requirements of the Regulations and will also comply with the requirements of the ESMA Guidelines, as required and when applicable. The Management Company will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Guidelines will have equivalent remuneration policies and practices in place as required and when applicable. The remuneration policy reflects the Management Company's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Instrument. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy sets out (i) a description of how remuneration and benefits are calculated, (ii) the identities of persons responsible for awarding the remuneration and benefits, and (iii) the composition of the remuneration committee, where such a committee exists. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Management Company, led by the independent non-executive chairman of the Management Company, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate for each Fund. This review will also ensure that the policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy will be available by means of a website [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com) and a paper copy will be made available to Shareholders free of charge upon request as soon as it becomes available.

## **THE INVESTMENT MANAGER/INVESTMENT ADVISER**

The details of:

1. any Investment Manager appointed to provide discretionary asset management services in respect of the assets of a Fund; and/or
2. any Investment Adviser appointed to provide non-discretionary investment advice in respect of the assets of a Fund,

are disclosed in the relevant Supplement.

An Investment Manager may, with the consent of the Management Company, delegate certain investment management or advisory functions to one or more sub-investment Managers and/or Investment Advisers in accordance with the requirements of the Central Bank. Details of such entities, where appointed, if not disclosed in the relevant Supplement and not paid out of the assets of the Fund directly, will be provided to Shareholders on request and will be published in the periodic reports. References to an Investment Manager in this Prospectus shall be interpreted to mean the sub-investment Manager or Investment Adviser, as appropriate.

## **THE ADMINISTRATOR**

The Management Company has appointed J.P. Morgan Administration Services (Ireland) Limited to act as the ICAV's Administrator pursuant to the Administration Agreement.

The Administrator was incorporated in Ireland as an Investment Business Firm on 9 August 1996 with registration number C20882 pursuant to the Companies Acts 2014 with its registered office at 200 Capital Dock, 79 Sir John Rogerson's Quay, D02 RK57, Ireland and is engaged in the business of administration of collective investment schemes.

The Administrator's principal business is the provision of administration services to collective investment schemes and will be responsible for the day-to-day administration of the ICAV.

The Administrator is authorised by the Central Bank to provide investment business services to collective investment schemes. Its services include the calculation of the Net Asset Value, calculation of management and performance fees, establishing and maintaining a register of Shareholders, carrying out the issue and redemption of Shares and assisting in the preparation of the ICAV's financial statements and acting as registrar and transfer agent.

The Administration Agreement dated 20 March 2024 between the ICAV, the Management Company and the Administrator provides that the appointment of the Administrator shall continue until terminated by either party on not less than 180 days' notice in writing although in certain circumstances the agreement may be terminated earlier upon certain breaches or the insolvency of either party. The Administrator shall not be liable for any losses, damages or expenses suffered by the ICAV or any Shareholder in connection with the performance by the Administrator of its obligations and duties under the Administration Agreement, except a loss, damage or expense resulting from the fraud, negligence or wilful misconduct of the Administrator in the performance of its obligations and duties under the Administration Agreement. The ICAV has agreed to indemnify and hold harmless the Administrator, out of the assets of the relevant Fund, from any losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) in connection with or arising out of performance of its obligations and duties under the Administration Agreement provided that the Administrator has not acted with fraud, negligence or wilful misconduct in connection with the liabilities in question.

## THE DEPOSITARY

The ICAV has appointed J.P. Morgan SE - Dublin Branch to act as depositary in respect of the ICAV and each of its Funds pursuant to the terms of the Depositary Agreement.

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

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

1. in accordance with the limitations imposed on the investment and borrowing powers of the ICAV and the Depositary by the Instrument and the UCITS Regulations; and
2. otherwise in accordance with the provisions of the Instrument and the UCITS Regulations.

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

The Depositary Agreement dated 20 March 2024 between the ICAV, the Management Company and the Depositary provides that the appointment of the Depositary shall continue until terminated by either party on not less than 90 days' prior written notice or in certain circumstances the agreement may be terminated earlier upon certain breaches or the insolvency of either party. The Depositary Agreement contains provisions governing the responsibility and limitations on the responsibility of the Depositary and provides for its indemnification in certain circumstances, subject to exclusion in the case of negligent or intentional failure to perform its obligations or its improper performance of them.

### Conflicts of Interest

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

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

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

1. implementing permanent measures to manage conflicts of interest including the
2. separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated information technology environments;
3. implementing, on a case-by-case basis:



- (a) appropriate preventive measures including the creation of an ad hoc tracking list and new ethical wall arrangements, and by verifying that transactions are processed appropriately and/or by informing the clients in question; or
- (b) by refusing to manage activities which may involve potential conflicts of interest.

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

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

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

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

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping duties in respect of financial instruments in custody in countries where it does not have local representation to the third parties listed at Appendix III an up-to-date list of which will be made available to Shareholders upon request.

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

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

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

## **LOCAL PAYING AGENTS AND DISTRIBUTORS**

The ICAV may appoint paying agents and distributors. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are obliged under local regulations to pay subscription monies or receive redemption monies via an intermediary entity rather than directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies, prior to the transmission of such monies to the Depositary for the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the ICAV at normal commercial rates.

## FEES AND EXPENSES

### GENERAL FEES

The ICAV employs a single fee structure for its Funds, with each Fund paying a single flat fee out of the assets of the relevant Fund (a “**Total Expense Ratio**” or “**TER**”), as disclosed in the relevant Supplement to the Management Company out of which the fees and expenses listed below, including the Management Fee, will be discharged by the Management Company. The TER will cover ordinary fees, operating costs and expenses payable by each Fund including fees and expenses paid to the Management Company, all ordinary costs and expenses connected with the management and operating activities of the relevant Fund including investment management and advisory fees, registration, transfer agency, administration and custody fees, registrar fees, regulators and auditors and certain legal expenses of the ICAV. The fees, costs and expenses covered by the TER will in particular include, but are not limited to, the following:

1. all taxes which may be payable on the assets, income and expenses chargeable to the ICAV;
2. all remuneration, fees and expenses (including value added tax, if applicable) due to the Management Company, the Administrator, an Investment Manager, the Depositary, the Auditors, the external valuer, any independent valuer, any third party alternative investment fund manager of the ICAV, any distributor appointed to distribute Shares, any tax representative appointed for tax reporting purposes and the legal advisers to the ICAV and any other person, firm or corporation providing services to the ICAV;
3. all expenses incurred in connection with publication and supply of information to Shareholders and in particular, but without limitation, the cost of printing and distributing the half yearly financial statements (if applicable) and the annual audited financial statements as well as any other reports to the Central Bank or to any other regulatory authority or the Shareholders and the cost of preparing, publishing and distributing the Prospectus and any other offering documents for Shares and the cost of all stationery, printing and postage costs in connection with the preparation and distribution of information to Shareholders;
4. fees and expenses in connection with the distribution of Shares;
5. all expenses incurred in registering the ICAV with any governmental agencies or regulatory authorities and maintaining the registration of the ICAV with such governmental agencies or regulatory authorities and the cost of listing and maintaining a listing of Shares on any stock exchange;
6. any necessary translation fees;
7. any and all expenses arising in respect of legal or administrative proceedings concerning the ICAV;
8. any and all expenses in relation the liquidation/ winding-up of the ICAV;
9. expenses incurred in distributing income to Shareholders;
10. fees in respect of the publication and circulation of details of the Net Asset Value of each Fund and each Class of each Fund;
11. the fees and expenses of the Auditors, compliance facilitator, legal, money laundering reporting officer, tax and other professional advisers of the ICAV and of the Directors;

12. the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Fund or in any particular Class within a Fund and obtaining proxies in relation to such meetings) and meetings of Directors;
13. the costs of printing and distributing reports, accounts and any Prospectus;
14. the costs of publishing prices and other information which the ICAV is required by law to publish and any other administrative expenses;
15. any fees and expenses for consulting, research (including operational due diligence), research related travel, statistical and data services and analytical software, used in the investigations of potential investments or seeking to maximize returns on existing investments in respect of the Funds;
16. taxes and duties payable by the ICAV;
17. interest on and charges incurred in relation to borrowings;
18. fees and expenses in connection with the listing of Shares on any stock exchange;
19. the cost of obtaining and maintaining the listing of the Shares on the Irish Stock Exchange and any other exchange, including the fees of any sponsoring broker;
20. any costs incurred in modifying the Instrument or the Prospectus;
21. insurance which the ICAV may purchase and/or maintain for the benefit of and against any liability incurred by any Director of the ICAV in the performance his or her duties;
22. liabilities on amalgamation or reconstruction arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Instrument forbidding such payment, the Directors are of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;
23. any costs incurred in forming a Fund or a Class (details of which will be set out in the Relevant Supplement);
24. any other costs or expenses that may be taken out of the ICAV's property in accordance with the Instrument;
25. any fees payable to the Central Bank and any other costs associated with any reporting or other regulatory requirements;
26. any regulatory or other administrative fees, costs and expenses, including the fees, costs and expenses involved in complying with any regulatory, taxation or other requirements;
27. any costs incurred in relation to the verification of securities prices;
28. any administrative costs associated with compliance with local companies legislation and tax residency where required by the ICAV or any Fund;

29. all expenses incurred in connection with the operation, management and administration of the ICAV;
30. all expenses attributable to the Investments of the Funds;
31. all extraordinary or non-recurring expenses deemed appropriate by the Directors, including litigation expenses with respect to a Fund;
32. marketing expenses;
33. commissions, bank, legal and brokerage fees;
34. fees and expenses of paying agents, local representatives and similar agents, such fees and expenses to be charged at normal commercial rates;
35. any other fees deemed appropriate by the Directors, such fees to be charged at normal commercial rates; and
36. other operating expenses.

The TER is calculated and accrued daily from the current Net Asset Value of the relevant Fund and shall be payable monthly in arrears. The TER for each Fund is set out in the Supplement for the relevant Fund.

If a Fund's costs and expenses in connection with the operation of the Fund which are intended to be covered within the TER exceed the stated TER, the Management Company will procure discharge by the Investment Manager or other relevant party, as applicable, of any excess amounts out of their own assets. The Investment Manager may from time to time, at its discretion, decide to rebate part or all of its investment management fee.

The TER does not include the following other costs and expenses which the ICAV will pay, out of the assets of each Fund, interest, taxes, brokerage commissions and other expenses connected with execution of portfolio transactions and extraordinary expenses such as extraordinary legal costs.

Where the Management Company or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Fund, the rebated commission shall be paid to that Fund. Details of the arrangements including fees payable to the Management Company (or its delegates) relating to such arrangements will be set out in the relevant Supplement.

All fees and expenses will normally be charged to the Fund (or Class thereof, if appropriate) in respect of which they were incurred or, where the expense is not considered by the Directors to be attributable to any one Fund (or Class thereof) the expenses will normally be allocated, insofar as practicable to all Shares Classes pro rata to the Net Asset Value of the relevant Funds. Expenses of a Fund which are directly attributable to a specific Class of Shares may be charged to the Shareholders of such Classes or the assets attributable thereto (including the income available for distribution).

## **DIRECTORS' FEES**

Under the Instrument, the Directors are entitled to a fee in remuneration for their services to the ICAV at a rate to be determined from time to time by the Directors provided always that the aggregate amount of the remuneration payable in any one year shall not exceed an amount as the Directors may from time to time determine and disclosure to Shareholders. Directors' remuneration in any one year shall not exceed €20,000 per Director in respect of any Fund (or such other higher limit as the Directors may from time to time determine and which shall be notified to Shareholders) or such other amount, which may be paid by the Fund, as specified in the relevant Supplement. The Directors and any alternate Directors may also

be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the ICAV.

#### **ESTABLISHMENT AND OPERATING EXPENSES**

The establishment expenses for the ICAV and eNova Active Core EUR Ultra Short Term, the initial Fund of the ICAV, are not expected to exceed €100,000. The establishment expenses for any subsequent Funds will be set out in the relevant Supplement. Establishment expenses may be amortised over an initial 5 years, unless otherwise provided for in the relevant Supplement.

#### **LIQUIDATION COSTS**

In the event that the ICAV is placed into liquidation, all costs and expenses of such liquidation shall be paid out of the assets of the Funds to discharge the liquidation costs on behalf of the ICAV.

#### **OTHER FEES**

Other fees and expenses payable in respect of each Fund and/or Class are contained in the relevant Supplement.

## SUBSCRIPTIONS

Where Funds are exchange-traded funds it means that at least one Class of each Fund is a Class of ETF Shares that is listed and actively traded on one or more stock exchanges. The ICAV may issue Shares of any Class of any Fund and on such terms as it may from time to time determine.

As with other Irish vehicles limited by shares, the ICAV is required to maintain a register of Shareholders.

ETF Shares in the Funds may be issued in or converted to Dematerialised Form. In such circumstances, the relevant Funds will apply for admission for clearing and settlement through an appropriate Recognised Clearing System.

The settlement of trading in ETF Shares of the Funds is centralised in the ICSD settlement structure which provides centralised issuance in Euroclear and Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear. ETF Shares in the Funds will not be issued in Dematerialised Form but no temporary documents of title or share certificates will be issued in respect of ETF Shares. The ICAV will apply for admission for clearing and settlement through Euroclear and Clearstream. Whilst ETF Shares will be issued in Euroclear and Clearstream, settlement will be facilitated within Clearstream, Euroclear and other CSDs which are Participants.

Fractional Shares will not be issued.

Each Fund may issue different Classes. Shares can be issued as ETF Shares or Non-ETF Shares. **In order for an Investor to be a Shareholder of a Class in a Fund and to exercise the rights associated with being a Shareholder, it must be registered in the ICAV's register of Shareholders.** In the case of ETF Shares, the Common Depository's Nominee will be the sole Shareholder in the Funds. Investors in ETF Shares should have regard to the section of the Prospectus entitled "Meetings And Votes Of Shareholders". All subscriptions and redemptions are dealt on a forward pricing basis (i.e., by reference to the Net Asset Value per Share calculated as at the Valuation Point for the relevant Dealing Day).

The Primary Market is the market on which ETF Shares are issued by the ICAV in respect of applications from Authorised Participants or redeemed by the ICAV on instruction from Authorised Participants. Only Authorised Participants are able to instruct the subscription or redemption of ETF Shares directly with the ICAV. Alternatively, Investors may subscribe for Non-ETF Shares directly with the ICAV.

There is an obligation on one or more members of the relevant exchange to act as marker makers, offering prices at which the ETF Shares can be purchased or sold by Investors on the secondary market. Certain Authorised Participants may also act as market makers. All Authorised Participants are expected to subscribe for ETF Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker dealer business. Through such Authorised Participants being able to subscribe for or redeem ETF Shares, a liquid and efficient secondary market may develop over time on one or more relevant stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy ETF Shares from or sell ETF Shares to other secondary market investors or makers, broker/dealers, or other Authorised Participants.

Any specific terms and conditions and/or procedures and settlement details applicable to the subscription and redemption of Shares (both ETF Shares and Non-ETF Shares) of a particular Class which supplement and/or vary the procedures described below will be set out in the relevant Supplement. The Directors reserve the right to issue amended or additional procedures relating to subscription and redemption of Shares, which will be notified to Shareholders in advance.

On the receipt of subscription monies for Application Forms that have been accepted by the ICAV, the Administrator will pay the equivalent of the net Subscription Price of the Shares into the assets of the ICAV within three business days.

### **Collection Account**

The Administrator on behalf of the ICAV operates a separate investor Collection Account for each of the Funds, so that the amounts within the Collection Account are at all times capable of being attributed to the individual Funds in accordance with the Instrument. Accordingly, monies in the Collection Account will become the property of the relevant Fund upon receipt and accordingly in the event of the insolvency of the ICAV or the relevant Fund investors will be treated as an unsecured creditor of the relevant Fund during the period between receipt of subscription monies and the Dealing Day on which the Shares are issued and the subscription monies are moved to the Fund operating account. Investors' attention is drawn to the risk factor under the heading "Collection Account Risk". Furthermore, the operation of the Collection Account will not compromise the ability of the Depositary to carry out its safe-keeping and oversight duties in accordance with the Regulations. In addition, in circumstances where subscription monies are received with insufficient documentation to identify the owner, the Management Company and the Depositary will ensure that in the event that such monies cannot be applied to the individual Funds they will be returned to the payer within 5 working days.

Applications for Shares received during any period when the issue or valuation of Shares has been temporarily suspended in the circumstances described under the section entitled "Determination and Temporary Suspension of Net Asset Value", will not be dealt with until dealings have recommenced. Such applications will be dealt with on the next Dealing Day after dealings have recommenced, unless such application has been withdrawn during the period of suspension of dealings.

### **Data Protection Notice**

Prospective investors should note that by completing the Application Form they are providing to the ICAV personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, research, compliance with any applicable legal, tax or regulatory requirements and disclosure to, and in relation to, the ICAV, its delegates and agents. All or part of this data will be retained as per regulatory requirements once the relationship ends.

Investors' data may be disclosed and/or transferred to third parties including financial advisers, regulatory bodies, tax authorities, auditors, technology providers or to the ICAV and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside of the EEA including without limitation India, which may not have the same data protection laws as Ireland) for the purposes specified.

Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in the Application Form.

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

The ICAV is a "data controller" within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation. Investors also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances, a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.



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

A copy of the data privacy statement of the ICAV is available upon request from the Administrator.

## INVESTING IN SHARES

### General

The ICAV has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason therefor.

No Shares of any Fund or Class will be issued or allotted during a period when the determination of Net Asset Value of that Fund or Class is suspended.

Applications for subscriptions received by the Administrator for any Dealing Day before the applicable Dealing Deadline will be processed by the Administrator for that Dealing Day. Applications received after the applicable Dealing Deadline will normally not be accepted but may be accepted for dealing on the relevant Dealing Day (at the discretion of the Directors or their delegates) provided that such applications are received prior to the Valuation Point for such Dealing Day. An application for subscription, if received by the Administrator by the relevant Dealing Deadline, will be irrevocable by the applicant and, following acceptance of such application by the ICAV, will be binding on both the applicant and the ICAV.

In calculating the Subscription Price per Share for a Fund the Directors may, on any Dealing Day where there are net subscriptions, adjust the Subscription Price by adding an anti-dilution levy to cover dealing costs and to preserve the value of the relevant Fund's underlying assets. In addition, a Subscription Fee of up to 5% of the Subscription Price may be charged if provided for in the Supplement for the relevant Fund.

In circumstances where the exact provision for Duties and Charges cannot be ascertained in sufficient time in advance of the applicable settlement date for the issue of the relevant Shares as specified in the relevant Supplement, the Duties and Charges paid in respect of the subscription may be estimated. Following the acquisition of Investments by the ICAV, the applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV or, as the case may be, the ICAV shall reimburse the applicant for any excess in the estimated sum for Duties and Charges received by the ICAV in a timely manner and no interest shall accrue or be payable by the ICAV in respect of such excess. The applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV in a timely manner and the ICAV may charge the applicant interest or for costs incurred if the applicant fails to reimburse the ICAV in a timely manner.

Where set out in the relevant Supplement, a fixed amount may be charged in respect of Duties and Charges. Following the acquisition of Investments by a Fund, any shortfall in the amount charged in respect of Duties and Charges shall be borne by a Fund and any excess in the estimated sum for Duties and Charges shall be retained by a Fund.

In the context of each application for subscription for Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the ICAV of purchasing the relevant underlying Investments.

The ICAV may charge a Subscription Fee as set out in the relevant Supplement which may be waived in whole or in part at the discretion of the ICAV and/or the Manager (or its appointed delegates).

The Administrator and/or the ICAV reserves the right to request further details from an applicant for Shares. Any amendment to the details set out in the Application Form shall not be effected unless notified in writing, by an authorised signatory of the Shareholder, to the Administrator and such amendment will not be effected unless and until the Administrator is in receipt of such notification which can be made via e-mail. Once submitted, applications shall, subject to applicable law and regulation, be irrevocable by, and binding on, the applicant.

It is further acknowledged that the ICAV, the Manager, an Investment Manager, the Administrator and the Distributor shall be indemnified and held harmless by the applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the ICAV or the Administrator has not been provided by the applicant.

## **Application Procedure for Dealing on the Primary Market**

### **ETF Funds and ETF Shares**

#### *ETF Shares (Primary Market) - Subscriptions*

The Primary Market is the market on which ETF Shares of a Fund are issued by the ICAV or redeemed by the ICAV on applications from Authorised Participants. Only Authorised Participants are able to deal in ETF Shares on the Primary Market.

Applicants wishing to deal on the Primary Market in respect of a Fund have to satisfy certain eligibility criteria and be registered with the ICAV, to become Authorised Participants. In addition, all applicants applying to become Authorised Participants must first complete an Authorised Participant Agreement which may be obtained from the Administrator and satisfy certain anti-money laundering checks. The signed original Authorised Participant Agreement should be sent to the Administrator. Applicants wishing to become Authorised Participants should contact the relevant Investment Manager for further details. The ICAV has absolute discretion to accept or reject any Authorised Participant Agreement and to revoke any authorisation to act as an Authorised Participant. The Common Depository's Nominee, acting as the registered holder of ETF Shares in a Fund, may not apply to become an Authorised Participant.

For the purpose of ETF Shares of a Fund, Authorised Participants may submit requests to deal on the Primary Market by an electronic order entry facility. The use of the electronic order entry facility is subject to the prior consent of the relevant Investment Manager and the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Dealing orders placed electronically are subject to the dealing request cut off times stated in the Primary Market dealing timetable. Dealing by facsimile is available with the consent of the relevant Investment Manager and in accordance with the requirements of the Central Bank.

All dealing applications are at the Authorised Participant's own risk. Dealing requests, once submitted, shall (save as determined by the relevant Investment Manager at its discretion) be irrevocable. The ICAV, the relevant Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of Authorised Participant Agreements or for any losses arising in the transmission of any dealing request through the electronic order entry facility or any alternative dealing method approved by the relevant Investment Manager. Amendments to registration details and payment instructions will only be effected upon receipt by the ICAV of the original documentation.

Authorised Participants are responsible for ensuring that they are able to satisfy settlement obligations when submitting dealing requests on the Primary Market. Authorised Participants instructing redemption requests must first ensure that they have sufficient ETF Shares in their account to redeem (which ETF Shares must be delivered to the Administrator to arrange for cancellation by the settlement date). Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record.

#### *ETF Shares (Primary Market) – Subscription Procedure*

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity to the ICAV. The ICAV and/or the Administrator will specify what proof of identity is required, including but not limited to a passport or identification card, duly certified by a public authority such as a notary public, or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners who will be subject to verification requirements as applicable.

The Administrator reserves the right to request further details or evidence of identity from an applicant for ETF Shares. Authorised Participants must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, Authorised Participants should take into account the considerations set out in the sections entitled **"Declaration as to Status of Investor"** and **"Taxation"**.

Once the Authorised Participant Agreement and supporting anti-money laundering documentation has been processed by the Administrator and accepted by, or on behalf of, the ICAV, an applicant may submit a dealing request to subscribe for Shares in a Fund by telephone, electronic order entry facility, or by submitting a dealing form via email or facsimile to the Administrator. Dealing forms may be obtained from the Administrator. The use of the electronic order entry facility is subject to the prior consent of the relevant Investment Manager or the Administrator must be in accordance with and comply with the requirements of the Central Bank. Telephone calls may be recorded. Subscription orders are subject to the Dealing Deadline. Deal instructions received after the Dealing Deadline may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point.

All applications are at the applicant's own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The ICAV, the Manager, the relevant Investment Manager, the Administrator, the Distributor and the Paying Agent shall not be responsible for any losses arising in the transmission of Authorised Participant Agreements and dealing forms or for any losses arising in the transmission of any dealing request by telephone, facsimile or through the electronic order entry facility.

#### Subsequent Subscriptions

The Minimum Dealing Amounts for ETF Shares in a Fund will be as set out in the relevant Supplement and the Portfolio Composition File.

The ICAV will normally pay dealing requests in cash. However, the ICAV may pay dealing requests in kind on a case by case basis upon receipt of the Authorised Participant's consent.

ETF Shares may be subscribed at the Net Asset Value thereof together with associated Duties and Charges which may be varied to reflect the cost of execution. ETF Shares may be redeemed on each Dealing Day at the Net Asset Value thereof less any associated Duties and Charges which may be varied to reflect the cost of execution. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. The Instrument empowers the ICAV to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges.

## **ETF Funds and ETF Shares (Primary Market) - Dealings in Cash, in Kind and Directed Cash Dealings**

### *Cash Subscriptions*

Subscription orders for ETF Shares will normally be accepted in amounts equal to, or at least, the Minimum Dealing Amount as set out in the relevant Supplement and the Portfolio Composition File.

During any Initial Offer Period determined by the Directors in relation to each Class of ETF Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, ETF Shares may be subscribed for by Authorised Participants on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee where set out in the relevant Supplement.

Cash subscriptions shall be made in the relevant Class Currency.

The Dealing Deadline for all subscriptions is set out in the relevant Supplement.

### *Directed Cash Dealings*

In connection with cash subscriptions for ETF Shares, where agreed in advance with the ICAV (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the purchase of the underlying relevant Investments with the Authorised Participant or one or more brokers designated by such Authorised Participant (each, an "**AP Designated Broker**") and/or in one or more particular markets (each such transaction, a "**Directed Transaction**"). The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the ICAV (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference to avail of the Directed Transaction facility at the point of application and, prior to the applicable Dealing Deadline (and in accordance with the procedures established by the ICAV (or its appointed delegate)), the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash subscription for ETF Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker transfers to the ICAV (via the Depositary and/or its subcustodian) the relevant underlying Investments. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of purchasing the relevant underlying Investments in connection with a subscription for ETF Shares, whether the relevant underlying Investments in connection with the relevant subscription for ETF Shares are purchased solely from the AP Designated Broker or some of such Investments are purchased from other brokers selected by the relevant Investment Manager (for example, where not all of the relevant underlying Investments are available for purchase from the AP Designated Broker). The ICAV, the Manager, the relevant Investment Manager, the Administrator, and the Distributor (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's subscription application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

### *Failure to deliver*

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash subscription, any failure or delay by the Authorised Participant in delivering the required cash including, but not limited to, all costs of whatever nature incurred by a Fund in purchasing Investments in anticipation of receipt, from the Authorised Participant of the required cash payable in respect of a cash subscription or (ii) in the context of a cash subscription resulting in a Directed Transaction, any failure by an AP Designated Broker to transfer to the ICAV (via the Depositary) the relevant underlying Investments (or part thereof) within the stated settlement time prescribed by the ICAV (or its appointed delegate), including, but not limited to, any market exposure, interest charges and other costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand.

### *In Kind Subscriptions*

The ICAV may accept subscriptions and pay redemptions either in kind or in cash or in a combination of both. The ICAV may determine whether to accept subscriptions in kind and/or in cash at its absolute discretion. Authorised Participants wishing to deal in kind should contact the Manager for a list of ETF Funds which accept dealing requests in kind.

Subscriptions by Authorised Participants for Shares in exchange for in kind assets means that, rather than receiving cash in respect of a subscription, the ICAV will receive and deliver securities (or predominantly securities) acceptable to the relevant Investment Manager and set out in the Portfolio Composition File or agreed on an ad hoc basis. The Portfolio Composition File of the ICAV will be made available to the relevant Authorised Participants for each Class setting out the form of Investments and/or the cash component to be delivered by an Authorised Participant in return for Shares. Only Investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The value attributed to securities delivered in connection with in kind subscription requests will be equivalent to that for cash subscriptions and no Shares shall be issued until all securities and cash payable to the Depositary (or a permitted collateral amount) are vested in the Depositary and the Depositary is satisfied that there is unlikely to be any material prejudice to the Shareholders of the Fund.

### *Settlement period*

Settlement for Shares must be made within stated settlement time for which the application for subscription is accepted unless otherwise stated. The settlement period may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the nature of the securities comprising the Portfolio Composition File.

### *Failure to settle*

In the event that an Authorised Participant fails to deliver to the Depositary one or more of the securities comprising the Portfolio Composition File by the designated time, the ICAV or its delegate may reject the application for subscription, or may require the Authorised Participant to pay a fee at least equal to the closing value of such undelivered securities on the Valuation Date for the relevant Dealing Day. In the event that the actual cost to the ICAV of acquiring the securities (including any Duties and Charges) exceeds the aggregate of the value of such securities on the Valuation Date for the relevant Dealing Day, the *in kind* transaction fee and, if applicable, the Duties and Charges paid by the Authorised Participant, the Authorised Participant will be required to promptly reimburse the ICAV the difference on demand.

## **Clearing and Settlement**

Authorised Participants' title and rights relating to ETF Shares in a Fund will be determined by the clearance system through which they settle and/or clear their holdings. A Fund will settle through the relevant ICSD and the Common Depository's Nominee will act as the registered holder of all such ETF Shares.

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

A purchaser of interests in ETF Shares will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such ETF Shares and the rights of such investors, where Participants, shall be governed by their agreement with their ICSD and otherwise by the arrangement with their nominee, broker or CSD, as appropriate. All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All references herein to distributions, notices, reports, and statements to such Shareholder, shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

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

### *International Central Securities Depositories*

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

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

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

The ICAV or its duly authorised agent may from time to time request the applicable ICSD to provide the ICAV with following details: ISIN, ICSD participant name, ICSD participant type, Residence of ICSD Participant, number of ETF of the Participant within Euroclear and Clearstream, as appropriate, that hold an interest in ETF Shares and the number of such interests in the ETF Shares held by each such Participant. Euroclear or Clearstream Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have authorised pursuant to the respective rules and procedures of Euroclear or Clearstream to disclose such information to the ICAV of the interest in ETF Shares or to its duly authorised agent

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

#### *Paying Agent*

The Manager will appoint a Paying Agent for ETF Shares represented by the Global Share Certificate. In such capacity, the Paying Agent will be responsible for, among other things, ensuring that payments received by the Paying Agent from the ICAV are duly paid; maintaining independent records of securities, dividend payment amounts; and communicating information to the relevant ICSD. Payment in respect of the ETF Shares will be made through the relevant ICSD in accordance with the standard practices of the applicable ICSD. The Manager may vary or terminate the appointment of the Paying Agent or appoint additional or other registrars or paying agents or approve any change in the office through which any registrar or paying agent acts.

Details in relation to the Valuation Point, cut-off times, Minimum Dealing Amounts and Settlement Times for a Fund are set out in the relevant Supplement.

### **Non-ETF Funds and Non-ETF Shares**

#### *Non-ETF Shares - Subscriptions*

Non-ETF Shares will be issued in registered but uncertificated form. No share certificate will be issued. Unless otherwise set out in a Supplement, a contract note, which will constitute a confirmation of a subscription will be sent to each successful applicant within one Business Day of the relevant Dealing Day.

The register will provide full details of the transaction and a Shareholder number. The Shareholder number should be used for all future dealings with the ICAV and the Administrator. The uncertificated form enables the ICAV to deal with requests for redemption without undue delay and thus investors are recommended to hold their Shares in uncertificated form. The number of Shares issued will be rounded to the nearest two decimal places and any surplus money will be credited to the ICAV.

Each Fund may offer Non-ETF Shares where specified in a relevant Supplement. Dealings in these Shares will principally be in cash but in-kind dealings may be permitted upon such terms as the Directors may think fit but subject to and in accordance with the following provisions:



1. Non-ETF Shares shall not be issued until the investments have been vested in the Depositary on behalf of the relevant Fund or its nominee or sub-custodian to the Depositary's satisfaction;
2. subject to the foregoing any such exchange shall be effected on terms that the number of Non-ETF Shares to be issued shall be the number which would have been issued for cash at the current price against payment of a sum equal to the value of the investments transferred less such sum as the Directors may consider represents an appropriate provision for any charges or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of the investments;
3. the investments to be transferred to the ICAV for the account of the relevant Fund shall be valued on such basis as the Directors may decide so long as such value does not exceed the highest amount that would be obtained on the day of the exchange by applying the method of calculating the value of investments as set out under the heading "Determination and Temporary Suspension of Net Asset Value";
4. the nature of the investments to be transferred for the account of the relevant Fund would qualify as investments of such Fund in accordance with its investment objectives, policies and restrictions; and
5. the Depositary shall be satisfied that the terms of such exchange should not be such as are likely to result in any prejudice to the existing Shareholders.

#### Anti-Dilution Levy

In calculating the Subscription Fee for the Shares in a Fund the Directors may on any Dealing Day when there are net subscriptions add or deduct an Anti-Dilution Levy to the subscription amounts to cover dealing costs and to preserve the value of the underlying assets of the Fund.

As the costs of dealing can vary with market conditions, the level of the Anti-Dilution Levy may also vary. The Directors reserve the right to waive such charge at any time.

Other limits on subscriptions may be set out in the Supplement for a Fund.

#### Non-ETF Shares - Subscription Procedure

All applicants applying for the first time to create Shares in any Fund in the ICAV must first complete the Application Form which may be obtained from the Administrator. The signed Application Form should be sent to the Administrator with supporting documentation in relation to money laundering prevention checks. No Non-ETF Shares shall be issued or until the Investor has completed and delivered to the Administrator the Application Form and supporting anti-money laundering documentation as described above. The ICAV has absolute discretion to accept or reject any Application Form.

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity and/or source of funds and/or source of wealth to the ICAV. The ICAV and/or the Administrator will specify what proof of identity is required, including but not limited to a passport or identification card, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners who will be subject to verification requirements as applicable. The Administrator reserves the right to request any document to be provided in original or certified true copy form.

The Administrator reserves the right to request further details or evidence of identity and/or source of funds and/or source of wealth from an applicant for Shares. Investors must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, prospective Investors should take into account the considerations set out in the sections entitled "**Declaration as to Status of Investor**" and "**Taxation**".

Once the Application Form and supporting anti-money laundering documentation has been processed by the Administrator and accepted by, or on behalf of, the ICAV, an applicant may submit a dealing request to subscribe for Shares in a Fund to the Administrator. Dealing forms may be obtained from the Administrator. Subscription orders are subject to the Dealing Deadline. Deal instructions received after the Dealing Deadline may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point. An applicant may submit a dealing request to subscribe for Shares in a Fund by an electronic order entry facility or by submitting a dealing form via email or facsimile to the Administrator.

Dealing forms may be obtained from the Administrator. Once an account has been opened, a Shareholder can place additional orders electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank). Telephone calls may be recorded.

All applications are at the applicant's own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The ICAV, the Manager, the relevant Investment Manager, the Administrator and the Distributor shall not be responsible for any losses arising in the transmission of Subscription Agreements and dealing forms or for any losses arising in the transmission of any dealing request by telephone, facsimile or through the electronic order entry facility.

### **Non-ETF Funds and Non-ETF Shares - Dealings in Cash**

#### **Cash Subscriptions**

Subscription orders will normally be accepted in amounts equal to, or at least the value of, the Minimum Dealing Amount as may be set out in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of Non-ETF Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, Non-ETF Shares may be subscribed for on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee, where set out in the relevant Supplement.

Cash subscriptions shall be made in the relevant Class Currency. Duties and Charges may include trading and Transaction Costs. Duties and Charges applicable to cash and partial-cash transactions may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by the relevant applicant for Non-ETF Shares. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the relevant applicant for Non-ETF Shares by the relevant Fund.

The Dealing Deadline and the Settlement Time for all subscriptions are set out in the relevant Supplement.

#### **Failure to Settle**

If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Manager may cancel the allotment and the applicant for Non-ETF Shares shall indemnify the ICAV

for any loss suffered by a Fund as a result of a failure by the applicant to pay the subscription monies by the relevant time. In addition, the ICAV will have the right to (but shall not be obliged to) sell all or part of the applicant's holding of Non-ETF Shares or ETF Shares in a Fund (or in any other Fund) in order to meet some or all of these charges.

## REDEMPTIONS

### Redemption of Shares

Shareholders may request a Fund to redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated at the relevant Valuation Point (subject to such adjustments, if any, as may be specified including, without limitation, any adjustment required for redemption charges as described under the section entitled “Fees and Expenses”) in accordance with the redemption procedures specified below and in the relevant Supplement. In calculating the redemption price per Share for a Fund, the Directors may on any Dealing Day where there are net redemptions adjust the redemption price by deducting an Anti-Dilution Levy to cover dealing costs and to preserve the value of the relevant Fund’s underlying assets. In addition, a Redemption Fee of up to 3% of the redemption price may be charged if provided for in the Supplement for the relevant Fund.

The Shares in a Fund may be redeemed on each Dealing Day (except where dealings have been suspended in the circumstances described under “Determination and Temporary Suspension of Net Asset Value”) at the Net Asset Value per Share calculated at the Valuation Point.

Details in respect of redemptions of shares in the Funds are set out in the relevant Supplement for each Fund.

The Administrator shall forward the redemption proceeds (if any) to the relevant Shareholders within the period of time from the deadline for receipt of redemption requests set out in the relevant Supplement.

If outstanding redemption requests from all holders of Shares in any Fund on any Dealing Day total in aggregate more than 10% of all the Shares of that Fund in issue on such Dealing Day, the Management Company shall be entitled at its discretion to refuse to redeem such excess number of Shares in issue on that Dealing Day in respect of which redemption requests have been received as the Directors shall determine. If the Management Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced on a pro rata basis and the Shares to which each request relates which are not redeemed shall be carried forward for redemption on each subsequent Dealing Day on a pro rata basis until all the Shares to which the original request related have been redeemed.

Redemption requests should be made on the Redemption Form (which is available from the Administrator) which should be sent by facsimile or by PDF attached to an e-mail to the Administrator. The address and other contact information for the Administrator are set out in the Redemption Form.

The Administrator will not remit any redemption proceeds to an investor if that investor has not submitted a redemption request, by facsimile or by PDF attached to an e-mail, containing valid bank details or is not considered to be compliant with all the necessary anti-money laundering legislation and regulations. Nor will the Administrator remit any payment to a third-party bank account. In such circumstances, the Administrator will process the redemption request received by the Shareholder, however the redemption proceeds shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the ICAV until such time as the Administrator is satisfied that its anti-money laundering procedures have been complied with, following which redemption proceeds will be released. Unless otherwise set out in relevant Supplement, a contract note, which will constitute a confirmation of a redemption will be sent to the relevant Shareholder within one Business Day of the relevant Valuation Day. The redeeming investor should contact the Administrator in the event that this confirmation is not received within two Business Days of the relevant Valuation Day.

Redemption requests may not be withdrawn without the consent of the ICAV except when the redemption of Shares has been temporarily suspended in the circumstances described under the section entitled “Determination and Temporary Suspension of Net Asset Value”.

Redemption proceeds will be paid only after receipt of the Application Form (by PDF attached to an e-mail with the original to follow by post) and upon receipt of all relevant documentation required by the Administrator including any documents in connection with anti-money laundering procedures and that the anti-money laundering procedures have been completed. If a Redemption Form is received by the Administrator after the time specified for receipt of same for a particular Dealing Day, it shall be treated as a request for redemption on the next Dealing Day. In exceptional circumstances, the Directors may, at their sole discretion, accept redemption requests after the relevant cut-off point, provided in all cases it is before the relevant Valuation Point. Subject to the foregoing, and to the receipt of the Application Form and all anti-money laundering documentation and the anti-money laundering procedures have been completed, redemption proceeds will be paid by electronic transfer to the Shareholder's account specified in the Application Form within the period of time from the deadline for receipt of redemption requests, as set out in the relevant Supplement. In the event that a Shareholder requires payment of redemption proceeds to an account other than that specified in the Application Form, the Shareholder must provide an original request in writing, executed by an authorised signatory of the Shareholder to the Administrator on or prior to receipt of the Redemption Form. Redemption proceeds will only be paid to an account in the name of the relevant Shareholder. Redemption proceeds will not be paid in any other currency other than the currency of denomination of the relevant Share Class.

The Administrator on behalf of the ICAV operates a separate investor Collection Account for each of the Funds, so that the amounts within the Collection Account are at all times capable of being attributed to the individual Funds in accordance with the Instrument. Shareholders should note that any redemption proceeds being paid by a Fund and which are held for any time in the Collection Account shall remain an asset of the relevant Fund. On redemption, an investor is no longer a Shareholder and in the event of the insolvency of the ICAV or the relevant Fund will rank as an unsecured creditor of the relevant Fund during the period between receipt of the redemption request and the Dealing Day on which such Shares are redeemed. Redemption proceeds and dividend payments shall be held in the Collection Account where the Shareholder has failed to provide the Administrator or the ICAV with any documentation requested by them for anti-money laundering purposes, as described above. Investors' attention is drawn to the risk factor under the heading "Collection Account Risk". Furthermore, the operation of the Collection Account will not compromise the ability of the Depositary to carry out its safe-keeping and oversight duties in accordance with the Regulations.

Redemption proceeds may be paid by in specie transfer at the discretion of the Directors with the consent of the Shareholder in question. Redemption proceeds may also be paid in specie solely at the Management Company's discretion where the redemption request for Shares represents 5% or more of the Net Asset Value of the relevant Fund on any Dealing Day. The assets to be transferred shall be selected at the discretion of the Directors and subject to the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so repurchased. This means that such distributions will only be made if the Directors consider that they will not materially prejudice the interests of the Shareholders as a whole. Where the redemption in specie is effected at the Directors' discretion the Management Company and/or the relevant Investment Manager shall, if a Shareholder so requests, sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder and the cost of the sale of the relevant assets may be charged to that Shareholder.

### **ETF Funds and ETF Shares (Primary Market) – Redemptions in Cash, in Kind and Directed Cash Dealings**

Only Authorised Participants may apply to redeem ETF Shares directly with the ICAV.

Authorised Participants may apply to redeem ETF Shares directly with the ICAV at the Net Asset Value per Share (and after taking account of any Duties and Charges and Redemption Fee) for any Dealing Day in accordance with the procedures set out in this Prospectus.

### Cash Redemptions

Applications for redemption of ETF Shares will normally be accepted in amounts equal to, or at least, the Minimum Dealing Amount as set out in the relevant Supplement and the Portfolio Composition File.

ETF Shares may be redeemed in respect of any Dealing Day at the Net Asset Value per Share as adjusted for Duties and Charges and any Redemption Fee (where set out in the relevant Supplement).

In the event that the ICAV has notified all Relevant Stock Exchanges that an affected Fund is open for direct redemptions with the ICAV by Investors other than Authorised Participants, then the Minimum Dealing Amounts will be as set out in the relevant Supplement and the Portfolio Composition File.

Any requests for details regarding redemptions should be made in advance of the Dealing Deadline in accordance with any procedures prescribed by the ICAV (or its delegate) from time to time.

### *Directed Cash Dealing*

In connection with cash redemptions for ETF Shares, where agreed in advance with the ICAV (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the sale of the underlying relevant Investments with the Authorised Participant or one or more brokers designated by such Authorised Participant (each, an "**AP Designated Broker**") and/or in one or more particular markets (each such transaction, a "**Directed Transaction**"). The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the ICAV (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference at the point of application and, prior to the applicable Dealing Deadline (and in accordance with the procedures established by the ICAV (or its appointed delegate)), contact both the relevant Investment Manager and the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash redemption of ETF Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker purchases the relevant underlying Investments from the ICAV. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of disposing of the relevant underlying Investments in connection with a redemption of ETF Shares whether the relevant underlying Investments in connection with the relevant redemption for ETF Shares are sold solely to the AP Designated Broker or some of such Investments are sold to other brokers selected by the relevant Investment Manager (for example, where not all of the relevant underlying Investments can be sold to the AP Designated Broker). The ICAV, the Manager, the relevant Investment Manager, the Administrator, the Administrator and the Distributor (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's redemption application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

### *Failure to settle*

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash redemption, any failure or delay by the Authorised Participant in delivering the required number of ETF Shares including, but not limited to, all costs of whatever nature incurred by a Fund in disposing of Investments - including adjusting or unwinding OTC Swaps or Swap Arrangements in anticipation of receipt, from the Authorised Participant of the required ETF Shares payable in respect

of a cash redemption or (ii) in the context of a cash redemption resulting in a Directed Transaction, any failure by an AP Designated Broker to purchase from the ICAV the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), including, but not limited to, any market exposure, interest charges and other costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand.

In the context of a cash redemption resulting in a Directed Transaction, should an AP Designated Broker fail to purchase from the ICAV the relevant underlying Investments (or part thereof) within the stated settlement time prescribed by the ICAV (or its appointed delegate), the ICAV (or its appointed delegate) shall have the right to and transact with one or more alternative brokers and to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV relating to the failed Directed Transaction (or relevant part thereof) and any new transactions entered into with alternative brokers.

#### *In kind redemptions*

Authorised Participants wishing to deal in kind should contact the Manager for a list of Funds which accept redemption requests in kind. At the discretion of the Directors (or the Manager on their behalf), each Fund may allow investors to redeem Shares in kind in whole or in part with the balance in cash on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) subject to the relevant asset allocation being approved by the Depositary. In kind means that, rather than delivering cash proceeds in respect of a redemption, the Fund will deliver the Investments and Cash Component set out in the Portfolio Composition File or agreed on an ad hoc basis. At the discretion of the Directors (or the Manager on their behalf), each Fund may satisfy a redemption request in kind subject to the consent of the individual Shareholders, the approval of the asset allocation by the Depositary and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of the Fund.

#### *Redemption price*

The redemption price will be the aggregate of the Net Asset Value per Share on the relevant Dealing Day of the Shares less the aggregate of (a) the relevant in kind transaction fee which shall not exceed 5% of the Net Asset Value of Shares redeemed (as the same may be waived or lowered by the Directors either generally or in any particular case), (b) Duties and Charges, and (c) if applicable, any Redemption Fee.

The redemption price will be payable by the ICAV transferring to the order of the Authorised Participant the securities comprising the Portfolio Composition File, less a cash amount equal to the relevant in kind transaction fee and any applicable Duties and Charges and any applicable Redemption Fee (where set out in the relevant Supplement).

#### *Settlement period*

Settlement for Shares must be made within stated settlement time for which the application for subscription is accepted unless otherwise stated.

The standard settlement period for in kind redemptions is the stated settlement time on which the application for redemption is accepted but may vary depending upon the standard settlement periods of the different stock exchanges on which the ETF Shares and the underlying securities of the Fund are traded. Any cash to be paid in respect of an in kind redemption will be for value on the same day as settlement of the securities.

### *Partial cash settlement*

The ICAV may, in its absolute discretion, satisfy part of the application for in kind redemption in cash, for example in cases in which it believes that an Investment held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in kind.

### *Failure to settle*

In the event that an Authorised Participant fails to deliver to the Depositary such number of Shares that at least equates in value to the Minimum Dealing Amount by the designated time, the Manager may cancel the request for redemption and the Authorised Participant shall indemnify the ICAV for any loss suffered by the Fund as a result of a failure by the Authorised Participant to deliver the Shares by the relevant time.

## **Non ETF-Funds and Non-ETF Shares - Redemptions in Cash, in Kind and Directed Cash Dealings**

There is no restriction on the type of investor who may apply to redeem Non-ETF Shares directly with the ICAV at the Net Asset Value per Share (and after taking account of any Duties and Charges and Redemption Fee) for any Dealing Day in accordance with the procedures set out in this Prospectus.

### Anti-Dilution Levy

In calculating the Redemption Fee for the Shares in a Fund the Directors may on any Dealing Day when there are net redemptions add or deduct an Anti-Dilution Levy to the redemption amounts to cover dealing costs and to preserve the value of the underlying assets of the Fund.

As the costs of dealing can vary with market conditions, the level of the Anti-Dilution Levy may also vary. The Directors reserve the right to waive such charge at any time.

### Cash Redemptions

Applications for redemption will normally be accepted in amounts as equal to, or at least the value of, the Minimum Dealing Amount as set out in the relevant Supplement.

Non-ETF Shares may be redeemed on each Dealing Day at the Net Asset Value per Share as adjusted for Duties and Charges and any Redemption Fee (where set out in the relevant Supplement). Duties and Charges may include trading and transaction costs, and variance in Net Asset Value related to the completion or the sale of a portfolio of the Investments needed to create or redeem the redemption amount. Duties and Charges may include trading and Transaction Costs. Duties and Charges applicable to cash and partial-cash transactions may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by, the relevant redeeming Investor. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the redeeming Investor by the relevant Fund.

Any requests for details regarding redemptions should be made in advance of the Dealing Deadline in accordance with any procedures prescribed by the ICAV (or its delegate) from time to time.

### *Failure to settle - Non-ETF Shares - cash redemptions*

If such number of Shares that at least equates in value to the Minimum Dealing Amount has not been received by the relevant time, the Manager may cancel the request for redemption and the applicant for



Non-ETF Shares shall indemnify the ICAV for any loss suffered by a Fund as a result of a failure by the applicant to deliver the Shares by the relevant time. In addition, the ICAV will have the right to sell all or part of the applicant's holding of Non-ETF Shares or ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

#### In Kind Redemptions

The ICAV or its delegate (including an Investment Manager) may in exceptional circumstances, at its discretion, redeem Non-ETF Shares of any Class of a Fund by way of exchange for Investments provided that:

- (a) the redemption request otherwise satisfies all the requirements of the Manager and the Administrator as to such request and the Shareholder seeking redemption of Non-ETF Shares agrees to such course of action.
- (b) the Depositary and the Manager are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Non-ETF Shares being redeemed in cash, the redemption shall be satisfied in kind by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Manager may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Manager may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in kind and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Shareholder shall be borne by the redeeming Shareholder.

If the discretion conferred upon the ICAV or its delegate above is exercised, the ICAV or its delegate shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All Duties and Charges in respect of such transfers shall be payable by the Shareholder. Any allocation of Investments pursuant to an in kind redemption is subject to the approval of the Depositary.

The redemption price of Non-ETF Shares is based on the Net Asset Value per Share as adjusted for Duties and Charges and the Redemption Fee, if any.

#### *Failure to settle - Non-ETF Shares – In kind redemptions*

If such number of Shares that at least equates in value to the Minimum Dealing Amount has not been received by the relevant time, the Manager may cancel the request for redemption and the applicant shall indemnify the ICAV for any loss suffered by the Fund as a result of a failure by the applicant to deliver the Shares by the relevant time. In addition, the ICAV or its delegate will have the right to (but shall not be obliged to) sell all or part of the applicant's holding of Non-ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

## SECONDARY MARKET FOR ETF SHARES

### General

ETF Shares may also be acquired or purchased through the Secondary Market.

**Investors may pay more than the then current Net Asset Value per Share when buying ETF Shares on the Secondary Market and may receive less than the then current Net Asset Value per Share when selling ETF Shares on the Secondary Market.**

The price of any ETF Shares traded on the Secondary Market will depend, inter alia, on market supply and demand, as well as other factors such as prevailing financial market, corporate, economic and political conditions.

ETF Shares may be purchased or sold on the Secondary Market by all Investors through relevant recognised stock exchange on which the Shares are admitted to trading or over the counter.

It is expected that the ETF Shares of the Funds will be listed on one or more recognised stock exchanges. The purpose of the listing of the Shares on stock exchange is to enable Investors to buy and sell Shares on the Secondary Market, normally via a broker/dealer or third party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem Shares through the ICAV in the Primary Market. In accordance with the requirements of the relevant recognised stock exchange, market-makers (which may or may not be an Authorised Participant) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the Shares.

All Investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Orders to purchase Shares in the Secondary Market through the recognised stock exchanges, or over the counter, may incur brokerage and/or other costs which are not charged by the ICAV and over which the ICAV has no control. Such charges are publicly available on the recognised stock exchanges on which the Shares are listed or can be obtained from stock brokers. Investors in ETF Shares, given the nature of the settlement model for ETF Shares, will not be recorded on the register of Shareholders. However, Investors will have rights as beneficial holders of the relevant ETF Shares.

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

The market price of a Share listed or traded on a stock exchange may not reflect the Net Asset Value per Share of a Fund. The price of any Shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. Any transactions in the Shares of a Fund on a stock exchange will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors wishing to purchase or sell ETF Shares on the Secondary Market should contact their broker.

If the stock exchange value of the Shares of a Fund significantly varies from its Net Asset Value, Shareholders who have acquired their Shares (or, where applicable, any right to acquire a Share that was granted by way of distributing a respective Share) on the Secondary Market shall be allowed to sell them directly back to the ICAV. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information shall be communicated to the regulated market indicating that the ICAV is open for direct redemptions at the level of the ICAV. Investors should then contact the Administrator regarding the process to be followed to redeem their Shares in these

circumstances. In such circumstances, Shares may be redeemed at the Net Asset Value per Share less Duties and Charges.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the Shares are dealt or the terms of the over the counter trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

### **Secondary Market for Redemptions**

**ETF Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell ETF Shares on a Secondary Market with the assistance of an intermediary (e.g., a broker) and may incur fees for doing so. In addition, investors may pay more than the current Net Asset Value when buying shares and may receive less than the current Net Asset Value when selling them.**

### **Clearing and Settlement**

The settlement of trading in ETF Shares of the Funds is centralised in the ICSD settlement structure which provides centralised issuance in Euroclear and Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear. ETF Shares in the Funds will not be issued in Dematerialised Form but no temporary documents of title or share certificates will be issued in respect of ETF Shares. The ICAV will apply for admission for clearing and settlement through Euroclear and Clearstream. Whilst ETF Shares will be issued in Euroclear and Clearstream, settlement will be facilitated within Clearstream, Euroclear and other CSDs which are Clearstream or Participants.

Under the ICSD settlement model, all ETF Shares in the Funds will settle in Euroclear or Clearstream or may be settled within other CSDs that are Euroclear or Clearstream Participants. Accordingly, an Investor will either hold its beneficial interests in ETF Shares within Euroclear (as a Participant) within Clearstream (as a Participant) or within other CSDs which are Euroclear or Clearstream Participants.

A purchaser of interests in ETF Shares in the Funds will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such ETF Shares. The rights of the holder of the indirect beneficial interests in the ETF Shares, where such person is a Euroclear or Clearstream Participant, shall be governed by the terms and conditions applicable to the arrangement between such Participant and Euroclear or such Participant and Clearstream, and where the holder of the indirect beneficial interests in the ETF Shares is not a Euroclear or Participant, shall be governed by their arrangement with their respective nominee, broker, CSD or ICSD (as appropriate) which may be a Euroclear or Participant or have an arrangement with a Euroclear or Participant. ETF Shares will be transferable in accordance with applicable laws, any rules and procedures issued by Euroclear or Clearstream and this Prospectus. Beneficial interests in such ETF Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant nominee, broker, CSD or ICSD (as appropriate) through whom an Investor holds their beneficial interest in ETF Shares and this Prospectus.

### **Euroclear, Clearstream and underlying CSDs**

Each Euroclear or Clearstream Participant must look solely to its ICSD for documentary evidence of the amount of such Euroclear or Clearstream Participant's interests in any ETF Shares. Any certificate or other document issued by Euroclear or Clearstream, as to the interest in such ETF Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Euroclear or Clearstream Participant must look solely to its ICSD for such Euroclear or Clearstream Participant's (and therefore any person with an interest in the ETF Shares) portion of each payment or distribution made by the Funds to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate.

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

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

The ICAV or its duly authorised agent may from time to time request Euroclear or Clearstream to provide the ICAV with certain details in relation to Euroclear or Clearstream Participants that hold interests in ETF Shares in each Fund including (but not limited to): ISIN, Euroclear or Clearstream Participant name, Euroclear or Clearstream Participant type (e.g., fund/bank/individual), residence of Euroclear or Clearstream Participant, number of ETFs and holdings of the Euroclear Participant within Euroclear or of the Clearstream Participant within Clearstream, including which Funds, types of ETF Shares and the number of such interests in the ETF Shares held by each such Euroclear or Clearstream Participant, and details of any voting instructions given and the number of such interests in the ETF Shares held by each such Euroclear or Clearstream Participant. Euroclear or Clearstream Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of Euroclear or its duly authorised agent and have been authorised pursuant to the rules and procedures of Euroclear or Clearstream to disclose such information to the ICAV of the interest in ETF Shares or to its duly authorised agent.

### **Inaction by the Common Depository and/or an ICSD**

Investors that settle or clear through an ICSD will not be a registered Shareholder in the ICAV, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable ICSD and otherwise by the arrangement with a Participant of the ICSD (for example, their nominee, broker or Central Securities Depositories, as appropriate). The ICAV will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depository's Nominee, with such notice as is given by the ICAV in the ordinary course when convening general meetings. The Directors understand that the Common Depository's Nominee has a contractual obligation to relay any such notices received by the Common Depository's Nominee to the applicable ICSD, pursuant to the terms of its appointment by the relevant ICSD. The applicable ICSD will in turn relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depository is contractually bound to collate all votes received from the applicable ICSD (which reflects votes received by the applicable ICSD from Participants) and that the Common Depository's Nominee should vote in accordance with such instructions. The ICAV has no power to ensure the Common Depository relays notices of votes in accordance with their instructions. The ICAV cannot accept voting instructions from any persons, other than the Common Depository's Nominee.

### **Payments**

Upon instruction of the Common Depository's Nominee, redemption proceeds and any dividends declared are paid by the ICAV or its authorised agent to the applicable ICSD. Investors, where Participants, must look solely to the applicable ICSD for their redemption proceeds or their share of each dividend payment made by the ICAV or otherwise to the relevant Participant of the ICSD (including, without limitation, their nominee, broker or Central Securities Depository, as appropriate) for any redemption proceeds or any share of each dividend payment made by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of redemption proceeds or dividend payments due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD upon the instruction of the Common Depository's Nominee.

**Failure to Settle**

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, as the Authorised Participant is not a registered Shareholder of the ICAV, the ICAV will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its' investors.

## **DIVIDEND DISTRIBUTION POLICY**

The Directors are empowered by the Instrument of Incorporation to declare and pay dividends in respect of the Shares in any Fund in the ICAV, subject to any de minimum threshold. The Directors are also empowered by the Instrument of Incorporation to declare and pay dividends in respect of the Shares in any Fund in the ICAV out of the capital of the relevant Fund. Where a Fund intends to pay dividends out of capital this will be set out in the relevant Supplement for that Fund.

As distributions may be made out of the capital of a Fund, there is a greater risk that capital will be eroded and “income” will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.

The Non-ETF Funds may declare dividends out of the net income (i.e., income less expenses) and/or realised gains net of realised and unrealised losses and/or realised and unrealised gains net of realised and unrealised losses and/or net income and realised gains net of realised and unrealised losses and/or capital as specified in the relevant Supplement.

The ETF Funds may declare dividends out of either (i) net income or (ii) net income and capital.

With respect to distributing Classes, under normal circumstances, the Directors intend that dividends shall be declared on the dates specified in the relevant Supplement in each year in relation to the net income or capital (as specified in the relevant Supplement) for the relevant period. Where dividends are paid out of capital, they will generally be intended to reflect the amount of gross income received by the relevant Fund. In cases where expenses exceed income, this will result in a payment out of capital. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of a distributing Class.

The dividend arrangements relating to each Fund (or Class thereof) will be decided by the Directors at the time of the creation of the relevant Fund (or Class thereof) and the details thereof shall be set out where applicable in the relevant Supplement. It is not the current intention of the ICAV to pay dividends for accumulating Classes. Prior to a Fund changing its dividend policy from accumulating to distributing or vice versa, the Fund will notify Shareholders in advance and all further details will be provided in an updated Supplement where relevant.

In the case of non-ETF Shares, dividends will automatically be payable in cash to Shareholders and will be paid by electronic transfer to the bank account detailed in the Shareholder's Application Form or as subsequently notified to the Administrator in an agreed format. The ICAV does not operate a facility for the automatic reinvestment of dividend monies and a Shareholder of a Fund wishing to reinvest any dividend received must do so by way of an additional subscription at the Shareholder's initiative.

In the case of the ETF Shares, the payment of dividends into the account of record of the Shareholders of the relevant Class of ETF Shares will be arranged by the Common Depository's Nominee.

Dividends payable in respect of any particular Class shall be paid in the Class Currency. Where the Class Currency differs from the Base Currency, dividends shall be converted into the Class Currency and any costs associated with such conversion shall be charged to the relevant Class.

Any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

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

The distribution policy for each Fund will be determined by the Directors from time to time and shall be specified in the relevant Supplement.

### **Income Equalisation**

The ICAV may implement income equalisation arrangements with a view to ensuring that the level of income derived from Investments is not affected by the issue, switching or redemption of Shares during the relevant accounting period. Further information may be found in the Supplement for any Fund that applies income equalisation.

## **RISK FACTORS**

### **1. Risks relating to a Fund's Investments**

#### **General**

The investments of a Fund are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that any appreciation in value of investments will occur. In particular the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no guarantee that the investment objective of any Fund will actually be achieved.

#### **Limited Liability of Funds**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between each of its Funds. As a result, third parties may not look to the assets of the ICAV in respect of liabilities owed by a Fund to them and must instead look to the Fund in which such debt arose.

#### **Credit Risks**

Although the Funds may invest in high credit quality instruments, there can be no assurance that the securities or other instruments in which those Funds invest will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Funds will also be exposed to a credit risk in relation to the counterparties with whom they trade and may also bear the risk of settlement default.

#### **Suspension of Valuation**

The ability to subscribe for, redeem or convert Shares may be affected by a temporary suspension of the determination of Net Asset Value which may take place upon the occurrence of certain events.

#### **Suspension of Trading**

Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchanges. A suspension could render it impossible for the Management Company and/or the relevant Investment Manager to liquidate positions and thereby expose a Fund to losses.

#### **Foreign Exchange Risk**

Where a Fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments the performance of such Fund may be strongly influenced by movements in exchange rates as currency positions held by the Fund may not correspond with the securities positions held.

The Net Asset Value per Share of a Fund will be computed in its Base Currency whereas the investments held for the account of a Fund may be acquired in other currencies. A Fund's Net Asset Value may change significantly when the currencies other than the Base Currency in which some of the Fund's investments are denominated strengthen or weaken against the Base Currency. Currency exchange



rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments.

In addition, currency hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty, as described below. In addition, where a Fund enters into “cross-hedging” transactions (e.g., utilising a currency different from the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund securities.

Forward currency contracts involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract’s maturity, possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that a forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for a Fund and are unrelated to the qualitative rating that may be assigned to any particular security. A description of forward currency contracts is set out in Appendix I.

While it is the intention to hedge currency risk at a Share class level, where subscription monies and redemption monies are paid in a currency other than the Base Currency of the Fund, investors should be aware that there is an exchange rate risk if such other currencies depreciate against the Base Currency and consequently they may not realise the full amount of their investment in the Fund.

## **Country Risk**

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

The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit the Fund’s ability to invest in securities of certain issuers located in such countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of the Fund are uninvested meaning no return may be earned thereon. The inability of the Fund to make intended investment purchases as a result of settlement problems may cause the Fund to miss attractive investment opportunities. The inability of the Fund to dispose of an investment as a result of settlement problems could result in a loss to the Fund as a consequence of a subsequent decline in value of such investment or, if the Fund has entered into a contract to sell such investment, in a possible liability to the purchaser. There may also be a risk that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by, or to be transferred to, the Fund. With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding and/or other taxes on dividends, interest, capital gains or other income, limitations on the removal of funds or

other assets of the Fund, political or social instability or diplomatic developments that may affect investments in those countries.

### **Sector Risk**

Because the Fund may, from time to time, focus on one or more sectors of the economy, at such times its performance will depend in large part on the performance of those sectors. A Fund that invests in particular sectors is particularly susceptible to the impact of market, economic, regulatory, and other factors affecting those sectors. As a result, at such times, the value of your investment may fluctuate more widely than it would in a fund that is invested across sectors.

### **High Portfolio Turnover Risk**

Actively trading securities can increase transaction costs (thus lowering performance and taxable distributions).

### *Government Debt Risk*

Countries with high levels of public debt and spending may experience stifled economic growth. Such countries may face higher borrowing costs and, in some cases, may implement austerity measures that could have an adverse effect on economic growth. Such developments could contribute to prolonged periods of recession and adversely impact investments in a Fund.

### *Bonds, Debt Instruments and Fixed Income*

The value of those investments in in bonds or other debt instruments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. The Net Asset Value of a Fund invested in debt instruments will change in response to fluctuations in interest rates, perceived credit quality of the issuer, market liquidity and also currency exchange rates (when the currency of the investment is other than the Base Currency of the Fund holding that investment). Some Funds may invest in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

### *High Dividend Yield Stocks Risk*

High-yielding stocks are often speculative, high-risk investments. These companies may be paying out more than they can support and may reduce their dividends or stop paying dividends at any time, which could have a material adverse effect on the stock price of these companies and a Fund's performance. Securities that pay dividends, as a group, can fall out of favour with the market, potentially during periods of rising interest rates, causing such companies to underperform companies that do not pay dividends.

### *High Yield Securities Risk*

High yield securities typically involve greater risk and are less liquid than higher grade issues. Changes in general economic conditions, changes in the financial condition of the issuers and changes in interest rates may adversely impact the ability of issuers of high yield securities to make timely payments of interest and principal.

A Fund may invest in high yield securities that offer generally a higher current yield than that available from higher grade issues, but they typically involve greater risk. Securities rated below investment grade commonly are referred to as "junk bonds". The ability of issuers of high yield securities to make timely payments of interest and principal may be impacted by adverse changes in general economic conditions,

changes in the financial condition of their issuers and price fluctuations in response to changes in interest rates. High yield securities are less liquid than investment grade securities and may be difficult to price or sell, particularly in times of negative sentiment toward high yield securities. Issuers of high yield securities may have a larger amount of outstanding debt relative to their assets than issuers of investment grade securities have. Periods of economic downturn or rising interest rates may cause the issuers of high yield securities to experience financial distress, which could adversely impact their ability to make timely payments of principal and interest and could increase the possibility of default. The market value and liquidity of high yield securities may be impacted negatively by adverse publicity and investor perceptions, whether or not based on fundamental analysis, especially in a market characterised by low trade volume.

#### *Investment Grade Risk*

Funds may invest in investment grade debt securities. Investment grade debt securities are assigned ratings within the top rating categories by rating agencies (e.g. Fitch, Moody's and/or Standard & Poor's) on the basis of the creditworthiness or risk of default of a bond issue. Generally, investment grade fixed income securities are assigned a rating of BBB-/Baa3 or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency. Investment grade debt securities, like other types of debt securities, involve credit risk and may be subject to ratings downgrades by the rating agencies in the period between their issuance and maturity. Such downgrades may occur during the period in which a Fund invests in these securities. In the instance of one or more downgrades, below investment grade or otherwise, Funds may continue to hold such securities.

#### *Lower Rated/Unrated Securities*

Funds may invest in lower-rated and unrated securities. The credit quality of debt instruments is often assessed by rating agencies. Medium-rated, lower-rated securities and un-rated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher-rated securities. They are often subject to greater credit and market risks than higher-rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so. If this were to occur, the values of such securities held by a Fund may become more volatile and the Sub-Fund could lose some or all of its investment.

### **Sovereign Risk**

Government interference with international transactions in its currency or the debt obligations of itself or its nationals through various means, including, without limitation, regulation of the local exchange market, restrictions on foreign investment by residents, limits on flows of investment funds from abroad and debt moratoria, may expose the Fund, to unanticipated losses.

There are increasing concerns regarding the ability of multiple sovereign entities to continue to meet their debt obligations. In particular, ratings agencies have recently downgraded the credit ratings of various countries. Many economies are facing acute fiscal pressures as they struggle to balance budgetary austerity with stagnant growth. Many observers predict that a depressed economic environment will cause budget deficits in these economies to expand in the short term and further increase the perceived risk of a default, thereby rendering access to capital markets even more expensive and compounding the debt problem.

### **Systemic Risk**

Credit risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of

defaults by the other institutions. This is sometimes referred to as a “systemic risk” and may adversely affect intermediaries with which the Fund interacts.

### **Depository Risks**

All banks, custodians, depositaries, brokers and dealers with which a Fund will be doing business, may encounter financial difficulties that impair the operational capabilities or capital position of the Fund. Although the Investment Manager as applicable intends to confine each Fund’s investments transactions to transferable securities listed on Recognised Markets, or other investments permitted by the investment restrictions set out in the section entitled “Investment Restrictions” above, the relevant Investment Manager, will generally have sole discretion to select the financial institutions through which their investment transactions are executed for the underlying investments.

The Depositary and its delegates, if any, will have custody of a Fund’s securities, cash, distributions and rights accruing to the Funds’ securities accounts. If the Depositary or a delegate holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or delegates. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Depositary or its delegates will eliminate custodial risk.

The Funds will be subject to credit risk with respect to the Depositary and the delegates, if any.

In addition, certain of a Fund’s assets may be held by entities other than the Depositary and its delegates. For example, a Fund may provide certain of its assets as collateral to counterparties or brokers in connection with derivatives contracts. If a Fund has over-collateralised derivative contracts, it is likely to be an unsecured creditor of any such counterparty or broker in the event of its insolvency.

The Funds may invest in markets where custodial and/or settlement systems are not fully developed including Emerging Markets (as defined in the relevant Supplement). The assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk.

In particular, investors should be aware that there is a heightened depository risk for Funds which may invest in certain countries (including Emerging Markets) outside of the EU (each a “**third country**”) where the laws of the third country require that the financial instruments are held in custody by a local entity and no local entities satisfy the delegation requirements in the Regulations. Accordingly, such entities may not be subject to effective prudential regulation and supervision in the third country or subject to external audit to ensure that the financial instruments are in its possession. In such circumstances, the Depositary may delegate its custody duties under the Depositary Agreement to such a local entity only to the extent required by the law of the third country and only for as long as there are no local entities that satisfy the delegation requirements in the Regulations, and only where: (i) Shareholders of the relevant Fund are duly informed, prior to their investment, of the fact that such a delegation is required due to legal constraints in the law of the third country, of the circumstances justifying the delegation and of the risks involved in such a delegation; and (ii) the Management Company or the ICAV, has instructed the Depositary to delegate the custody of such financial instruments to such a local entity.

### **Securities Selection Risk**

Securities selected by the Management Company and/or the relevant Investment Manager for the Fund may not perform to expectations. This could result in the Fund’s underperformance compared to other funds with similar investment objectives.

## **Share Currency Designation Risk**

A Class may be designated in a currency other than the Base Currency of that Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. Unless otherwise set out in the relevant Supplement, the Management Company and/or the relevant Investment Manager may try to mitigate this risk using forward currency contracts and within the conditions and limits imposed by the Central Bank. A description of forward currency contracts is set out in Appendix I. A Class may not be leveraged as a result of the use of such techniques and instruments, the value of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the ICAV to have over or under hedged positions, this may arise due to circumstances outside the ICAV's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions in excess of 100% will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the ICAV are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, all gains/losses on and the costs of the relevant financial instruments at a portfolio level will be allocated on a pro rata basis to the classes. All gains/losses on and the costs of the relevant financial instruments relating to class specific hedging will accrue solely to the relevant Class. Transactions will be clearly attributable to a specific Share Class (therefore currency exposure of different currency Classes may not be combined or offset) and currency exposures of the assets of a Fund may not be allocated to separate Share Classes. Where no hedging strategy is used to hedge currency risk a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates.

## **Stock Market Risk**

A Fund's Net Asset Value will move up and down in reaction to stock market movements. Stock prices change daily in response to company activity and general economic and market conditions. A Fund's investments in common stocks and other equity securities are subject to stock market risk, which is the risk that the value of equity securities may decline. Also, equity securities are subject to the risk that a particular issuer's securities may decline in value, even during periods when equity securities in general are rising. Additional stock market risks may be introduced when a particular equity security is traded on a foreign market. For more detail on the related risks involved in foreign markets, see "Foreign Exposure Risk" below.

## **Foreign Exposure Risk**

Investing in foreign securities, including depository receipts, or securities of entities with significant foreign operations, involves additional risks which can affect a Fund's performance. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than an investor's home market. There may be difficulties enforcing contractual obligations, and it may take more time for transactions to clear and settle. Less information may be available about foreign entities. The costs of buying and selling foreign securities, including tax, brokerage and custody costs, may be higher than those involving domestic transactions. The specific risks of investing in foreign securities include:

*Currency Risk:* The values of foreign investments may be affected by changes in currency rates or exchange control regulations. If the local currency gains strength against the Base Currency, the value of the foreign security held by the Fund increases in domestic currency terms. Conversely, if the local currency weakens against the domestic currency, the value of the foreign security held by the Fund declines in domestic security terms. Unless set out in the relevant Supplement, the Management Company and/or the relevant Investment Manager does not intend to hedge the resulting currency exposures back into the Base Currency, although they may do so at their discretion.

*Regulatory Risk:* Foreign companies often are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements.

### **Market Timing Risk**

Because the Fund may invest in foreign securities, it is particularly subject to the risk of market timing activities. The Fund generally prices foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Fund's determination of its Net Asset Value. These prices may be affected by events that occur after the close of a foreign market but before the Fund prices its Shares. In such instances, the Fund may fair value foreign securities. However, some investors may engage in frequent short-term trading in the Fund to take advantage of any price differentials that may be reflected in the Net Asset Value of the Shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing. While the ICAV monitors trading in Shares, there is no guarantee that it can detect all market timing activities.

### **Limitations on Redemptions**

There is no secondary market for Shares and no such market is expected to develop. An investment in a Fund should be considered only by persons financially able to maintain their investment and who can afford a loss of all or a substantial part of such investment. Shareholders may only redeem Shares as described in this Prospectus. Redemption rights may be deferred or suspended under certain circumstances. Redemptions may also be satisfied, in whole or in part, by distributing securities in specie.

### **Effect of Substantial Redemptions**

Substantial redemptions by Shareholders within a short period of time could require the Fund to liquidate securities positions or other investments more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Management Company and/or the relevant Investment Manager's investment strategy. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

### **Concentration Risk**

A Fund's investments may be concentrated in a particular country or region, in a select group of issuers, or both. When a Fund's investments are concentrated in a particular country or region, the Fund's performance may be closely tied to economic and political conditions within that country or region. A Fund that concentrates its investments in a select group of issuers can be more volatile than the market as a whole because changes in the financial condition of an issuer or changes in economic or political conditions that affect a particular type of security or issuer can affect the value of an issuer's securities. For these reasons, a concentrated Fund's performance may be more volatile than the performance of more diversified Funds.

## **Leverage and Financing Risk**

A Fund may leverage its capital to the extent and as provided in its Supplement.

While leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Fund would be magnified by the extent to which the Fund is leveraged.

The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to that Fund, which would be greater than if the Fund were not leveraged.

## **Borrowings**

Under the Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties. Such borrowings may increase the risks attached to an investment in Shares in a Fund.

## **Interest Rate Risk**

Bond and bill prices rise when interest rates decline and decline when interest rates rise. The longer the duration of a bond, the more a change in interest rates affects the bond's price. Short-term and long-term interest rates may not move the same amount and may not move in the same direction. This may result in the amount realised on the sale of Shares being less than the original amount invested.

## **Efficient Portfolio Management Risk**

The ICAV on behalf of a Fund may enter into trading arrangements in relation to the Investments for efficient portfolio management purposes with counterparties and agents that are related parties to the Depositary or the ICAV's other service providers. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the section entitled "Conflicts of Interest" herein for further details on how these conflicts are handled.

## **Securities Lending Arrangements**

The Funds may make secured loans of portfolio securities in accordance with the Central Bank requirements set out under the heading "Use of Repurchase/Reverse Repurchase and Securities Lending Agreements" below and as disclosed in the relevant Supplement. The risks in lending portfolio securities, as with other extensions of credit, consist of the possible delay in the recovery of the securities or possible loss of rights in the collateral should the borrower fail financially. However, such loans will be made only to broker-dealers that meet with the minimum credit rating requirements of the Management Company in accordance with the Central Bank's requirements set out under the heading "Use of Repurchase/Reverse Repurchase and Securities Lending Agreements" below.

The borrower pays to the lender an amount equal to any dividends or interest paid with respect to the securities lent. There is a risk that the collateral held by a Fund may decline in value and this risk will be borne by that Fund, which will be required to re-purchase the securities lent at the agreed repurchase price. In the case of loans collateralised by cash, the lender typically pays a fee to the borrower. Although voting rights or rights to consent with respect to the loaned securities pass to the borrower, the lender retains the right to call the loans at any time on reasonable notice, and it will do so in order that the securities may be voted by the lender if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. However, the relevant Fund bears the risk of delay in the return of the security, which may affect its ability to exercise its voting rights attaching to such security. A

Fund may also call such loans in order to sell the securities involved. A Fund would also pay various fees in connection with such loans including shipping fees and reasonable depositary fees. The risks outlined under the heading “Derivative Securities Risks” are also relevant to a Fund which engages in securities lending.

The policy on sharing of return generated by securities lending arrangements and a description of the proportions of the revenue generated by securities lending arrangements that is returned to the collective investment undertaking, and the costs and fees assigned to the Management Company or third parties (e.g. the lender) is disclosed in the relevant Supplement for the relevant Fund (if applicable).

#### *Repurchase Agreements*

The value of the security purchased may be more or less than the price at which the counterparty has agreed to purchase the security. If the other party to a repurchase agreement should default, the Fund might suffer a delay or loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

#### *Reverse Repurchase Agreements*

Reverse repurchase transactions involve risks in that (a) in the event of the failure of the counterparty with which cash of a Fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment.

#### **Collateral and Re-use Arrangements**

The terms of hedging arrangements and other derivative transactions entered into by a Fund may provide that collateral given to, or received by, such Fund may be pledged, lent, re-hypothecated or otherwise reused by the collateral taker for its own purposes. If collateral received by a Fund is re-invested or otherwise re-used, that Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. Similarly, if the counterparty re-invests or otherwise re-uses collateral received from a Fund and suffers a loss as a result, it may not be in a position to return that collateral to the Fund should the relevant transaction complete, be unwound or otherwise terminate and that Fund is exposed to the risk of loss of the amount of collateral provided.

#### **Euro, Eurozone and European Union Stability Risk**

In light of ongoing concerns on the sovereign debt risk of certain EU Member States within the Eurozone, a Fund's investments in the Euro region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of a Eurozone Member State from the Eurozone, may have a negative impact on the value of a Fund.

On 31 January 2020, the U.K. formally left the European Union and entered into a transition period that lasted until 31 December 2020. On 24 December 2020, a formal withdrawal agreement was agreed between the European Union and the United Kingdom the terms of which dictate the extent and process



by which the United Kingdom exits the European Union, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the European Union (the “**Withdrawal Agreement**”). The Withdrawal Agreement took effect on 1 January 2021.

Notwithstanding the avoidance of a “no-deal Brexit” and the increased uncertainty that would likely have accompanied such a scenario, the United Kingdom’s exit from the European Union will likely lead to exacerbated periods of volatility and economic uncertainty in both the United Kingdom and in wider European markets in the short to mid-term. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This uncertainty may have an adverse effect on the economy generally and on the ability of Funds to execute their respective strategies and to receive attractive returns.

Leaving the EU may also result in significant changes to law and regulation in the United Kingdom. It is not currently possible to assess the effect of these changes on the ICAV or the position of the Shareholders. Investors should be aware that these and other similar consequences following from the referendum result may adversely affect the value of the Shares and Fund performance.

Other unforeseen investment or operational risks may exist related to the possibility of one or more members exiting the Eurozone or EU, or the Eurozone or EU otherwise not remaining intact.

### **Other Risks**

The ICAV will be responsible for paying its fees and expenses regardless of the level of its profitability. In view of the fact that an initial charge may be payable on a subscription by an investor any investment in a Fund should be regarded as a medium to long-term investment.

### **Third Party Service Providers**

The ICAV does not have any employees and the Directors have been appointed on a non-executive basis. The ICAV is therefore reliant upon the performance of third-party service providers for their executive functions. In particular, the Management Company and/or the relevant Investment Manager, any sub-investment manager, any investment adviser, the Administrator and the Depositary will be performing services which are integral to the operation of the ICAV. Failure by any service provider to carry out its obligations to the ICAV in accordance with the terms of its appointment could have a materially detrimental impact upon the operations of the ICAV.

### **Possible Indemnification Obligations**

The ICAV has agreed, or may agree, to indemnify the Directors, the Management Company, the relevant Investment Manager, any sub-investment manager, any investment adviser, the Administrator, the Depositary and banks, brokers, dealers, counterparties and others, under various agreements entered into with such persons, against certain liabilities they or their respective directors, officers, affiliates or agents may incur in connection with their relationships with the ICAV.

### **Changes to Share Value**

It should be appreciated that the value of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. Changes in exchange rates may cause the value of Shares to go up or down. Details of certain investment risks for an investor are set out above.

## **Legal and Tax Requirements**

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

The difference, at any one time, between the sale and repurchase price of the Shares means that any investment in the ICAV should be viewed in the medium to long term. Initial applications will be processed upon receipt by the Administrator of both the Application Form and cleared funds. Subsequent purchases will be processed upon receipt of trade instructions and cleared funds.

Specific risk warnings in relation to particular Funds are contained in the relevant Supplement.

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

## **Umbrella Structure of the ICAV**

Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between different funds. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Funds will necessarily be upheld.

## **Collection Account Risk**

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering purposes, as described above, may result in a delay in the settlement of redemption proceeds or dividend payments. In such circumstances, the Administrator will process any redemption request received by a Shareholder and by doing so that investor is no longer considered a Shareholder. Accordingly, Shareholders should note that any redemption proceeds and any sums payable by way of dividend being paid out by a Fund and held for any time in the Collection Account shall remain an asset of the relevant Fund. In the event of the insolvency of the ICAV or the relevant Fund, the Shareholder will rank as an unsecured creditor of the relevant Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which redemption proceeds will be released or the dividend paid (as applicable) to the relevant Shareholder. Accordingly, Shareholders are advised to promptly provide the ICAV or Administrator (as appropriate) with all documentation requested to reduce the risk in this scenario.

As detailed under the heading "Subscriptions", the Administrator also operates the Collection Account with respect to receipt of subscription monies. In this scenario, the investor is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the relevant Fund during the period between receipt of subscription monies and the Dealing Day on which the Shares are issued and the subscription monies are transferred to the Fund operating account.

The ICAV reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

Shareholders in solvent Funds should not be impacted by the insolvency of a sister Fund as the ICAV is established with segregated liability. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, that the segregated nature of the Funds will necessarily be upheld. Shareholders attention is drawn to the risk factor under the heading “Umbrella Structure of the ICAV”.

### **Reinvestment of Cash Collateral Risk**

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

### **Electronic Delivery of Information**

Information relating to a Shareholder’s investment in the Fund may be delivered electronically. There are risks associated with such electronic delivery including, but not limited to, that email messages are not secure and may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient.

### **Error Trades**

Unintended errors in the communication or administration of trading instructions may, from time to time, arise. Except in the case of negligence, fraud or wilful default of the Management Company and/or the relevant Investment Manager as the case may be, losses (if any) arising from such errors will be for the account of the Fund on the basis that profits from such errors (if any) will also be for the account of the Fund.

### **Economic and Market Events**

Events in the financial markets have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. In addition, relatively high market volatility and reduced liquidity in credit and fixed-income markets may adversely affect issuers worldwide. The conclusion of the US Federal Reserve’s quantitative easing stimulus program and/or increases in the level of short-term interest rates could cause fixed-income markets to experience continuing high volatility, which could negatively impact the fund’s performance. Banks and financial services companies could suffer losses if interest rates were to rise or economic conditions deteriorate.

### **Availability of Investment Strategies**

The success of a Fund’s investment activities depends on the Management Company and/or the relevant Investment Manager’s ability to identify overvalued and undervalued investment opportunities and to exploit price discrepancies in the financial markets, as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund will involve a high degree of uncertainty. No assurance can be given that the Management Company and/or the relevant Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund’s assets or to exploit discrepancies in the securities and derivatives markets. A reduction in market liquidity or the pricing inefficiency of the markets in which a Fund seeks to invest, as well as other market factors, will reduce the scope for a Fund’s investment strategies.

## **Business Risk**

There can be no assurance that a Fund will achieve its investment objective. The investment results of a Fund are reliant upon the success of the Management Company and/or the relevant Investment Manager.

Funds compete with other funds and market participants (such as public or private investment funds and the proprietary desks of investment banks) for investment opportunities. The number of such funds and market participants and the scale of the assets managed by such entities may increase. Such competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to a Fund or they may also have a lower cost of capital and access to funding sources that are not available to a Fund, which may create competitive disadvantages with respect to investment opportunities. The net effect of these developments may be to reduce the opportunities available for the Management Company and/or the relevant Investment Manager to generate returns and/or to reduce the quantum of these returns. Historic opportunities for some or all hedge fund strategies may be eroded over time whilst structural and/or cyclical factors may reduce investment opportunities for the Management Company and/or the relevant Investment Manager to thereby temporarily or permanently reducing the potential returns of a Fund.

## **Large Company Risk**

Large-capitalisation stocks as a group could fall out of favour with the market, causing the fund to underperform investments that focus on small- or mid-capitalization stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. For the purposes of the fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time.

## **Highly Volatile Markets**

The prices of derivative instruments, including options prices, are highly volatile. Price movements of contracts for difference and other derivative contracts in which a Fund may invest are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets. Such intervention is often 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. A Fund is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

## **Financing Arrangements; Availability of Credit**

Leverage may be an integral part of a Fund's strategies and may include the use of securities margin, futures margin, margined option premiums, repurchase agreements, bank or dealer credit lines or the notional principal amounts of FDI transactions. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market circumstances.

Where a Fund makes use of leverage to initiate long or short positions and the positions decline in value, it will usually be subject to a "margin call", pursuant to which it must either deposit additional funds with the lender or be subject to sanctions such as the mandatory liquidation of securities over which the lender has been granted security or a mandatory termination of all outstanding contracts with the lender and a claim for compensation for any losses incurred by the lender. In some cases, a margin call may be made even if the relevant positions have not declined in value. The Fund would normally satisfy such margin

calls in cash or acceptable collateral from its assets and, to the extent that such collateral was insufficient, would liquidate certain assets to raise cash in order to satisfy the relevant margin call. In the event of a large margin call, the Management Company and/or the relevant Investment Manager might not be able to liquidate assets quickly enough to pay off the margin liability. In such a case, the relevant lender may have the right, in its sole discretion, to liquidate certain assets of a Fund in order to enable a Fund to satisfy its obligations to that lender and/or to close out transactions.

As a general matter, the banks and dealers that may provide financing to a Fund can apply essentially discretionary margin, “haircuts”, financing and security and collateral valuation policies. Banks and dealers could change these policies at any time, for any reason, including a change in market circumstances, government, regulatory or judicial action or simply a change in the policy of the relevant bank. Changes by banks and dealers to one or more of these policies, or the imposition of other credit limitations or restrictions may be applied retrospectively to existing contracts as well as prospectively to contemplated future dealing. Whilst the Management Company and/or the relevant Investment Manager may seek to limit the rights of lenders to apply such retrospective changes, any such limitation will be subject to the agreement of the relevant lender, which may not be forthcoming. Retrospective changes may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other banks and dealers. Prospective changes may result in the inability of the Management Company and/or the relevant Investment Manager to fulfil the investment objective. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel a Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of a Fund’s equity.

### **Management Company/Investment Management**

The ability of a Fund to achieve its investment objective is significantly dependent upon the expertise of the Management Company and/or the relevant Investment Manager, their partners, members and employees and the Management Company’s and/or the relevant Investment Manager’s and their affiliates’ ability to attract and retain suitable staff. The impact of the departure for any reason of a key individual (or individuals) on the ability of the Management Company and/or the relevant Investment Manager to achieve the investment objective of a Fund cannot be determined and may depend on, amongst other things, the ability of the Management Company and/or the relevant Investment Manager to recruit other individuals of similar experience and credibility. In addition, legislative, tax and/or regulatory changes which restrict or otherwise adversely affect the remuneration of key individual(s), including the ability and scope to pay bonuses, which may be imposed in the jurisdictions in which the Management Company and/or the relevant Investment Manager operates, may adversely affect their ability to attract and/or retain any such key individual(s). In the event of the death, incapacity, departure, insolvency or withdrawal of any such key individual(s), the performance of a Fund may be adversely affected.

Furthermore, some of the contractual arrangements in place with certain of a Fund’s counterparties may provide the relevant counterparties with rights of termination, and with certain of its investors that may entitle them to redemption without penalty, if certain key employees and officers of the Management Company and/or the relevant Investment Manager cease to have responsibility for managing a Fund’s investments or similar provisions. The assertion of such rights to terminate contracts could result in the relevant contractual positions being closed out on unsatisfactory terms and in a fewer number of potential counterparties in the future and/or may otherwise have a material adverse impact on the business and/or financial condition of the Fund. There can be no assurance that the Management Company and/or the relevant Investment Manager would be able to mitigate the effects of the loss of any such key individual(s).

The continued services of the Management Company and/or the relevant Investment Manager to a Fund are dependent on the continuation of the relevant agreement which can be terminated with notice.

Should the need arise, no assurance can be given that the ICAV would be able to find and recruit a replacement manager and/or investment manager (as applicable) of similar experience and competence or as to the length of time the search for a replacement will take. Any delay in identifying another manager and/or investment manager (as applicable) may materially and adversely affect the achievement of the relevant investment objective.

### **Other Clients of the Management Company and/or the relevant Investment Manager**

The Management Company and/or the relevant Investment Manager may manage or advise other funds and/or accounts and each will remain free to provide such services to additional funds and accounts, including for their own accounts, in the future. The Management Company and/or the relevant Investment Manager may vary the investment strategies employed on behalf of a Fund from those used for itself and/or for other clients. No assurance is given that the results of the trading by the Management Company and/or the relevant Investment Manager on behalf of a Fund will be similar to that of other funds and/or accounts concurrently managed by the Management Company and/or the relevant Investment Manager. It is possible that such funds and accounts and any additional funds and accounts to which the Management Company and/or the relevant Investment Manager in the future provide such services may compete with a Fund for the same or similar positions in the markets.

### **Investment Manager Conviction**

A Fund's portfolio reflects the conviction of the Management Company and/or the relevant Investment Manager. At times of high conviction; the portfolio may well be more aggressively constructed than would otherwise be the case. This carries with it additional risks should the Management Company's and/or the relevant Investment Manager's conviction prove misplaced.

### **Data Protection**

Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. Further, there is a risk that the measures will not be implemented correctly by the ICAV or its service providers. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

### **No Independent Counsel**

The Fund has retained legal counsel to advise them who may also act as legal counsel to the Management Company and/or the relevant Investment Manager. In connection with its representation of

the ICAV and where appropriate, the Management Company and/or the relevant Investment Manager, counsel will not represent Shareholders in their capacity as investors in the ICAV. No independent counsel has been retained by the ICAV to represent Shareholders in that capacity.

### **Profit Sharing**

In addition to receiving a Management Fee and/or an Investment Management Fee (as applicable), the Management Company and/or the relevant Investment Manager may also receive a Performance Fee.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each calculation period and as a result incentive fees may be paid on unrealised gains which may subsequently never be realised. The Performance Fee may create an incentive for the Management Company and/or the relevant Investment Manager to make investments for a Fund which are riskier than would be the case in the absence of a fee based on the performance of such Fund.

### **Realisation of Profits and Valuation of Investments**

Changes in circumstances or market conditions may lead to revaluation of certain assets, which may result in material increases or decreases in the Net Asset Value. Accordingly, any Shareholder who redeems Shares during a period when the value of any asset has been impaired will not receive any amount in respect of any subsequent increase of the Net Asset Value as a consequence of any revaluation of an asset the value of which was impaired at the time the Shareholder redeemed the relevant Shares. Neither the Fund nor the Management Company and/or the relevant Investment Manager shall be required to inform a Shareholder proposing to redeem Shares of any circumstances which may lead to a revaluation of an asset, and neither shall be liable to any Shareholder in respect of any loss of opportunity to participate in gains attributable to any revalued assets, howsoever arising.

### **Short Selling**

Short selling involves synthetically trading on margin and accordingly can involve greater risk than investments based on a long position. A synthetic short sale of a security involves the risk of a theoretically unlimited increase in the market price of the security, which could result in an inability to cover the synthetic short position and a theoretically unlimited loss. There can be no guarantee that securities necessary to cover a synthetic short position will be available for purchase.

Taking synthetic short positions on certain securities has been restricted in certain jurisdictions. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and, in some cases, impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, the Management Company and/or the relevant Investment Manager may not be in a position to fully express its negative views in relation to certain securities, companies or sectors and the ability of the Management Company and/or the relevant Investment Manager to fulfil the investment objective of a Fund may be constrained.

### **Short Selling Regulation**

The EU regulation on short selling and certain aspects of credit default swaps ("**SSR**") applies to short sales of/short positions relating to (1) the issued share capital of companies whose shares are admitted to trading on a regulated market or multilateral-trading facility ("**MTF**") in the EEA (unless the principal trading venue for the relevant shares is located in a country outside the EEA) ("**EEA listed shares**"); and (2) debt instruments issued by an EEA sovereign issuer ("**EEA sovereign debt**"). The SSR currently applies in respect of EU Member States and will apply to the additional EEA jurisdictions once further implementation steps have been taken.

The SSR provides for the disclosure of net short positions in EEA listed shares and EEA sovereign debt. It applies to all natural or legal persons, irrespective of regulatory status, located inside and outside the EEA. The SSR also contains prohibitions on uncovered or naked short sales of EEA listed shares and EEA sovereign debt in certain circumstances, as well as a prohibition on uncovered credit default swaps referencing EEA sovereign debt ("**naked CDS**"). The SSR provides for the possibility of an EEA member state's national regulator temporarily suspending the prohibition where it believes that its sovereign debt market is not functioning properly and that the prohibition may have a negative impact on the sovereign CDS debt market. When the prohibition is suspended in this way, naked CDS positions must be included in the net short position calculation for EEA sovereign debt and will be disclosable as part of the more general disclosure relating to short positions in EEA sovereign debt.

National regulators, and in certain circumstances the European Securities and Markets Authority, are able to take additional emergency measures in some situations.

The SSR may prevent the Management Company and/or the relevant Investment Manager from fully expressing their negative views in relation to EEA listed shares and reduces the flexibility of the Management Company and/or the relevant Investment Manager to use credit default swaps referencing.

EEA sovereign debt for risk management or investment purposes. Accordingly, the ability of the Management Company and/or the relevant Investment Manager to implement the investment approach and to fulfil the investment objective may be constrained.

### **US Tax-Exempt Investors**

Certain investors may be subject to US federal and state laws, rules and regulations which may regulate their participation in a Fund, or their engaging directly, or indirectly through an investment in the Fund, in investment strategies of the types which a Fund may utilise from time to time. Each type of US TaxExempt Investor may be subject to different laws, rules and regulations and should consult with their own advisers as to the advisability and tax consequences of an investment in a Fund. Investment in a Fund by US Tax-Exempt Investors requires special consideration. Trustees or administrators of such investors are urged carefully to review the matters discussed in this Prospectus and the relevant application form.

### **Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorized party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the ICAV, the Management Company, the relevant Investment Manager, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The Funds may be affected by intentional cybersecurity breaches which include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the ICAV, the Management Company, the Investment Manager, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.



## **Infectious Disease Risk**

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on national and world economies and markets generally. For example, beginning in late 2019, China experienced an outbreak of a new and highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV. In the ensuing months, COVID-19 spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

Certain countries have been susceptible to epidemics, most recently COVID-19, which has meaningfully disrupted the global economy and markets. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, have had and may in the future have a negative impact on the economy and business activity in any country in which a Fund may invest and global commercial activity and thereby adversely affect the performance of a Fund's assets. Health pandemics or outbreaks could result in a general economic decline in a given country or region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund's assets, or a Fund's ability to source new investments or to realize its investments.

Pandemics, such as COVID-19, could adversely affect interest rates, inflation, deflation and other factors relating to the Fund's investments or the Management Company's or Investment Manager's operations and the operations of their delegates and service providers.

Additionally, the risks related to health pandemics or outbreaks of disease are heightened due to uncertainty as to whether such an event would qualify as a force majeure event. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that a Fund and its investments have entered into, which could ultimately work to their detriment. If a force majeure event is determined to have occurred, a counterparty to a Fund or a portfolio investment may be relieved of its obligations under certain contracts to which it is a party, or, if it is not, a Fund and its assets may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact the assets performance of a Fund.

Any outbreak of disease epidemics such as the severe acute respiratory syndrome, avian influenza, H1N1/09, including most recently, COVID-19, or other similarly infectious diseases may result in the closure of the Management Company's or relevant Investment Manager's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in disruption of regional or global trade markets and/or the availability of capital or economic decline. Such outbreaks of disease may have an adverse impact on a Fund's Net Asset Value and/or a Fund's assets.

## **Money Market Risk**

The ICAV and any Fund, with a view to earning a return on cash equivalent to interest and / or mitigating credit exposure to depositaries, may arrange for cash holdings of the ICAV (including pending dividend payments) to be placed into money market collective investment schemes. A money market collective investment scheme which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a scheme is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full.

## **Off-Exchange Transactions**

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

## **Preferred Stock Investment Risk**

Unlike interest payments on debt securities, dividend payments on a preferred stock typically must be declared by the issuer's board of directors. An issuer's board of directors is generally not under any obligation to pay a dividend (even if such dividends have accrued), and may suspend payment of dividends on preferred stock at any time. In the event an issuer of preferred stock experiences economic difficulties, the issuer's preferred stock may lose substantial value due to the reduced likelihood that the issuer's board of directors will declare a dividend and the fact that the preferred stock may be subordinated to other securities of the same issuer. Preferred stock may be less liquid than many other types of securities, such as common stock, and generally provides no voting rights with respect to the issuer. Certain additional risks associated with preferred stock could adversely affect investments in a Fund.

## **ETF Class and Non-ETF Class Risk**

Where a Fund is established with ETF and Non-ETF Classes, investors in the different Classes could be subject to different arrangements and risks as detailed in the relevant Supplement, notwithstanding that the Fund will follow a single investment strategy. The ETF Classes will generally be subject to risk similar to ETF Funds, whereas the Non-ETF Class will generally be subject to risk similar to unlisted investment funds. Investors should be aware of the following when investing in a relevant Fund:

- (a) the Net Asset Value per Share of each of the ETF Class and Non-ETF Class may be different due to different fees and costs applicable to each class. Please see the relevant Supplement for further details;
- (b) only Authorised Participants may subscribe for or redeem Shares in an ETF Class;
- (c) the shares of the ETF Class are traded on a Recognised Market on an intraday basis at the prevailing market price (which may diverge from the NAV of the ETF Class), while shares of the Non-ETF Class are dealt over-the-counter on each Dealing Day at a price based on the NAV at the close of business on a Dealing Day and with no access to intraday liquidity on a stock exchange. Investors of shares in the ETF Class could sell their Shares intraday and realise a profit or a loss, however investors of the unlisted class may only redeem their Shares at the end of the Dealing Day. Please see the relevant Supplement for further details of the applicable dealing arrangements;
- (d) trading in the ETF Class may be at an advantage or disadvantage compared to trading in the Non-ETF Class. Investors in the ETF Classes may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value when selling them; and
- (e) in a distressed market scenario, investors have the ability to redeem the shares of the Non-ETF Class at NAV. Where the Manager determines in its sole discretion that the value of the Shares

quoted on the secondary market significantly differs or varies from the current Net Asset Value per Share, investors who hold their Shares through the secondary market will be permitted, subject to compliance with relevant laws and regulations, to redeem their shareholding directly from the ICAV. In such circumstances, the procedure detailed under the heading “Secondary Market” in this Prospectus will be implemented.

## **Funds**

A Fund may invest in one or more collective investment schemes. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees (excluding subscription or redemption charges). These fees would be in addition to the fees payable to an Investment Manager and other expenses which a Fund bears directly in connection with its own operations. For details of the maximum level of management fees that may be charged by a Fund by virtue of its investment in other collective investment schemes please refer to the Supplement for the relevant Fund.

Some of the collective investment schemes that a Fund may invest in may in turn invest in FDIs which will result in this Fund being indirectly exposed to the risks associated with such FDI.

The Funds will not have an active role in the day-to-day management of the collective investment schemes in which they invest. Moreover, Funds will generally not have the opportunity to evaluate the specific investments made by any underlying collective investment schemes before they are made. Accordingly, the returns of a Fund will primarily depend on the performance of these unrelated underlying fund managers and could be substantially adversely affected by the unfavourable performance of such underlying fund managers.

The investment policy of certain Funds may permit a Fund to invest up to 100% in collective investment schemes, including exchange traded funds. Such collective investment schemes may deal with a different frequency and on different days than the Fund. This characteristic of the Fund is likely to result from time to time in the Fund achieving less exposure to such collective investment schemes than would otherwise have been the case.

Furthermore, some of the underlying collective investment schemes may be valued by fund administrators affiliated to underlying fund managers, or by the underlying fund managers themselves, resulting in valuations which are not verified by an independent third party on a regular or timely basis. Accordingly, there is a risk that the valuations of the Fund may not reflect the true value of such underlying collective investment scheme holdings at a specific Valuation Point, which could result in significant losses for the Fund.

A Fund may be subject to risks associated with any underlying collective investment schemes which may use 'side pockets' (used to separate investments which may be difficult to sell from more liquid investments). The use of side pockets by such underlying collective investment schemes may restrict the ability of a Fund or the Shareholders to fully redeem out of the underlying collective investment scheme until such investments have been removed from the side pocket. Accordingly, the Fund may be exposed to the performance of the underlying collective investment scheme's investment for an indefinite period of time until such investment is liquidated.

## **Environmental, Social and Governance (ESG) Risks**

Where an Index incorporates ESG standards as disclosed in the relevant Supplement, the Index's ESG standards may limit the number of securities eligible for inclusion in the Index. As a result, the Index, and as such, the relevant Fund may be more heavily weighted in securities, industry sectors or countries that

underperform the market as a whole or underperform other funds screened for ESG standards, or which do not screen for such standards.

Investors should note that a Fund which discloses under Article 9 SFDR refers solely to the fact that the Index pursues a sustainable investment objective. The Manager and/or the relevant Investment Manager is solely relying on the activities conducted by and information provided by the administrator of the Index to make this classification. Neither the ICAV, nor any of its service providers, makes any representation or otherwise as to the suitability of the relevant Index and the Fund in meeting an investor's criteria on minimum ESG standards or otherwise. Investors are advised to carry out their own review as to whether the Index and the Fund accords with their own ESG criteria. Information on how the Index is consistent with the ESG characteristics is contained in the relevant Supplement.

## **Withholding Tax**

Any income and gains arising from the assets of the Funds may be subject to withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to a Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment. Investors are further referred to the section of the Prospectus headed "**Taxation**".

## **2. Emerging Markets Risks**

### **Investing in Emerging Markets**

Where a Fund invests in emerging markets, such investments require consideration of certain risks typically not associated with investing in securities in more developed markets.

Numerous emerging market countries have recently experienced serious and potentially continuing, economic and political problems. Stock markets in many emerging countries are relatively small and risky. Investors are often limited in their investment and divestment activities. Additional restrictions may be imposed under emergency conditions. Emerging market securities may decline or fluctuate because of economic and political actions of emerging market governments and less regulated or liquid securities markets. Investors holding the securities are also exposed to emerging market currency risk (the possibility that that emerging market currency will fluctuate against the Base Currency of a Fund). The legal infrastructure and accounting, auditing and reporting standards in emerging market countries in which a Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

**The legal and regulatory environment is sometimes uncertain and the standards of corporate governance, accounting, auditing and reporting standards may not provide the same degree of investor information and protection as would apply in more developed markets. Furthermore, corporate governance, investor protection, settlement, clearing, registration and custody procedures may be underdeveloped which increases the risk of error, fraud or default. Liquidity, Credit and Settlement Risks**

The Funds will be exposed to a credit risk on parties with whom they trade and may also bear the risk of settlement default. Some of the markets in which the Funds will invest may be less liquid, less developed and more volatile than the world's leading stock markets and this may result in fluctuations in the price of the Shares. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks to a Fund and may involve delays in obtaining accurate information on the value of securities (which may as a result affect the calculation of the Net Asset Value).

Any proposed investment in markets where custodial and/or settlement systems are not fully developed will be disclosed in the relevant Supplement. Shareholders should also note that settlement mechanisms in emerging and less developed markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect to investments in emerging markets.

### **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, military conflict and civil unrest, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements.

### *Regulatory Risks and Accounting Standards*

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

### *Custody Risks*

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in book-entry form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

### *Risk of Investment in China*

A Fund may have significant exposure to China and therefore a Fund may be susceptible to adverse market, political, regulatory, and geographic events affecting China. The Chinese economy is generally considered an emerging market and can be significantly affected by economic and political conditions in China and surrounding Asian countries. In addition, the Chinese economy is export-driven and highly reliant on trade. A downturn in the economies of China's primary trading partners could slow or eliminate the growth of the Chinese economy and adversely impact the Fund's investments.

The Chinese government strictly regulates the payment of foreign currency denominated obligations and sets monetary policy. The Chinese government may introduce new laws and regulations that could have an adverse effect on the Funds. Although China has begun the process of privatising certain sectors of its economy, privatised entities may lose money and/or be re-nationalised.

In the Chinese securities markets, a small number of issuers may represent a large portion of the entire market. The Chinese securities markets are subject to more frequent trading halts and low trading volume, resulting in substantially less liquidity and greater price volatility. Further, the Chinese economy is heavily dependent upon trading with key partners, such as the United States, Japan and countries in the European Union. Any reduction or threat of reduction in this trading may cause an adverse impact on the Chinese economy and, thus, the value of the Funds' investments.

In recent years, Chinese entities have incurred significant levels of debt and Chinese financial institutions currently hold relatively large amounts of non-performing debt. Thus, there exists a possibility that widespread defaults could occur, which could trigger a financial crisis, freeze Chinese debt and finance markets and make certain Chinese securities illiquid.

#### *A-Shares Risk.*

A-Shares are issued by companies incorporated in mainland China and are traded on Chinese exchanges. Investments in A-Shares are made available to domestic Chinese investors and certain foreign investors, including those who have been approved as a QFII or a RQFII and through the Shanghai-Hong Kong Stock Connect Program and Shenzhen-Hong Kong Stock Connect Program (both the "**Stock Connect Programs**"). Investments by other foreign investors in A-Shares are subject to various regulations and limits. The Funds may gain exposure to A-Shares through the Stock Connect Programs. The Funds may also gain exposure to A-Shares by investing in investments that provide exposure to A-Shares, such as other investment companies, or the Investment Manager may acquire a QFII or RQFII license to invest in A-Shares for the Funds. Investments in A-Shares are subject to various restrictions. Investments in A-Shares are heavily regulated and the recoupment and repatriation of assets invested in A-Shares is subject to restrictions by the Chinese government. A-Shares may be subject to frequent and widespread trading halts and may become illiquid. This could cause volatility in the Funds' share price and subject the Funds to a greater risk of trading halts.

In accordance with Chinese regulations and the terms of a QFII or RQFII license, as applicable, and insofar as the Investment Manager acquires a QFII or RQFII license, A-Shares will be held in the joint names of the relevant Fund and the Investment Manager. While the Investment Manager may not use such an account for any purpose other than for maintaining the Funds' assets, the Funds' assets may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the relevant Fund. There is a risk that creditors of the Investment Manager may assert that the securities are owned by the Investment Manager and that regulatory actions taken against the Investment Manager may affect the relevant Fund. The risk is particularly acute in the case of cash deposited with a PRC sub-custodian ("**PRC Custodian**") because it may not be segregated, and it may be treated as a debt owing from the PRC Custodian to the Fund as a depositor. Thus, in the event of a PRC Custodian bankruptcy, liquidation, or similar event, the ICAV may face difficulties and/or encounter delays in recovering its cash.

Per a circular (Caishui [2014] 79), the Funds are expected to be temporarily exempt from the Chinese withholding tax ("**WHT**") on capital gains on trading in A-Shares as of November 17, 2014. There is no indication as to how long the temporary exemption will remain in effect. Accordingly, the Funds may be subject to such taxes in the future. If the Funds expect such WHT on trading in A-Shares to be imposed, it reserves the right to establish a reserve for such tax. If the Funds establish such a reserve but are not ultimately subject to the tax, Shareholders who redeemed or sold their Shares while the reserve was in place will effectively bear the tax and may not benefit from the later release, if any, of the reserve. Conversely, if the Funds do not establish such a reserve but ultimately are subject to the tax, Shareholders who redeemed or sold their Shares prior to the tax being withheld, reserved or paid will have effectively avoided the tax, even if they benefited from the trading that precipitated the relevant Fund's payment of it. Investors should note that such provision may be excessive or inadequate to meet

actual WHT liabilities (which could include interest and penalties) on the Fund's investments. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities.

Economic conditions, such as volatile currency exchange rates and interest rates, political events and other conditions may, without prior warning, lead to intervention by government actors and the imposition of "capital controls." Capital controls include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets. Levies may be placed on profits repatriated by foreign entities (such as the Funds). Although the RMB is not presently freely convertible, rather it is subject to the approval of SAFE and other relevant authorities, repatriations by RQFIs are currently permitted daily and Chinese authorities have indicated their plans to move to a fully freely convertible RMB. There is no assurance, however, that repatriation restrictions will not be (re-)imposed in the future.

If a Fund's Net Asset Value is determined on the basis of US Dollar, for example, the Fund may lose value if the local currency of a foreign market depreciates against the US Dollar, even if the local currency value of the Fund's holdings goes up. The Fund may also be subject to delays in converting or transferring US Dollars to foreign currencies for the purpose of purchasing portfolio investments. This may hinder the Fund's performance, including because any delay could result in the Fund missing an investment opportunity and purchasing securities at a higher price than originally intended, or incurring cash drag.

The economy of Hong Kong has few natural resources and any fluctuation or shortage in the commodity markets could have a significant adverse effect on the Hong Kong economy. Hong Kong is also heavily dependent on international trade and finance. Additionally, the continuation and success of the current political, economic, legal and social policies of Hong Kong is dependent on and subject to the control of the Chinese government.

Certain Funds may be investing in A-Shares through the Stock Connect Programs which may entail additional clearing and settlement, regulatory, operational and counterparty risks. The Stock Connect Programs are subject to daily and aggregate quota limitations, and an investor cannot purchase and sell the same security on the same trading day, which may restrict the Funds' ability to invest in A-Shares and to enter into or exit trades on a timely basis. The Shanghai and Shenzhen markets may be open at a time when the Stock Connect Programs are not active, with the result that prices of A-Shares may fluctuate at times when the Fund is unable to add to or exit its positions. Because the Stock Connect Programs are new, the actual effect on the market for trading A-Shares with the introduction of large numbers of foreign investors is still relatively unknown. Further, regulations or restrictions, such as limitations on redemptions or suspension of trading, may adversely impact the programs. There is no guarantee that the Shanghai, Shenzhen and Hong Kong Stock Exchanges will continue to support the Stock Connect Programs in the future. The China B-Share market is generally smaller, less liquid and has a smaller issuer base than the China A-Share market. The issuers that compose the B-Share market include a broad range of companies, including companies with large, medium and small capitalizations. Further, the B-Shares market may behave very differently from other portions of the Chinese equity markets, and there may be little to no correlation between the performance of the two.

H-Shares are foreign securities which, in addition to the risks described herein, are subject to the risk that the Hong Kong stock market may behave very differently from the mainland Chinese stock market. There may be little to no correlation between the performance of the Hong Kong stock market and the mainland Chinese stock market.

N-Shares are securities of companies with business operations in mainland China and listed on an American stock exchange, such as NYSE, NASDAQ or the American Stock Exchange. Because companies issuing N-Shares often have business operations in China, they are subject to certain political

and economic risks in China. The American stock market may behave very differently from the mainland Chinese stock market, and there may be little to no correlation between the performance of the two.

P-Chip companies are often run by the private sector and have a majority of their business operations in mainland China. P-Chip shares are traded in Hong Kong dollars on the Hong Kong Stock Exchange and may also be traded by foreigners. Because they are traded on the Hong Kong Stock Exchange, P-Chips are also subject to risks similar to those associated with investments in H Shares. They are also subject to risks affecting their jurisdiction of incorporation, including any legal or tax changes.

Red Chip companies are controlled, either directly or indirectly, by the central, provincial or municipal governments of the PRC. Red Chip shares are traded in Hong Kong dollars on the Hong Kong Stock Exchange and may also be traded by foreigners. Because Red Chip companies are controlled by various PRC governmental authorities, investing in Red Chips involves risks that political changes, social instability, regulatory uncertainty, adverse diplomatic developments, asset expropriation or nationalization, or confiscatory taxation could adversely affect the performance of Red Chip companies. Red Chip companies may be less efficiently run and less profitable than other companies.

Because the Funds' assets may be concentrated in an industry or group of industries, the Funds may be subject to loss due to adverse occurrences that may affect that industry or group of industries or sector. Market conditions, interest rates, and economic, regulatory, or financial developments could significantly affect a single industry or a group of related industries, and the securities of companies in that industry or group of industries could react similarly to these or other developments. From time to time, the Fund may invest a significant percentage of its assets in issuers in a single industry (or the same group of industries) or sector of the economy.

#### *China Bond Connect Risk*

A Fund may invest in the China Interbank Bond Market ("**CIBM**") via the CIBM Initiative, Bond Connect and subject to any other rules and regulations and administrative procedures as promulgated by the mainland Chinese authorities ("**Foreign Access Regime**").

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in the CIBM may do so via an onshore settlement agent (as in CIBM Initiative) or offshore custody agent (as in Bond Connect), and such agent will carry out the relevant filings and account opening with the relevant authorities. There is no quota limitation. As such, relevant Funds may be subject to the risks of default or errors on the part of such agents.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of such securities to fluctuate significantly. A Fund investing in such securities is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such securities.

To the extent that a Fund transacts in the CIBM, a Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investment in the PRC bond market may also be subject to credit rating risks. The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may



create difficulties for a Fund to correctly assess the credit quality and credit risk of its bond investment. Domestic Chinese bonds invested in by a Fund may be rated below investment grade or may not be rated by any rating agency of an international standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the Net Asset Value of a Fund which invests in such securities may be more volatile. Investors should therefore be aware that an investment in such a Fund is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

Investing in domestic Chinese bonds via CIBM Initiative and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM or recall any types of bond products from the scope of investable bonds, a Fund's ability to invest in domestic Chinese bonds will be adversely affected. In such event, a Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, such Fund may suffer substantial losses as a result.

Moreover, although there is no quota restriction under the CIBM investment regulations, relevant information about a Fund's investments, such as the investment term, needs to be filed with the People's Bank of China (the "PBoC") and an update filing will be required if there is any significant change to the filed information. It cannot be predicted whether the PBoC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the Fund will need to follow PBoC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Fund and the investors from a commercial perspective.

The regulations allow foreign investors to remit investment amounts in RMB or foreign currency into the PRC for investing in the CIBM. For repatriation of funds out of the PRC by the Fund, the ratio of RMB to foreign currency should generally match the original currency ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%. Such requirements may change in the future, and the nature and extent of such changes, and their impact on the Fund's investment in the CIBM, are uncertain.

The CIBM Initiatives require a Fund investing through such initiatives to appoint an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of the Fund or in the rare case where the custodian/agent itself is insolvent, the enforcement of the trading documents and against the underlying assets may be subject to delay and uncertainty. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks in favour of the Fund are ring-fenced from the proprietary assets of the custodian, the retrieval of custodian assets may be subject to various legal procedures that are time-consuming.

In addition, the PBoC will exercise on-going supervision on the onshore settlement agent and the Fund's trading activities under the CIBM investment regulations. In the occurrence of any non-compliance of these regulations by either the onshore settlement agent or the Fund, the PBoC may take relevant administrative actions such as suspension of trading or business and mandatory exit against the onshore settlement agent, the Fund and/or the Investment Manager. The Fund and the investors may suffer substantial losses due to such suspension or mandatory exit.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and

hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Under the Bond Connect, a trading order can only be executed with onshore market makers approved by the Chinese regulators as the counterparty. As of April 2020, there were a total number of 56 approved market makers with more to be added to the list. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose the Fund to settlement risks if its counterparty defaults and limit the Fund's ability to execute trades with different counterparties.

Debt securities purchased via Bond Connect will be held in the name of the Central Moneymarkets Unit (the "CMU"), an organisation established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services. The Fund's ownership in those debt securities may not be reflected directly in record entry with the China Central Depository & Clearing Co., Ltd / Shanghai Clearing House and will instead be reflected on the record of CMU. The Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the ownership rights on behalf of and for the benefit of the Fund. If the Fund wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there lacks judicial precedents in China whether such an action will be recognised and enforced by the Chinese courts.

### **3. Risks Associated with the use of Derivatives**

#### **Derivative Securities Risk**

In relation to investment in financial derivative instruments, the use of these instruments involves special risks including (i) dependence on the ability to predict movements in the prices of securities underlying the financial derivative instruments and movements in interest or currency rates; (ii) imperfect correlation between the financial derivative instruments and the securities or market sectors to which they relate; (iii) greater volatility than the securities and/or markets to which they relate; (iv) liquidity risk when, for example, a particular derivative instrument is difficult to purchase or sell; (v) market risk, where the market value of the financial derivative instrument changes in a way that is detrimental to the Fund; (vi) potential conflicts of interest (vii) counterparty risk, where the counterparty with which the Fund trades becomes insolvent, bankrupt or defaults; (viii) settlement risk, where a counterparty defaults in settling a trade; and (ix) legal risk, where the enforceability of a financial derivative instrument contract may be an issue.

#### **Counterparty Risk**

The ICAV on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. The ICAV on behalf of the Fund may enter into futures contracts which may expose the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ICAV seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the derivatives are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

During an insolvency procedure (which may last many years) the use by a Fund of certain of its assets held by a counterparty may be restricted and accordingly (a) the ability of the Management Company and/or the relevant Investment Manager to fulfil the investment objective may be severely constrained,

(b) the Fund may be required to suspend the calculation of the Net Asset Value and as a result subscriptions for and redemptions of Shares, and/or (c) the Net Asset Value may be otherwise affected. During such a procedure, a Fund is likely to be an unsecured creditor in relation to certain assets (including those in respect of which it had previously been a secured creditor) and accordingly a Fund may be unable to recover such assets from the insolvent estate of the counterparty in full, or at all.

### **Counterparty Insolvency**

The stability and liquidity of over-the-counter derivative transactions depend in large part on the creditworthiness of the parties to the transactions. If there is a default by the counterparty to such a transaction, a Fund will, under most normal circumstances, have contractual remedies pursuant to the agreements related to the transaction. However, exercising such contractual remedies may involve delays or costs which could result in the Net Asset Value of a Fund being less than if a Fund had not entered into the transaction. Furthermore, there is a risk that any of such counterparties could become insolvent. If one or more of a Fund's counterparties were to become insolvent or the subject of liquidation proceedings in the United States (either under the United States Securities Investor Protection Act or the United States Bankruptcy Code), there is a risk that the recovery of a Fund's securities and other assets from such counterparty will be delayed or be of a value less than the value of the securities or assets originally entrusted to such counterparty.

In addition, a Fund may use counterparties located in various jurisdictions around the world. Such counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to a Fund's assets will be subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalise about the effect of their insolvency on a Fund and its assets. Prospective investors should assume that the insolvency of any counterparty would result in a loss to a Fund, which could be material.

### **Over-the-Counter ("OTC") Transactions**

There has been an international effort to increase the stability of the financial system in general, and the OTC derivatives market in particular, in response to the recent financial crisis. The leaders of the G20 have agreed that all standardised OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties, that OTC derivative contracts should be reported to trade repositories and non-centrally cleared contracts should be subject to higher capital requirements.

The Fund may enter into OTC derivative contracts for efficient portfolio management, investment and hedging purposes. EMIR establishes certain requirements for OTC derivatives contracts, including reporting requirements, bilateral risk management requirements, mandatory clearing requirements for certain classes of OTC derivatives and a margin posting obligation for OTC derivatives contracts not subject to clearing.

The implications of EMIR for a Fund include, without limitation, the following:

- clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Fund will be required to put in place risk mitigation requirements, which include the

collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Fund pursuing its hedging strategy; and

- reporting obligations: each of the Fund's OTC derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Fund of utilising OTC derivatives.

EMIR was amended as part of the European Commission's REFIT programme and the amending regulations Regulation 834/2019 ("EMIR REFIT") introduced certain key obligations relating to clearing, reporting and risk-mitigation (margining). Although EMIR REFIT allows for certain clearing exemptions and provides for thresholds below which no reporting is required, the investments described herein made by a Fund may be affected by EMIR REFIT or any change thereto or review thereof.

#### **Hedging, Derivatives, and other Strategic Transactions Risk**

Hedging, derivatives, and other strategic transactions may increase the volatility of a Fund and, if the transaction is not successful, could result in a significant loss to a Fund. The use of derivative instruments could produce disproportionate gains or losses, more than the principal amount invested. Investing in derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments and, in a down market, derivative instruments could become harder to value or sell at a fair price.

#### **4. Risks relating to the Secondary Market for ETF Shares**

##### *Secondary Market Trading Risk*

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

Trading in Shares on a stock exchange may be halted or suspended due to market conditions or for the reason that, in the stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the stock exchange's rules. If trading on a stock exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the ICAV to redeem Shares.

##### *Absence of prior active market*

While the Shares of the relevant Funds are expected to be listed on an exchange, there can be no assurance that active trading markets for the Shares will develop or be maintained. Secondary markets may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods in times of market stress because market makers and authorised participants may step away from making a market in the Shares and in executing creation and redemption orders, which could cause a material deviation in a Fund's market price from its Net Asset Value. In addition, there can be no guarantee that once Shares are listed on any stock exchange that they will remain listed.

##### *Authorised Participant Concentration Risk*

Only an authorised participant may engage in creation or redemption transactions directly with a Fund. A Fund may have a limited number of institutions that act as authorized participants. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to a Fund and no other authorized participant is able to step forward to process creation and/or redemption orders, Shares may trade at a discount to Net Asset Value and possibly face trading halts and/or delisting. This risk may be more pronounced in volatile markets, potentially where there are significant redemptions in exchange traded funds generally.

#### *Market Maker Risk*

If a Class of ETF Shares has lower average daily trading volumes, it may rely on a small number of third-party market makers to provide a market for the purchase and sale of such ETF Shares. Any trading halt or other problem relating to the trading activity of these market makers could result in a decrease in the price at which the ETF Shares of the Class are trading on a stock exchange compared with the Class's Net Asset Value per Share. In addition, decisions by market makers or authorised participants to reduce their role or step away from these activities in times of market stress could inhibit the effectiveness of the arbitrage process in maintaining the relationship between the underlying values of a Fund's portfolio securities and the price at which the ETF Shares of the Class are trading on stock exchanges. This reduced effectiveness could result in ETF Shares trading at a discount to the Class's Net Asset Value per Share and also in greater than normal intraday bid-ask spreads for the ETF Shares on exchange.

#### *Settlement risk*

A Fund is also subject to the risk of the failure of any of the exchanges on which these instruments are traded or of their clearing houses. The exchanges will have different clearance and settlement procedures and in certain markets, there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlements could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon.

#### *Fluctuation of Net Asset Value and Trading Prices on the Secondary Market*

The Net Asset Value per Share will fluctuate with changes in the market value of the securities which the relevant Fund holds, and with changes in the exchange rate between the currency(ies) in which the securities which the relevant Fund holds are denominated and the Base Currency(ies). Investors are reminded that, even though the Net Asset Value per Share may be converted and reported in a currency denomination other than the Base Currency, there is no assurance that such converted amount can actually be achieved. Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Funds.

The secondary market price of the Shares is likely to fluctuate with changes in the Net Asset Value per Share, with changes in the exchange rate between the currency(ies) in which the securities held by the relevant Fund are denominated and the currency in which the Shares are traded and with supply and demand factors on the stock exchange on which the Shares are traded. The ICAV cannot predict whether the Shares will trade below, at, or above their Net Asset Value per Share when converted to the currency in which the Shares are traded.

The Net Asset Value per Share and the secondary market price of Shares are expected to track each other through arbitrage. An Authorised Participant or other professional investor in calculating the price at which it would be willing on the secondary market to sell the Shares of the Fund (known as the offer price), or to buy such Shares (known as the bid price), will take account of the notional price at which it could purchase (when selling Shares), or sell (when buying Shares), including associated transaction costs and taxes (if applicable). The Directors believe such arbitrage will help to ensure that the deviation

of the trading bid and offer price per Share from the Net Asset Value per Share (after currency conversion) is generally minimised. Authorised Participants and other investors are reminded that if the calculation of the Net Asset Value of a Fund is suspended, then their right to redeem Shares in that Fund would ordinarily also be suspended. In the event that the ICAV has to suspend the subscription and/or redemption of Shares of a Fund, or if a stock exchange on which a Fund's underlying investments are traded is closed, it is expected that larger discounts or premiums could arise.

#### *Inaction by Clearstream and Euroclear*

An Investor in ETF Shares will not be a registered Shareholder in the ICAV. Rather, they will hold an indirect beneficial interest in such ETF Shares. The rights of such Investor, where such person is a Participant, shall be governed by the terms and conditions applicable to the arrangement between such Participant and Clearstream and where the holder of the indirect beneficial interests in the Shares is not a Participant, shall be governed by the terms and conditions applicable to their arrangement with their respective nominee, broker, CSD or ICSD (as appropriate, which may be a Participant or have an arrangement with a Participant). The ICAV will issue any notices and associated documentation to the registered holder of the Shares (i.e., Clearstream or Euroclear), with such notice as is given by the ICAV in the ordinary course when convening general meetings. Clearstream or Euroclear will in turn relay such notices received from the ICAV to Participants in accordance with its rules and procedures. Clearstream and Euroclear are contractually bound to collate all votes received from Participants and is obligated to vote in accordance with such instructions. The ICAV has no power to ensure that Clearstream or Euroclear relays notices of votes in accordance with the instructions of Participants. The ICAV cannot accept voting instructions from any persons other than Clearstream or Euroclear.

#### *Risk to Payments made through Clearstream and Euroclear*

Any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent to Clearstream or Euroclear (as the registered holder of Shares). Investors, where they are Participants, must look solely to Clearstream or Euroclear for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Participants, they must look to their respective nominee, broker, CSD or ICSD (as appropriate, which may be a Participant or have an arrangement with a Participant) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares that are paid to Clearstream or Euroclear and the obligations of the ICAV will be discharged by payment to Clearstream or Euroclear.

#### *Secondary Market – Direct Redemption*

ETF Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell ETF Shares on a Secondary Market with the assistance of an intermediary (e.g., a stockbroker) and may incur fees for doing so. In addition, Investors may pay more than the current Net Asset Value when buying ETF Shares and may receive less than the current Net Asset Value when selling them. Investors should consult the section of the Prospectus entitled “Secondary Market for Redemptions” for details on the limited circumstances where ETF Shares of a Fund purchased on the Secondary Market may be sold directly back to the ICAV.

## **5. Risks relating to the Tracking of an Index**

### *General Risk*

A Fund is not expected to track its respective Index at all times with perfect accuracy. There is no guarantee that the Fund will achieve perfect tracking and the Fund may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective Index, from time to time. This tracking error may result from an inability to hold the exact constituents of the Index, for example where there are local market trading restrictions, small illiquid components and/or where the Regulations limit exposure to the constituents of the Index. Each Fund is, however, expected to provide investment results that, before expenses, generally correspond to the price and yield performance of its respective Index.

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

The following factors may adversely affect the tracking by a Fund of its respective Index:

- (i) the Fund must pay various expenses, while the Index does not reflect any expenses;
- (ii) a Fund must comply with regulatory constraints, such as the investment and borrowing restrictions, that do not affect the calculation of its respective Index;
- (iii) the existence of uninvested assets in the Fund (including cash and deferred expenses);
- (iv) the timing difference between when the Index reflects the event of dividends and when a Fund reflects the event of dividends;
- (v) the temporary unavailability of certain constituents of an Index;
- (vi) to the extent that a Fund is not invested identically in respect of the composition and/or weighting of securities in its respective Index, and securities in which it is underweighted or overweighted in relation to its respective Index perform differently from its respective Index as a whole; and
- (vii) Errors in the relevant Index's data, the relevant Index's computations and/or the construction of the relevant Index in accordance with its methodology may occur from time to time and may not be identified and corrected by the relevant Index provider for a period of time or at all.

Although an Investment Manager will regularly monitor the level of correspondence of the performance of a Fund with the performance of the relevant Index (i.e. the tracking accuracy), there can be no assurance that any Fund will achieve any particular level of tracking accuracy. The annual and semi-annual reports of the ICAV will disclose the level of tracking accuracy for each Fund over the relevant periods.

In seeking to track an Index, an Investment Manager will not normally reduce or increase a Fund's holdings in or exposure to any Index Security when to do so would reduce the tracking accuracy. Therefore, if an Index Security is decreasing in value, the Fund will generally continue to hold such security (or any other securities which give exposure or equivalent price performance to such an Index

Security's price performance), until the weight of the Index Security is reduced in the Index, or the Index Security is removed from the Index, by the Index Provider.

A Fund may value certain of its investments and/or underlying currencies based on fair value prices. In addition, any issues a Fund encounters with regard to currency convertibility and repatriation may also increase index tracking risk. Changes to the composition of the relevant Index for each Fund in connection with a rebalancing or reconstitution of the relevant Index may cause a Fund to experience increased volatility, during which time a Fund's index tracking risk may be heightened. Further details of any risk factors which are applicable to a particular Fund are set out in the relevant Supplement. The risk factors set out in this Prospectus do not purport to be an exhaustive or complete explanation of all the risks. Investors should seek professional advice before investing.

#### *Index rebalancing and costs*

An Index Provider may periodically publish new constituents, reflecting changes in the securities that are included or excluded in the relevant Index. When the constituents of the Index change, the Fund tracking or replicating that Index will typically, to the extent that it is possible and practicable and to do so, seek to realign its exposure to more closely reflect that of the Index. To realign the exposures in the Fund, securities must be bought and sold. This rebalancing will incur costs that are not reflected in the theoretical calculation of the Index's return and may impact on the Fund's ability to provide returns consistent with those of the Index. Such costs can be direct or indirect and include, but are not limited to: transaction charges, stamp duty or other taxes on the investments. Accordingly, the cost of rebalancing may impact on the Fund's ability to provide returns consistent with those of the Index.

#### *Non-correlation risk*

The performance of the Funds is measured against a specified Index. However, as with all index funds, the performance of a Fund and its Index may be different from each other for a variety of reasons. For example, each Fund incurs operating costs not incurred by its Index. In addition, a Fund may not be fully invested in the securities of its Index at all times or may hold securities not included in its Index and may be subject to pricing differences, differences in the timing of dividend accruals, operational inefficiencies and/or the need to comply with investment and borrowing restrictions. A Fund may be subject to foreign ownership limitations and, as a result, may not be able to invest in certain securities to the same extent as its Index. The use of sampling techniques may affect a Fund's ability to achieve close correlation with its Index. A Fund using a representative sampling strategy generally can be expected to have a greater non-correlation risk and this risk may be heightened during times of increased market volatility or other unusual market conditions.

#### *Optimising Strategy*

It may not be practical or cost efficient for the Fund to replicate its Index. Where it is not part of a Fund's investment policy to replicate its Index, such Fund may use optimisation techniques to track the performance of its Index. Optimising Funds may potentially be subject to tracking error risk, which is the risk that their returns may not track exactly those of its Index.

#### *Underperformance Risk*

There is no guarantee that the investment objective of any Fund will be achieved. In particular, for a passively managed Fund, no financial instrument enables the returns of any Index to be reproduced or tracked exactly or for an actively managed Fund, guarantees that an outperformance target will be reached. Changes in the investments of a Fund and re-weightings of an Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the Fund's target of outperformance of the Index.



Furthermore, the total return on an investment in Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of an Index.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in a Fund. Prospective investors should read this entire Prospectus and consult with their own legal, tax and financial advisers before deciding to invest in a Fund.**

## EFFICIENT PORTFOLIO MANAGEMENT

The ICAV may employ investment techniques and FDI for efficient portfolio management of the assets of any Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank under the Regulations and described below. Please see Appendix I for more information. A Fund will only utilise those FDIs as set out in the relevant Supplement and as listed in the RMP that have been cleared by the Central Bank. Each Fund's leverage through the use of derivative instruments, i.e. the global exposure of a Fund, including but not limited to, its exposure from the use of any derivative instruments, must not exceed the total Net Asset Value of the Fund.

Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the specific aims:

1. the reduction of risk;
2. the reduction of cost; or
3. the generation of additional capital or income for the UCITS with an appropriate level of risk, taking into account the risk profile of the UCITS as described in this Prospectus and the general provisions of the UCITS directives.
4. their risks are adequately captured by the Risk Management Process of the UCITS, and
5. they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the Fund, but only direct and indirect operational costs/fees charged by third parties unrelated to the Management Company or the Investment Manager or any sub-investment manager will be deducted from any such revenues. Any such direct and indirect operational costs/fees charged by third parties do not include hidden revenue for the Management Company, the Investment Manager or any sub-investment manager as applicable or parties related to such persons, although fees may be payable to counterparties and/or the Investment Manager and/or any sub-investment manager and/or the Depositary and/or entities related to them in relation to such techniques. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Management Company, the Investment Manager, any sub-investment manager or the Depositary. The Management Company or the Investment Manager shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect costs, are returned to the Fund.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to any Fund is to adhere to the Central Bank requirements set out under the heading "Use of Repurchase/Reverse Repurchase and Securities Lending Agreements".

## **BORROWING POLICY**

Under the Instrument, 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 provided that all such borrowings are within the limits and conditions laid down by the Central Bank.

Under the UCITS Regulations, a Fund may borrow up to 10% of its assets provided this borrowing is on a temporary basis. A Fund may not borrow money, grant loans or act as guarantor on behalf of third parties.

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 Regulation 103(1) of the 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.

The Management Company shall ensure that a Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowing for the purpose of Regulation 103 of the Regulations. Where the balance returned to the Fund is in a foreign currency other than the Base Currency, the Fund may be exposed to currency risk such that the amount returned may be less than it would have been if the offsetting balance had been held in the Base Currency.

## **DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE**

### **Determination of Net Asset Value**

The Net Asset Value attributable to the Classes shall be calculated by the Administrator to the nearest three decimal places in the Base Currency as of the relevant Valuation Point in accordance with the valuation provisions set out in the Instrument and summarised below.

The Net Asset Value of each Fund shall be calculated by ascertaining the value of the assets of each Fund and deducting from such amount the liabilities of that Fund (which shall include all fees and expenses payable and/or accrued and/or estimated to be payable by the Fund), and dividing the resultant figure by the number of Shares in issue.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the initial offer period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any repurchase orders) and by allocating relevant class expenses and fees to the class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly.

The Net Asset Value per Share of any Class issued in each Fund will be calculated by calculating the amount of the Net Asset Value of the Fund attributable to the relevant Class and dividing the resultant figure by the total number of Shares of the relevant Class in issue or to be deemed to be in issue as of the relevant Dealing Day.

The Management Company and/or the relevant 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 performance of the relevant Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, its 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. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency. The Management Company and/or the relevant Investment Manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes.

### **Valuation of Assets**

1. In determining the value of the assets of each Fund, each Investment which is quoted, listed or traded under the rules of a Recognised Market, for which market quotations are readily available, shall be valued at the last traded price on the relevant Recognised Market at the Valuation Point or such other price in accordance with the Central Bank requirements as set out in the relevant Supplement on the relevant Recognised Market at the Valuation Point, provided that the value of the Investment listed, traded or dealt in on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant Recognised Market may be valued, taking into account the level of premium or discount as at the date of valuation of the Investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security.

2. If the Investment is normally listed, traded or dealt in on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which constitutes the main market for the investment or the one which the Management Company determines provides the fairest criteria in a value for the security. If prices for an investment listed, traded or dealt in on the relevant Recognised Market are not available at the relevant time or are unrepresentative, or in the event that any Investments are not listed or traded on any Recognised Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by the Management Company, or a competent professional person, firm or corporation appointed by the Management Company and approved for such purpose by the Depositary which may be the Investment Manager, or any other means provided the valuation is approved by the Depositary. None of the Directors, the Management Company, the Investment Manager or the Administrator shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.
3. Fixed income securities may be valued using matrix pricing (i.e. valuing securities by reference to the valuation of other securities which are considered comparable in rating, yield, due date and other characteristics) where reliable market quotations are not available. The matrix methodology will be compiled by the persons listed in 2(a)-(c) of Schedule 5 of the Central Bank UCITS Regulations.
4. Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available Net Asset Value per unit/share as published by the collective investment scheme.
5. Cash deposits and similar investments shall be valued at their face value together with accrued interest.
6. Exchange-traded futures and options contracts (including index futures) shall be valued based on the settlement price as determined by the market where the exchange traded future/option contract is traded. If the settlement price is not available, the exchange traded future/option contract may be valued as per unlisted securities and securities which are listed/traded on a Recognised Market where the price is unrepresentative / not available in accordance with paragraph 2 above.
7. Notwithstanding the provisions of paragraphs 1 to 5 above:
  - (a) The Management Company or its delegate may, at its discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortised cost method of valuation where such collective investment schemes comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
  - (b) The Management Company or its delegate may, at its discretion, in relation to any particular Fund which is a money market fund or which is not a money market fund but which invests in money market instruments, value any investment on the basis of the amortised cost method, provided that each such security being valued using the amortised cost basis of valuation shall be carried out in accordance with the Central Bank's requirements. Where it is not the intention or objective of The Management Company to apply amortised cost valuation to the portfolio of the ICAV as a whole, a money market instrument within such a portfolio shall only be valued on an amortised

basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.

8. Notwithstanding the generality of the foregoing, the Management Company may with the approval of the Depositary adjust the value of any investment if, taking into account currency, marketability, dealing costs, and/or such other considerations as they may deem relevant, such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof.
9. Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Management Company or its delegate shall determine to be appropriate.
10. If the Management Company deems it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale for methodologies used should be clearly documented.

### **Temporary Suspension of Net Asset Value**

The Directors, in consultation with the Management Company, may at any time with prior notification to the Depositary temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

1. the whole or any part of any period when any Recognised Market on which a substantial portion of the Investments for the time being comprised in a 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; or
2. the whole or any part of any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, including the unavailability of relevant prices, the disposal or valuation of any Investments for the time being comprised in a Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders; or
3. any breakdown in the means of communication normally employed in determining the value of any Investments for the time being comprised in a Fund or during any period when for any other reason the value of Investments for the time being comprised in the ICAV cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
4. the whole or any part of any period when a Fund is unable, due to exceptional market conditions or other exceptional circumstances prevailing in one or more Recognised Markets, to repatriate funds for the purposes of making redemption payments or during which the realisation of any Investments for the time being comprised in a 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 or during which there are difficulties or it is envisaged that there will be difficulties, in transfer of monies or assets required for subscriptions, redemptions or trading; or
5. any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or
6. the whole or any part of any period when, as a result of adverse market conditions, the payment

7. of redemption proceeds may, in the sole opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund; or
8. the whole or any part of any period in which notice has been given to Shareholders of a resolution to wind up the ICAV; or
9. the whole or any part of any period during which dealings in a collective investment scheme in which the relevant Fund has invested a significant portion of its assets, as determined by the Directors, are suspended; or
10. the whole or any part of any period when the Directors determine that it is in the best interests of the Shareholders to do so.

The Directors will exercise this discretion only in circumstances in which the Directors believe that it is not possible to value or trade a material proportion of the securities held in the portfolio in respect of which such decision is being made.

Notice of any such suspension shall be published by the ICAV on the relevant Investment Manager's website as disclosed in the relevant supplement and shall be notified without delay to the Central Bank and the Shareholders. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Shareholders who have requested issue or redemption of Shares of any Class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension.

Save where the determination of the Net Asset Value per Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Share as of the most recent Valuation Day shall be made available at the office of the Administrator.

## **iNAV**

The ICAV may at its discretion make available or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or "iNAV" for one or more ETF Share Classes of a Fund. The Manager will typically make iNAVs available for certain Classes of the Funds where required by a Relevant Stock Exchange. If the Manager makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day and will ordinarily be based upon the current value of the assets/exposures of the Class in effect on such Business Day, together with any cash amount in the Class as at the previous Business Day. iNAVs are disseminated via a data feed and are displayed on major market data vendor terminals as well as on a wide range of websites that display stock market data, including Bloomberg and Reuters. Any iNAV is not and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any Relevant Stock Exchange. The inability of the Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a Relevant Stock Exchange, which will be determined by the rules of the Relevant Stock Exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the relevant constituent securities prices in comparison to other calculated values based upon the same constituent securities. Investors interested in subscribing for or redeeming Shares on a Relevant Stock Exchange should not rely solely on any iNAV which is made available in making investment decisions but should also consider other market information and relevant economic and other factors. None of the ICAV, the Directors, the Manager, an Investment Manager, any Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV.

## DEALING INFORMATION

### Declaration as to Status of Investor

The ICAV will be required to deduct tax on redemption monies and distributions at the applicable rate unless it has received from the relevant applicant (in respect of redemptions) or Shareholder (in respect of distributions) a Relevant Declaration. The ICAV reserves the right to redeem such number of Shares held by such applicant (in respect of redemptions) or Shareholder (in respect of distributions) (as relevant) as may be necessary to discharge the tax liability arising. In addition, the ICAV will be required to account for tax at the applicable rate on the value of the Shares transferred to another entity or person unless it has received from the transferor a Relevant Declaration. The ICAV reserves the right to redeem such number of Shares held by the transferor as may be necessary to discharge the tax liability arising. The ICAV reserves the right to refuse to register a transfer of Shares until it receives a Relevant Declaration as to the transferee's residency or status in a form prescribed by the Irish Revenue Commissioners.

### Mandatory Redemption

The ICAV may redeem the Shares of any Shareholder whose holding in the ICAV falls below the Minimum Dealing Amount for the relevant Class as set out in the relevant Supplement.

Holders of Shares in the ICAV are required to notify the ICAV immediately when, at any time following their initial subscription for Shares in the ICAV, they become US Persons or Irish Residents or cease to be Exempt Investors and in respect of which the Declaration made 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 US Persons or 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 where they hold Shares in the ICAV in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders.

Where the Directors become aware that a Shareholder in the ICAV (a) is a US Person or is holding Shares for the account of a US Person, so that the number of US Persons known to the Directors to be beneficial owners of Shares for the purposes of the 1940 Act exceeds 100 or such other number as the Directors may determine from time to time; or (b) is holding Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the ICAV or its Shareholders, or where the holding of Shares by a Shareholder causes the assets of the ICAV to be "plan assets" for the purposes of ERISA, the Directors may: (i) direct such 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 of the Shares as at the Dealing Day immediately following the date of notification of such mandatory redemption to the relevant Shareholder.

Under the Instrument, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares if so directed by the Directors pursuant to the above provisions or who fails to make the appropriate notification to the ICAV is obliged to indemnify and hold harmless each of the Directors, the ICAV, the Management Company, the Administrator, the Depositary, the relevant Investment Manager and the Shareholders of the ICAV (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. **Untraced Shareholders**

The Instrument permits the ICAV to redeem the Shares of an untraced Shareholder where during a period of six years no acknowledgement has been received in respect of any contract note or other confirmation of ownership of the Shares sent to the Shareholder, and at the expiration of the said period of six years



by notice sent by pre-paid letter addressed to the Shareholder or to the last known address given by the Shareholder or by advertisement in a national daily newspaper published in Ireland or in a newspaper circulating in the area in which such address is located, the ICAV has given notice of its intention to repurchase such Shares and during the period of three months after the date of the advertisement and prior to the exercise of the power of repurchase the ICAV has not received any communication from the Shareholder. The proceeds of such repurchase shall form part of the ICAV's assets in respect of which such Shares were issued.

### **Compulsory Redemption**

The ICAV may also compulsorily redeem all (but not some) of the Shares in a Fund or Class in the following circumstances:

1. the Shareholders of that Fund or Class shall have passed a Special Resolution to approve the redemption of all the Shares of that Fund or class;
2. in the opinion of the Directors, the holding of such shares may result in regulatory, preliminary legal, pecuniary, taxation or material administrative disadvantage to the ICAV or the Shareholder; or
3. if the Depositary shall have exercised its right to retire and no new depositary has been appointed by the ICAV in accordance with the provisions of the Instrument;
4. the Directors, or the Administrator acting on the ICAV's instructions, suspects Shares are held by any person who is not compliant with FATCA or may cause the ICAV or the relevant Fund to become non-compliant with FATCA;
5. the investor fails to comply with the terms and/or conditions of the issue and/or settlement of its Shares or any agreement with the ICAV to subscribe for further Shares;
6. the relevant Shareholder's ownership of Shares, as reasonably determined by the Directors, would preclude the relevant Fund from making any investment or any type of investments or render the making of any investment or any type of investments more difficult or burdensome for the relevant Fund;
7. the investor holds Shares with an aggregate Net Asset Value of less than the Minimum Holding for the relevant Class of Shares; or (ii) where a transfer by any investor results in the Minimum Holding of that investor falling below an aggregate Net Asset Value of the Minimum Holding for the relevant Class of Shares;
8. redemption of the Shares is required to meet any liability or charge to Taxation arising in respect of the Shares or the Shareholder or is required to account for such appropriate tax to the relevant tax authorities;
9. where the Directors believe it is in the best interests of the ICAV, Fund or Shareholders.

### **Closure process for Funds and Classes on Compulsory (Total) Redemption**

Where a Fund or a particular Class is to be totally redeemed and terminated in accordance with the above provisions, the Directors shall take the following steps taking into account any minimum notice periods prescribed by a Relevant Stock Exchange, the Central Bank or any relevant competent authority:

### Procedure to be followed for ETF Shares

- 9.1 A notification shall be sent to Shareholders of ETF Shares of the relevant Fund or Class specifying the proposed timetable for the closure including (i) the final date on which the ETF Shares can be bought or sold on all Relevant Stock Exchanges, (ii) the final Dealing Day for subscriptions and redemptions of ETF Shares directly with the ICAV after which all such primary market dealing will be permanently suspended (the "**Final Dealing Day**"), (iii) the date by reference to which all ETF Shares of the Fund or Class which remain in issue shall be compulsorily redeemed (the "**Compulsory Redemption Date**") and (iv) an indicative date on which the Directors propose to distribute the liquidated proceeds from the compulsory redemption of the Shares to the relevant Shareholders (the "**Indicative Settlement Date**");
- 9.2 Notice of the de-listing of the ETF Shares, the permanent suspension of dealing and the termination of the Fund or Class shall be communicated to the Central Bank and all Relevant Stock Exchanges and, to the extent required by the law or practices of the country concerned, to any other competent authority in a Member State or other country in which the relevant ETF Shares are registered for marketing. Such notice shall also be published in such publication(s) as the Directors may determine and, in any event, shall be communicated through the media by which Share prices are published;
- 9.3 The ETF Shares of the relevant Fund or Class shall subsequently be de-listed from all Relevant Stock Exchanges in accordance with the timetable notified to Shareholders;
- 9.4 Dealing in the relevant Fund or Class shall be permanently suspended with effect from the Business Day following the Final Dealing Day;
- 9.5 All ETF Shares of the relevant Fund or Class which remain in issue following the Final Dealing Day shall be compulsorily redeemed on the Compulsory Redemption Date;
- 9.6 Following the Compulsory Redemption Date, the relevant Investment Manager and the Administrator shall take the necessary steps to liquidate the Investments attributable to the relevant Fund or Class for the purposes of determining the final Net Asset Value per Share of the relevant Fund or Class;
- 9.7 Once the final Net Asset Value per Share of the relevant Fund or Class has been determined by the Administrator, the proceeds of the compulsory redemption of Shares shall be distributed by the Administrator to the Shareholders on or around the Indicative Settlement Date.

The Directors can give no assurance that the distribution of the proceeds from the compulsory redemption of the ETF Shares will take place on the Indicative Settlement Date. The Indicative Settlement Date will be notified to Shareholders of ETF Shares for indicative purposes only, as the liquidation of the Investments attributable to the Fund or Class following the Compulsory Redemption Date can be affected by various factors including delays in the settlement of transactions and repatriation of the Fund's cash.

### **Secondary market investors:**

No distribution proceeds resulting from the Compulsory Redemption of the ETF Shares shall be payable by the ICAV directly to any person other than those persons listed as Shareholders in the Register as at the Compulsory Redemption Date. Please note that Investors who hold ETF Shares will not appear on the ICAV's Register of Shareholders. Such Investors should deal directly with the relevant broker, market

maker/Authorised Participant, nominee, Clearing Agent or Euroclear or Clearstream (as relevant) in respect of their investment.

#### **Authorised Participants only:**

An Authorised Participant who submits a valid application for redemption of ETF Shares (the "**Relevant Shares**") on or before the Final Dealing Date shall not be subject to the Compulsory Redemption process in respect of the Relevant Shares. However, in the event that any such application for redemption has not settled in advance of the Compulsory Redemption Date (as a result of the relevant Authorised Participant having failed to deliver the Relevant Shares by such date), the relevant redemption application shall be cancelled. In such circumstances, the number of ETF Shares that were the subject of the cancelled redemption application will be compulsorily redeemed along with all of the other outstanding ETF Shares in the ICAV on the Compulsory Redemption Date. The relevant Authorised Participant whose application was cancelled will be required to reimburse the ICAV to the extent that the redemption price per ETF Share determined in respect of the Compulsory Redemption exceeds the redemption price per ETF Share that would have been payable to the relevant Authorised Participant in respect of the cancelled redemption application had it not been cancelled, such amount representing the loss to the Fund or Class incurred in connection with the cancellation of the redemption application.

The relevant Investment Manager will be responsible for all legal, procedural, stock exchange related and service provider costs incurred in respect of the de-listing, redemption process and termination of a Fund or Class.

#### *Procedure to be followed for Non-ETF Shares*

- 9.8 A notification shall be sent to each Shareholder of Non-ETF Shares of the relevant Fund or Class specifying the proposed timetable for the closure including (i) the final Dealing Day for subscriptions and redemptions of Non-ETF Shares directly with the ICAV after which all such dealing will be permanently suspended (the "**Final Dealing Day**"), (ii) the date by reference to which all Non-ETF Shares of the Fund or Class which remain in issue shall be compulsorily redeemed (the "**Compulsory Redemption Date**") and (iii) an indicative date on which the Directors propose to distribute the liquidated proceeds from the compulsory redemption of the Non-ETF Shares to the relevant Shareholders (the "**Indicative Settlement Date**");
- 9.9 Notice of the permanent suspension of dealing and the termination of the Fund or Class shall be communicated to the Central Bank and, to the extent required by the law or practices of the country concerned, to any other competent authority in a Member State or other country in which the Non-ETF Shares are registered for marketing. Such notice shall also be published in such publication(s) as the Directors may determine and, in any event, shall be communicated through the media by which Non-ETF Share prices are published;
- 9.10 Dealing in the Fund or Class shall be permanently suspended with effect from the Business Day following the Final Dealing Day;
- 9.11 All Non-ETF Shares which remain in issue following the Final Dealing Day shall be compulsorily redeemed on the Compulsory Redemption Date;
- 9.12 Following the Compulsory Redemption Date, the relevant Investment Manager and the Administrator shall take the necessary steps to liquidate the Investments attributable to the relevant Fund or Class for the purposes of determining the final Net Asset Value per Share of the relevant Fund or Class;

- 9.13 Once the final Net Asset Value per Share of the relevant Fund or Class has been determined by the Administrator, the proceeds of the compulsory redemption of Shares shall be distributed by the Administrator to the registrar who will in turn distribute the proceeds to the Shareholders (in accordance with the remittance instructions on file for each holder of Non-ETF Shares).

The Directors can give no assurance that the distribution of the proceeds from the compulsory redemption of the Non-ETF Shares will take place on the Indicative Settlement Date. The Indicative Settlement Date will be notified to Shareholders of Non-ETF Shares for indicative purposes only, as the liquidation of the Investments attributable to the Fund or Class following the Compulsory Redemption Date can be affected by various factors including delays in the settlement of transactions and repatriation of cash.

The relevant Investment Manager will be responsible for all legal, procedural and service provider costs incurred in respect of the redemption process and termination of a Fund or Class.

### **Transfers of Shares**

Transfers of Shares must be effected by transfer in writing in any usual or common form or in any other form approved by the Directors from time to time. 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 may decline to register any transfer of Shares unless the original 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. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed an Application Form and provided the necessary anti-money laundering documentation to the satisfaction of the Administrator. The Directors are not obliged to register the transfer of Shares in the ICAV. The ICAV shall give the transferee written notice of any refusal to register a transfer of Shares, provided that the ICAV is not required to give notice of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of applicable law.

Shares are freely transferable except that the Directors may decline to register a transfer of Shares (a) if the transfer is in breach of US securities laws; (b) if in the opinion of the Directors the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative disadvantage to the ICAV or the Shareholders; (c) in the absence of satisfactory evidence of the transferee's identity; (d) the proposed transfer would result in a contravention of any provision of the Instrument or would produce a result inconsistent with any provision of the Prospectus; (e) 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; or (f) if the person to whom shares are to be transferred is prohibited from holding shares in the ICAV for any reason; or (g) where the Directors believe, in their discretion, that it is in the best interests of the ICAV or the Shareholders to do so. 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 in respect of the 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".

### **Exchange of Shares**

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class in any Fund (the "**Original Class**") for Shares in another Class (the "**New Class**") (such Class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares

in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The ICAV may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges save in relation to charges payable details of which are set out below and in the relevant Supplement.

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

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

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

where:

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

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

**RP** = redemption price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;

**ER** = in the case of an exchange of Shares designated in the same Base Currency is 1.

In any other case, it is the currency conversion factor determined by the Administrator at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

**F** = the Exchange Charge (if any) payable on the exchange of Shares; and

**SP** = Subscription Price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

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

The Directors may deduct a charge on an exchange of Shares which the Investment Manager considers represents an appropriate figure to cover, inter alia, dealing costs, stamp duties, market impact and to preserve the value of the underlying assets of the Fund when there are net subscriptions and redemptions. Any such charge will be retained for the benefit of the relevant Fund the Directors reserve the right to waive such charge at any time.

The Directors may impose an exchange charge of up to 3% of the redemption proceeds of the Shares being exchanged payable as the Directors, in their discretion determine.

## **Limitations On Exchanges**

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

## **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value has been suspended in the circumstances described under the heading "Temporary Suspension of Net Asset Value", the Net Asset Value per Share for each Dealing Day shall, on the following Business Day, be notified by the Administrator without delay to the Deutsche Börse Xetra and all other Relevant Stock Exchanges and made available at the registered office of the Administrator and published on [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com). Dealing prices posted on the internet must be up-to-date. Such information is for informational purposes only and is not an invitation to subscribe for, redeem or convert Shares at the published Net Asset Value.

## **Publication of a Fund's Investments**

A list of the Investments held by each Fund will, on a daily basis, be made available on the relevant product page for such Fund at [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com) or where otherwise indicated in respect of a particular Fund in the relevant Supplement.

## **Portfolio Composition File**

The ICAV publishes a Portfolio Composition File for each Class of ETF Shares for each Dealing Day providing an indication of the Investments and Cash Component required for trading in a particular Class. Whilst a Portfolio Composition File is produced for each Class, for the avoidance of doubt, all Investments are held at the Fund level. For a Hedged Class in a Fund, the derivatives used to implement the currency-hedging strategy shall be assets or liabilities of the Fund as a whole but the gains or losses thereon and any costs associated with such derivatives will be attributed to the relevant Hedged Class and reflected in the Portfolio Composition File for the relevant Hedged Class. The Portfolio Composition File for each Class of ETF Shares for each Dealing Day will be available upon request by Authorised Participants from the Administrator and will be published via one or more market data suppliers. The Portfolio Composition File sets out the Cash Component to be delivered (a) by Authorised Participants to the ICAV in the case of in kind subscriptions; or (b) by the ICAV to the Authorised Participants in the case of in kind redemptions.

The Portfolio Composition File is prepared by third parties contracted by the ICAV and the Manager. The provider of the Portfolio Composition File, the ICAV and the Manager do not make any representation or warranty (regardless of which formats the Portfolio Composition File is provided to Authorised Participants or Investors) as to the accuracy of the Portfolio Composition File and shall not be liable for any damages resulting from the use of such information or any error in the information comprised within the Portfolio Composition File.

## TAXATION

**The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

The following summary is based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position at the time of an investment in the ICAV will not change.

As Shareholders are no doubt aware, 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.

### **Ireland**

#### *The ICAV*

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. The ICAV shall be regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland and the ICAV is not regarded as resident elsewhere. It is intended that the Directors of the ICAV will conduct the affairs of the ICAV in a manner that will ensure that it is resident in Ireland for tax purposes.

Tax may arise for the ICAV on the happening of a “chargeable event” in the ICAV (“appropriate tax”). A chargeable event includes:

1. any payments to a Shareholder by the ICAV in respect of their Shares;
2. any appropriation or cancellation of Shares for the purposes of meeting the amount of appropriate tax payable on any gain arising by virtue of a transfer of any Shares;
3. any repurchase, redemption, cancellation or transfer of Shares; and
4. any deemed disposal by a Shareholder of their Shares at the end of a “relevant period” (a “deemed disposal”).

A “relevant period” means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

There are also certain express exclusions from the meaning of chargeable event. A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm’s length by the ICAV, of the Shares in the ICAV for other Shares in the ICAV;
2. any transaction in relation to, or in respect of, Shares which are held in a Recognised Clearing System;

3. certain transfers of Shares between spouses/civil partners and former spouses/civil partners;
4. any exchange of Shares arising on a scheme of reconstruction or amalgamation (within the meaning of Section 739H TCA) of the ICAV, subject to certain conditions; or
5. an exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) TCA), subject to certain conditions.

On the happening of a chargeable event the ICAV will deduct the appropriate tax on any payment made to the Shareholder in respect of the chargeable event. On the occurrence of a chargeable event where no payment is made, 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 Residents who are not Exempt Irish Investors (as defined below) is less than 10% of the value of the total Shares in the ICAV (or Fund, as applicable), and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for such Shareholder and has advised the Shareholder concerned in writing, the ICAV will not be obliged to deduct appropriate tax. The Shareholder must instead pay tax on the deemed disposal on a self-assessment basis. To the extent that any tax arises on a deemed disposal, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event in respect of the relevant Shares. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No Irish tax will arise on the happening of a chargeable event in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Irish Investor provided in each case that the Relevant Declaration has been provided to the ICAV by the Shareholder.

Income and capital gains in respect of assets of the ICAV situated in countries other than Ireland may be subject to taxes including withholding taxes, imposed by such countries. The ICAV may not be able to avail of an exemption from, or reduced rate of, withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The ICAV may not therefore be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of an exemption or lower rate results in a repayment to the ICAV, the Net Asset Value of the ICAV or a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## **Taxation of Shareholders**

### **1. Non-Irish Residents**

Non-Irish Resident Shareholders will not generally be chargeable to Irish income tax or capital gains tax in respect of their Shares.

No tax will be deducted by the ICAV provided that either:

- (a) the ICAV is in possession of a signed and completed Relevant Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the ICAV is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is



deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn.

If the ICAV is not in possession of a Relevant Declaration or a written notice of approval, or the ICAV is in possession of information which would reasonably suggest that the information contained in 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 Shareholders. The tax deducted will generally not be refunded.

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

Intermediaries acting on behalf of non-Irish Resident Shareholders can make a Relevant Declaration on behalf of the Shareholders for whom they are acting provided that the ICAV is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not or is no longer materially correct. The Intermediary must state in the Relevant Declaration that to the best of its knowledge and belief the Shareholders on whose behalf it acts are not Irish Resident.

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

## 2. Taxable Irish Residents

The following section describes the Irish tax treatment of Shareholders who are Irish Residents.

### (a) *Deductions by the ICAV*

An Irish Resident Shareholder who is not an Exempt Irish Investor will have appropriate tax deducted at the rate of 41% in respect of any distributions made by the ICAV and on any gain arising on a sale, transfer, deemed disposal (subject on election by the ICAV to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules. The ICAV will be entitled to deduct such appropriate tax from payments or, where no payment is made on the occurrence of a chargeable event, appropriate and cancel such number of Shares as are required to meet the appropriate tax in respect of the relevant Shareholder and will pay the appropriate tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish resident company which is not an Exempt Irish Investor and the ICAV is in possession of a declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on a sale, transfer, deemed disposal redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

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

(b) *Residual tax Liability*

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

Where an Irish Resident Shareholder is not a company and appropriate tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for Irish income tax at the rate of 41% on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

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

Where an Irish Resident Shareholder is a company which is not an Exempt Irish Investor (and has therefore had appropriate tax deducted), 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 appropriate tax deducted 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 redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of appropriate tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

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

taxable as trading income for the company, it will be chargeable to tax under Schedule D Case I.

Should an excess payment of appropriate tax arise on the occurrence of a Chargeable Event as a result of tax paid on an earlier deemed disposal in respect of the Shareholder, the ICAV, on notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided if immediately before the chargeable event the value of Shares held by Irish Residents who are not Exempt Irish Investors does not exceed 15% of the value of the total Shares in the ICAV. Instead, the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a deemed disposal for the making of an irrevocable election by the ICAV to value the Shares in respect of all Shareholders at the later of 30 June or 31 December immediately prior to the date of the deemed disposal, rather than on the date of the deemed disposal.

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

(c) *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and, in the case of individual Shareholders, date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

- (i) Exempt Irish Investors (provided a Relevant Declaration has been made);
- (ii) Non-Irish Resident Shareholders (provided a Relevant Declaration has been made); or
- (iii) Shareholders whose Shares are held in a Recognised Clearing System.

3. Exempt Irish Investors

(a) *Deductions by the ICAV*

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

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

(b) *Residual tax Liability*

Exempt Irish 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.

**Other Taxes**

*Personal Portfolio Investment Undertaking*

An investment undertaking such as the ICAV will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific Irish Resident Shareholder where that Shareholder is an individual and the Shareholder or certain persons connected with the Shareholder can select or influence the selection of some or all of the property of the undertaking. The appropriate tax deducted on the happening of a Chargeable Event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the only property which may be or has been selected was acquired on arm's length terms as part of a general offering to the public.

*Currency Gains*

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

*Stamp Duty*

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

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B TCA or a qualifying company within the meaning of Section 110 TCA) which is registered in Ireland.

*Capital Acquisitions Tax*

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B TCA any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT"), currently at the rate of 33%, and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if (i) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant valuation date; (ii) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and (iii) at the date of the gift, or at the date of the inheritance, the donee or successor is neither domiciled nor ordinarily resident in Ireland.

**Automatic Exchange of Information**

Irish reporting financial institutions, such as the ICAV, have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

Shareholders can obtain more information on the ICAV's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at: <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

### *FATCA*

The ICAV is required to comply with the US reporting and withholding requirements "Foreign Account Tax Compliance Act" provisions ("FATCA"), and the Intergovernmental Agreement ("IGA") entered into by Ireland and the US in this context.

The IGA provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by US persons and the reciprocal exchange of information regarding US 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 US 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 and/or US withholding tax of 30% on withholdable payments and/or other monetary penalties.

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

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

### *Common Reporting Standard*

The Common Reporting Standard ("CRS") is a global OECD tax information exchange initiative aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations. The main objective of the CRS is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions. Ireland has provided for the implementation of CRS through Sections 891C and 891G of the TCA and the enactment of the CRS Regulations.

Accordingly, the ICAV is required to collect and provide certain information to the Irish Revenue Commissioners about tax arrangements of Shareholders (and, in particular situations, in relation to relevant Controlling Persons of such Shareholders). 'Controlling Persons' for these purposes generally means the natural persons who exercise control over an entity. The ICAV, or a person appointed by the ICAV, will request and obtain the relevant information required under CRS from its Shareholders or beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Irish Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Irish Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

## **Irish Tax Definitions**

### *Exempt Irish Investor*

An Exempt Irish Investor means any of the following Irish Residents: (i) the Management Company or Investment Manager, for so long as the Management Company or Investment Manager is a qualifying management company as referred to in Section 739B TCA; (ii) a company carrying on life business within the meaning of Section 706 TCA; (iii) a pension scheme as referred to in Section 739B TCA; (iv) any other investment undertaking as referred to in Section 739B TCA or an investment limited partnership within the meaning of Section 739J TCA; (v) a special investment scheme as referred to in Section 739B TCA; (vi) a unit trust of a type referred to in Section 739D(6)(e) TCA; (vii) a person who is exempt from income tax or corporation tax by virtue of Section 207(1)(b) TCA; (viii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA in circumstances where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (ix) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 784A(2) TCA or 848E TCA in circumstances where the Shares held are assets of an approved retirement fund, an approved minimum retirement fund or a special savings incentive account; (x) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I TCA in circumstances where the Shares held are assets of a PRSA; (xi) a credit union with the meaning of Section 739B TCA; (xii) the Courts Service within the meaning of Section 739B TCA; (xiii) the National Treasury Management Agency or a Fund investment vehicle or the Irish State acting through the National Treasury Management Agency as referred to in Section 739D(kb) TCA; (xiv) the National Asset Management Agency; (xv) a company that is or will be within the charge to corporation tax in accordance with Section 110(2) TCA; (xvi) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund; (xvii) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787AC TCA and the units held are assets of a Pan-European Pension Product ("PEPP"), or (xviii) any other person resident in Ireland who is permitted to own Shares under Irish taxation legislation or by practice or concession of the Irish Revenue Commissioners without requiring the ICAV to deduct appropriate tax in respect of any payment to a Shareholder or the transfer by a Shareholder of any Shares, and in each case in respect of whom the ICAV is in possession of a Relevant Declaration, as applicable.

### *Intermediary*

An 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.

### *Recognised Clearing System*

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

### *Residence – Company*

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.

These rules are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any Relevant Declaration given to the ICAV.

#### *Residence – Individual*

The normal rule is an individual will be regarded as being resident in Ireland for a tax year if that individual:

1. spends 183 days or more in Ireland in that tax year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding year.

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

#### *Ordinary Residence – Individual*

The Irish tax year operates on the calendar year basis. The term “ordinary residence” (as distinct from ‘residence’) denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident in Ireland. For example, an individual who is resident and ordinarily resident in Ireland in 2023 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the year in 2026.

#### *TCA*

Means the Taxes Consolidation Act 1997 of Ireland, as amended.

#### **The German Investment Tax Act ("GITA"):**

The information given in this section is a high-level summary of certain aspects of the German taxation system, based on the law and official guidance currently available and subject to change. The information is not intended to be exhaustive and does not constitute legal or tax advice.

With effect from 1 January 2018 GITA applies to taxation at fund level as well as to taxation at investor level. A "partial tax exemption" provides investors (i.e., Investors) with a tiered rate of German tax relief relating to taxable income derived from German or foreign funds (such as the ICAV). The scope of relief depends on both the investor category as well as the category of the fund. Any investment income (distributions, pre-determined tax bases and capital gains from the disposal of investment fund units) can generally be subject to a partial exemption provided that the respective investment fund qualifies as equity fund, mixed fund or real estate fund.

#### According to sec. 2 para 8 GITA

Equity funds are investment funds that invest continuously at least 51% of their value in equity participations according to their constitutive documents. Equity investments are admitted to official trading on a stock exchange or shares quoted on an organised market at a corporation. The partial exemption

amounts to 30% for Investors who are private individuals. For individuals holding the investment fund units as part of their business assets, the partial exemption increases to 60%. For corporate investors, 80% of the investment proceeds are tax-free.

Where the ICAV seeks to maintain "equity fund" status for any Fund pursuant to Section 2 para. 6 and 7 of the German Investment Tax Act 2018, this will be specified in the relevant Supplement.

According to sec. 2 para 8 GITA

Mixed funds are investment funds that invest continuously at least 25% of their value in equity participations according to their constitutive documents. In this case, half of the partial exemption rates applicable to equity funds is available.

Real estate funds are investment funds that invest continuously at least 51% of their value in real estate and real estate companies according to their constitutive documents. The partial exemption rate amounts to 60%. If the relevant investments are made in non-German real estate and non-German real estate companies, the partial exemption rate increases to 80%.

The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in the ICAV. Due to the fact that the legal situation and/or the opinion of the German fiscal authorities might change, possibly with retrospective effect, between the publication of this Prospectus and any investment decision taken by a German tax resident investor, it is for the German investor to consider the financial consequences of such changes to an investment into a Fund and to consult, if necessary, a qualified tax professional. This information is not exhaustive and does not constitute legal or tax advice.



## **GENERAL**

### **THE SHARE CAPITAL**

The minimum authorised share capital of the ICAV is €2.00 (two euro) represented by 2 (two) Subscriber Shares of no par value issued at €1.00 (one euro) each. The maximum authorised share capital of the ICAV, as may be amended by the Directors from time to time and notified to Shareholders, is 500,000,000,002 Shares of no par value represented by 2 (two) Subscriber Shares of no par value and 500,000,000,000 (five hundred billion) Shares of no par value, initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value designated as Shares of any Class on such items as they think fit.

The 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. The Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the ICAV. There are no pre-emption rights attaching to the Shares.

### **VARIATION OF SHAREHOLDER RIGHTS**

The rights attached to each Class (and for these purposes, reference to any Class shall include reference to any Class) 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 the Shares of that Class. The provisions of the Instrument in relation to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares representing one tenth of the Shares in issue of the Class in question present in person or by proxy may demand a poll. The rights attaching to any Class shall not be deemed to be varied by the creation or issue of further Shares of that Class ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares.

### **MEETINGS AND VOTES OF SHAREHOLDERS**

All general meetings of the ICAV or any Fund shall be held in Ireland. At least fourteen calendar days' notice (or such shorter time as may be agreed with the Shareholders from time to time) shall be given to Shareholders. The notice shall specify the place, the day and the hour of the meeting, and the general nature of the business of the meeting. A proxy may attend on behalf of any Shareholder.

#### *Notice of Election to Dispense with Annual General Meetings*

The Directors have elected, pursuant to section 89(4) of the ICAV Act, to dispense with the holding of annual general meetings of the ICAV. This election is effective since 2020 and subsequent years. However, pursuant to section 89(6) of the ICAV Act: (i) one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV; or (ii) the auditor of the ICAV, may require the ICAV to hold an annual general meeting in any year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year.

Only persons entered in the ICAV's register of Shareholders (i.e., registered holders of Shares and Subscriber Shares) are entitled to vote at meetings of the ICAV.

Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depositories

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

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

Procedures at General Meetings

The holders of the Subscriber Shares shall, on a poll be entitled to one vote per Subscriber Share, shall not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares, and shall, in the event of a winding up or dissolution of the ICAV, be entitled (after payment to the holders of the Shares of a sum equal to the Net Asset Value of the Shares as at the date of commencement to wind up) to payment in respect of the nominal amount paid up thereon out of the assets of the ICAV.

The Shareholders shall on a poll be entitled to one vote per Share, shall be entitled to such dividends as the Directors may from time to time declare and, in the event of a winding up or dissolution of the ICAV, be entitled, in priority to the holders of the Subscriber Shares, firstly to an amount equal to the Net Asset Value of the Class held at the date of winding up and, after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon, to participate in surplus assets of the ICAV (if any).

Subject to the provisions of the Instrument and any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy shall have one vote. To be passed, resolutions of the ICAV in general meeting will require a simple majority of the votes cast by the Shareholders at the meeting at which the resolution is proposed. A majority of not less than 75% of the Shareholders present and (being entitled to vote) voting in general meetings is required in order to (i) amend the Instrument and (ii) wind up the ICAV.

The rights attached to any Class may be varied or abrogated with the consent in writing of Shareholders holding 75% of the issued and outstanding Shares of that Class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class in accordance with the Instrument.

The quorum for any general meeting convened to consider any alteration to the Class rights of the Shares shall be such number of Shareholders being one or more persons whose holdings comprise one-third of the Shares. The quorum for meetings other than a meeting to consider changes in Class rights shall be

one person present in person or by proxy. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the ICAV. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Instrument provides that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. On a show of hands a Shareholder present at a meeting is entitled to one vote. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the ICAV which are submitted to Shareholders for a vote by poll.

## **INSTRUMENT**

The sole object of the ICAV is as set out in the Instrument. The ICAV may take any measure and carry out any operations which it may deem useful or necessary to the accomplishment and development of its purpose to the fullest extent permitted by the Regulations.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument of the ICAV, copies of which are available as described under the section entitled "General – Documents for Inspection".

## **CONFLICTS OF INTEREST**

The Management Company, the relevant Investment Manager, any sub-investment manager, any Investment Adviser, each of the Directors, the Administrator, the Depositary and/or their respective affiliates or any person connected with them may from time to time act as manager, investment manager, sub-investment manager, depositary, sub-custodian, registrar, broker, execution broker, director, administrator, investment adviser, dealer, service provider, distributor or sales agent ("**Connected Person**") in relation to, or be otherwise involved in, other investment funds and other vehicles (which may invest, either directly or indirectly, in any Fund) which may have similar or different objectives to those of any Fund. It is, therefore, possible that any of the foregoing may, in the course of business, have potential conflicts of interest with any Fund. Each will, at all times, have regard in such event to its obligations to the Funds, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly. Each will at all times have regard in such event to its obligations under the Instrument and/or any agreements to which it is party or by which it is bound in relation to the ICAV and, in particular, but without limitation to their 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. Where deemed appropriate by the Directors and approved for such purpose by the Depositary, a valuation committee of the Management Company and/or the relevant Investment Manager may be established to value unlisted, illiquid or infrequently traded securities. In the regard, the Directors may accept the valuation of the valuation committee and investors should be aware that in these circumstances, a possible conflict of interest may arise, as the higher estimated value of the unlisted securities the higher the fees payable to the Management Company and/or the relevant Investment Manager.

There is no prohibition on dealing in assets of the Funds by a Connected Person provided that such transactions are carried out as if negotiated at arm's length and in the best interests of the Shareholders.

All transactions between the ICAV and a Connected Person must be conducted at arm's length and in the best interests of the Shareholders.

The ICAV will not enter into a transaction with a Connected Person unless at least one of the following conditions is complied with:

1. the value of the transaction is certified by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent; or
2. the transaction has been executed on best terms on an organised investment exchange under its rules; or
3. the transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the requirement to be conducted at arm's length and in the best interests of the Shareholders.

The Depositary or the Directors, in case of transactions involving the Depositary must document how it complied with 1, 2 or 3 above. Where transactions are conducted in accordance with paragraph 3, the Depositary or the ICAV in the case of transactions involving the Depositary, must document the rationale for being satisfied that the transaction conformed to the principles outlined here.

Subject to applicable law and the Central Bank's requirements, employees or officers of, or their affiliates may directly or indirectly acquire Shares. Any acquisition or divestment of Shares by such individuals shall be on the terms applicable to all Shareholders and in satisfaction of professional requirements.

### **Soft Commissions**

In selecting brokers to make purchases and sales for a Fund, the Management Company and/or the relevant Investment Manager will choose those brokers who provide best execution to that Fund. Best execution will be the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions. In determining what constitutes best execution, the Management Company and/or the relevant Investment Manager may take into consideration the overall economic result to the Fund (price and commission plus other costs), the efficiency of the transaction, the brokers' ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information, and the financial strength and stability of the broker. In managing the assets of the Fund, the Management Company and/or the relevant Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Management Company and/or the relevant Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to a Fund and/or other accounts for which the Management Company and/or the relevant Investment Manager exercises investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV. The Management Company and/or the relevant Investment Manager will also have regard to the rules and guidance of the Management Company's and/or the Investment Manager's regulator.

In addition, the Administrator may have relationships with providers of technology, data or other services to the ICAV, its Funds, the Management Company and/or the relevant Investment Manager, any sub-investment manager, any investment adviser and the Administrator may receive economic and/or other benefits in connection with the ICAV's, the Management Company's and/or the relevant Investment Manager's activities in respect of one or more Funds, including but not limited to its or their use of technological, communication or other services. Where the technological, communication or other services relate to execution, the providers of the technology, data or other services have agreed to provide best execution to the ICAV, its Funds, the Management Company or the relevant Investment Manager. The benefits provided under any such soft commission arrangement must assist in the provision of investment services to a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the ICAV.

Conflicts of interest may arise in the Depositary's performance of its duties in circumstances outlined above in the section entitled "The Depositary", sub-heading "Conflicts of Interest".

The Management Company and/or the relevant Investment Manager or any other member or any person connected with them may invest in, directly or indirectly, or manage or advise other investment funds, vehicles or accounts which invest in assets which may also be purchased or sold by the ICAV. None of Management Company and/or the relevant Investment Manager, any other member or any person connected with them is under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities at its discretion on an equitable basis between the ICAV and other clients.

Members of the Management Company and/or the relevant Investment Manager will allocate resources as they in their sole discretion consider appropriate in managing the Funds and any other funds in accordance with their respective investment objectives and approaches.

## **DIRECTORS' INTERESTS**

A Director may be a party to, or otherwise interested in, any transaction or arrangement with a Fund or in which a Fund is interested, provided that he has disclosed to the Directors prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein in addition to complying with the requirements of the Central Bank. Unless the Directors determine otherwise, a Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, without having first disclosed such interest. At the date of this Prospectus other than as disclosed below, no Director nor any connected person has any interest, beneficial or non-beneficial, in the share capital of the ICAV or any material interest in the ICAV or in any agreement or arrangement with the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

At the date of this prospectus, the Directors have the following conflicts of interest with the ICAV:

- Kevin Bardon is a director of the ICAV and a director of the Management Company.

The foregoing does not purport to be a complete list of all potential conflicts of interest involved in an investment in the Fund.

By acquiring or continuing to hold Shares, each investor will be deemed to have acknowledged the existence of the actual or potential conflicts of interests described above and to have waived, to the fullest extent permitted by applicable law, any claim with respect to the existence of any such conflicts.

Details of additional conflicts of interest with the ICAV may be set out in the relevant Supplement.

## **REPORTS AND ACCOUNTS**

The ICAV shall cause to be prepared an annual report and audited annual accounts in relation to the ICAV or each Fund for the period ending on the Annual Accounting Date in each year or such other accounting period end date with respect to a Fund as may be specified in the Supplement relating to such Fund.

The first audited annual report in respect of the ICAV (or the initial Fund of the ICAV as applicable) will be prepared for the period ending 31 December 2024 and the first set of unaudited half yearly financial statements of the ICAV (or the initial Fund of the ICAV as applicable) will be prepared for the period ending 30 June 2025.

The audited annual reports in respect of the ICAV (or the Funds of the ICAV as applicable) will be made available to Shareholders within four months of the end of the relevant accounting period end and the unaudited half yearly financial statements of the ICAV (or the Funds of the ICAV as applicable) will be made available to Shareholders within two months of the end of the relevant accounting period.

## **WINDING UP**

The Instrument contains provisions to the following effect:

1. If the ICAV or a Fund shall be wound up the liquidator shall, subject to the provisions of Part 11 of the Companies Act 2014, apply the assets of the ICAV or Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
2. The assets available for distribution among the Shareholders of the ICAV or Fund shall then be applied in the following priority:
  - (a) firstly, in the payment to the holders of the Shares of each Fund or Class of a sum in the currency in which that Fund or Class is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made;
  - (b) secondly, in the payment to the holders of the Subscriber Shares sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds remaining after any recourse thereto under sub paragraph (a) above; and
  - (c) thirdly, in the payment to the holders of each Fund or Class of any balance then remaining, such payment being made in proportion to the number of Shares of that Fund or Class held.
3. If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of a Special Resolution and any other sanction required by Part 11 of the Companies Act 2014, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the member or different classes of Shareholders. If a Shareholder so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no member shall be compelled to accept any assets in respect of which there is a liability.

## **TERMINATION OF THE ICAV, A FUND OR CLASS**

The Instrument contains provisions to the following effect:

1. The ICAV, any Fund or Class may be terminated by the Directors in their absolute discretion, by notice in writing to the Shareholders in any of the following events and as specified by the terms of the Prospectus:
  - (a) if the ICAV shall cease to be authorised by the Central Bank under the Regulations or

- (b) if the Directors reasonably believe that the ICAV is likely to cease to be authorised by the Central Bank having taken legal advice in that regard;
  - (c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Directors, in consultation with the Management Company, impracticable or inadvisable to continue the ICAV or the Fund;
  - (d) all of the Shares of a Fund have been redeemed; or
  - (e) if the Directors in their discretion consider termination of the ICAV or a Fund appropriate.
2. 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 this Section or otherwise.
  3. The Directors shall give notice of a termination of a Fund to the Shareholders in the relevant Fund and by such notice affix 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.
  4. With effect on and from the date as at which any Fund is to terminate or such other date as the Directors may determine:
    - (a) No Shares of the relevant Fund may be issued or sold by the ICAV;
    - (b) the Management Company and/or the relevant Investment Manager shall, on the instructions of the Directors, realise all the Investments then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable); and
  5. The Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders of the relevant Fund in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of Investments of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay €1 or its equivalent in the relevant currency in respect of each Share of the relevant Fund and provided also the Depositary shall be entitled to retain out of any monies in its hands full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

## **MATERIAL CONTRACTS**

The following contracts, which are summarised in the Sections “The Management Company”, “The Administrator” and “The Depositary”, or any such other contract as may be disclosed in the relevant Supplement, have been entered into and are, or may be, material:

1. the Management Agreement;
2. the Administration Agreement; and

3. the Depositary Agreement.

### **ELECTRONIC COMMUNICATION**

The Directors have arranged for electronic communication by the ICAV or any other person on behalf of the ICAV as the case may be of:

1. notices of general meetings;
2. the appointment of a proxy;
3. balance sheet, profit and loss account and group accounts and the Directors' and Auditors' reports;
4. confirmations of subscriptions and redemptions; and
5. the Net Asset Value.

If the Shareholder elects for electronic communication, all communication of notices, accounts, confirmations and Net Asset Value by the ICAV or any other person on behalf of the ICAV will be by way of electronic communication.

Shareholders electing to receive electronic communications will be required to provide the ICAV with their e-mail address. Hard copies of these documents continue to be available.

The ICAV or the Administrator on behalf of the ICAV is required to deliver to the investors of the ICAV certain notices and documents from time to time, such as Net Asset Value statements, notices of meetings and annual audited financial statements. The ICAV, or the Administrator on behalf of the ICAV, may in the future elect to deliver such notices and documents by e-mail to the address in the ICAV's records or by posting them on a password protected website. When delivering documents by e-mail, the ICAV will generally distribute them as attachments to e-mails in Adobe's Portable Document Format (PDF) (Adobe Acrobat Reader software is available free of charge from Adobe's web site at [www.adobe.com](http://www.adobe.com) and the Reader software must correctly be installed on the investor's system before the investor will be able to view documents in PDF format). Investors who do not wish to receive such documents electronically, or who wish to change the method of notice, should elect to do so by notifying the Administrator in writing.

### **DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected and obtained, free of charge, at the registered office of the ICAV at 7th Floor, Block A, One Park Place, Upper Hatch Street, Dublin 2, Ireland, during normal business hours on any Business Day:

1. the material contracts referred to above;
2. the Instrument of the ICAV;
3. the Regulations; and
4. the half-yearly reports, annual reports and audited accounts (if issued).



## APPENDIX I

### AUTHORITY GUIDELINES ON EFFICIENT PORTFOLIO MANAGEMENT

#### Use of FDI and Portfolio Management Techniques

The ICAV will employ an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to financial derivative instrument ("FDI") positions. Each Fund may only employ the FDI techniques provided in the relevant Supplement where full details are shown and described. The ICAV employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with FDI. Efficient portfolio management means investment decisions involving transactions that fulfil the following criteria:

1. they are economically appropriate in that they are realised in a cost-effective way;
2. they are entered into for one or more of the following specific aims:
  - (a) reduction of risk;
  - (b) reduction of cost;
  - (c) generation of additional capital or income for the UCITS with a level of risk which is consistent with the risk profile of the UCITS and the risk diversification rules set out in Central Bank UCITS Regulations;
3. their risks are adequately captured by the risk management process of the UCITS, and
4. they cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the Fund. Only direct operational fees charged by third parties unrelated to the Management Company and/or the relevant Investment Manager will be deducted from any such revenues. Any such direct and indirect operational costs do not include hidden revenue for the Management Company and/or the relevant Investment Manager or parties related to such parties, although fees may be payable to counterparties and/or the Management Company and/or the relevant Investment Manager and/or the Depositary and/or entities related to them in relation to such techniques. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the ICAV, the Management Company and/or the relevant Investment Manager or the Depositary. All revenues from efficient portfolio management techniques, net of direct or indirect operational costs, will be returned to the Fund, if any such techniques are used.

Only where and to the extent specified in the relevant Supplement, each Fund may invest in FDI and/or utilise techniques and instruments for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank. Any proposed investment in FDI is subject to a Risk Management Process document being submitted to, and approved by the Central Bank in advance.

The performance of swaps and contracts for difference which may be used for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks may be strongly influenced by movements in currency rates because a Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated.

A description of some of the techniques and instruments that may be used for efficient portfolio management and/or investment purposes is set out below. This list is not exhaustive. Those FDI techniques which are being utilised by the Fund are set out in the relevant Supplement and the RMP document being submitted to, and approved by the Central Bank in advance.

### **Credit Default Swaps**

A Fund may enter into credit default swap agreements. The buyer in a credit default contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or par value, of the reference obligation in exchange for the reference obligation. A Fund may be either the buyer or seller in a credit default swap transaction. If a Fund is a buyer and no event of default occurs, a Fund will lose its investment and recover nothing. However, if an event of default occurs, a Fund (if the buyer) will receive the full notional value of the reference obligation. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. Credit default swaps may also be used to reduce credit exposure to issuers when liquidity in the cash bond market and large position size make it difficult to sell the securities. A Fund may also buy protection on names the Fund does not own (uncovered credit default swaps).

### **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 a contract for a financial instrument. CFD trading is a convenient instrument for trading shares and other instruments 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 of a CFD. 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 although they may also result in losses, as further detailed in the paragraph below. Therefore, CFDs can be used for hedging purposes as well as for gaining positive exposure to the underlying instruments.

Price movements of CFD are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programmes and policies of governments, and national and international political and economic events and policies. Such intervention is often 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. For more details in relation to potential risks and losses please refer to section entitled “Highly Volatile Markets” under the risk disclosures.

### **Futures and Options Contracts**

A Fund may purchase futures and options contracts for both investment and efficient portfolio management purposes.

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

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

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. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of over-the-counter (OTC) options (options not traded on exchanges) generally are established through negotiation with the other party to the option contract. This type of arrangement allows a Fund greater flexibility to tailor an option to its needs.

An interest rate future is a futures contract with an underlying instrument that pays interest. An interest rate future is a contract between the buyer and seller agreement to the future delivery of an 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.

A currency future contract provides for the future sale by one party and purchase by another party of a specified amount of currency at a specified price, date and time. Entering into a contract to buy currency is commonly referred to as buying or holding a long position in the currency. Entering into a contract to sell currency is commonly referred to as selling or holding a short position in the currency. Futures contracts are considered to be commodity contracts. Futures contracts traded OTC are frequently referred to as forward contracts. A Fund may buy or sell currency futures and forward foreign exchange contracts.

## **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. Forward contracts are similar to futures contract but are generally entered into as an over-the-counter contract rather than on exchange.

## **Swaps**

A Fund may use swap agreements (swaps) of any kind, including such swaps where the swap counterparties agree to exchange the proceeds (including or excluding capital gains/losses) of a reference asset such as a deposit, financial security, money market instrument, units/shares of collective

investment schemes, FDI, financial index or security or index basket against the proceeds of any other such reference asset. 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 over the counter.

Interest rate swaps involve the exchange by a Fund with another party of their respective commitments to make or receive interest payments (e.g. an exchange of fixed rate payments for floating rate payments). On each payment date under an interest rate swap, the net payments owed by each party are paid by one party to the other. Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency. These agreements are used to transform the currency denomination of assets and liabilities. Unlike interest rate swaps, currency swaps must include an exchange of principal at maturity.

Other types of swaps exist, which a Fund may, from time to time, utilise subject to the above conditions.

### **Equity Swaps**

An equity swap contract gives the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. A swap can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security from the other party or a 'short' exposure where the holder is paying the economic benefits of the underlying security to the other party. A Fund may enter into equity swaps to achieve both long and short exposure.

### **Swaptions**

A swaption is an option on a swap. It gives the holder the right but not the obligation to enter into a swap at a specific date in the future, at a particular fixed rate and for a specified term. A Fund may use swaptions for hedging and investment purposes.

### **Total Return Swaps**

Where it is proposed that a Fund enter into a Total Return Swap (or invests in other FDIs with the same characteristics), information on the underlying strategy and composition of the investment portfolio or index will be detailed in the relevant Supplement.

The counterparties to any Total Return Swaps shall be Eligible Counterparties which are subject to an initial and ongoing credit assessment by the Management Company (where so required pursuant to the Central Bank UCITS Regulations) and shall satisfy any OTC counterparty criteria set down by the Central Bank and shall be an entity which specialises in such transactions. The counterparties to any Total Return Swaps will be disclosed in the annual reports of the ICAV.

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. An Investment Manager will seek to minimise counterparty performance risk by only selecting counterparties who are rated investment grade and above and by monitoring any changes in those counterparties' ratings. Additionally, these transactions are only concluded on the basis of standardised framework agreements (ISDA with Credit Support Annex).

The counterparty to any Total Return Swap entered into by a Fund shall not assume any discretion over the composition or management of the investment portfolio of the Fund or of the underlying of the Total

Return Swap and the counterparty's approval will not be required in relation to any investment portfolio transaction relating to that Fund. Any deviation from this principle shall be detailed further in the relevant Supplement.

### **Caps/Floors**

The purchase of a cap entitles the purchaser, to the extent that a specified index exceeds a predetermined value, to receive payments on a notional principal amount from the party selling the cap. The purchase of a floor entitles the purchaser, to the extent that a specified index falls below a predetermined value, to receive payments on a notional principal amount from the party selling the floor. Swap agreements, including caps and floors can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Caps and floors have an effect similar to buying or writing options.

### **Permitted FDIs**

Where specified in a Supplement:

1. Each Fund may invest in FDI provided that the relevant reference items or indices, consist of one or more of the following (noting that FDIs on commodities are excluded):
  - (a) instruments referred to in paragraphs 1(a) to 1(e) of the "Investment Restrictions" section of this Prospectus, deposits, financial indices, interest rates, foreign exchange rates or currencies;
  - (b) the FDI do not expose a Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which a Fund cannot have a direct exposure);
  - (c) the FDI do not cause a Fund to diverge from its investment objectives; and
  - (d) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in Central Bank UCITS Regulations and the Central Bank's guidance on "UCITS Financial Indices" and "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
2. Credit derivatives as permitted in the circumstances outlined in the Central Bank's guidance on "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
3. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State, and included at Appendix II hereto.
4. Notwithstanding paragraph 3, each Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
  - (a) the counterparty is one of:
    - (i) a credit institution authorised in the EEA;
    - (ii) a credit institution authorised within a signatory state, other than a Member.
    - (iii) State of the EEA, to the Basle Capital Convergence Agreement of July 1988;

- (iv) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (v) an investment firm authorised in accordance with MiFID; or
  - (vi) group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;
- (b) in the case of a counterparty which is not a credit institution but was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the relevant Fund in the credit assessment process and where such counterparty is downgraded to A-2 or below (or comparable rating) by that credit rating agency, the Fund shall conduct a new credit assessment of the counterparty without delay;
- (c) in the case of subsequent novation of the OTC derivative contract, the counterparty is one of:
  - (i) the entities set out in paragraph (a) or;
  - (ii) a central counterparty (CCP) authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- (d) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the Regulations, assessed in accordance with subparagraph (e);
- (e) in assessing risk exposure to the counterparty to an OTC derivative for the purpose of Regulation 70(1)(c) of the Regulations: (i) the Management Company shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC derivative with that counterparty; (ii) the Management Company may net derivative positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty; (iii) the Management Company shall take into account of collateral received by the Fund in order to reduce the exposure to the counterparty provided that the collateral meets the requirements of the Central Bank UCITS Regulations;
- (f) a Fund must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. Reliable and verifiable valuation shall be understood as a reference to a valuation, by a Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
  - (i) the basis for the valuation is either a reliable up-to-date market value of the

- (ii) instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;
  - (iii) verification of the valuation is carried out by one of the following:
    - (A) an appropriate third party which is approved by the Depositary as being independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that a Fund is able to check it;
    - (B) a unit within a Fund which is independent from the department in charge of managing the assets and which is adequately equipped for the purpose.
- 5. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide a Fund with collateral in accordance with the requirements of the Central Bank as set out in Central Bank UCITS Regulations. The Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the Regulations are not breached. Collateral received must at all times meet the requirements set out in Central Bank UCITS Regulations. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in UCITS Regulation 70(1)(c). Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
- 6. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or CIS, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.
- 7. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the Central Bank UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a standalone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has significant impact on the risk profile and pricing of the transferable security or money market instrument.
- 8. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.

9. The ICAV may employ the Commitment Approach or the VAR approach to measure its Global Exposure. The method used to calculate Global Exposure for each Fund is set out in the relevant Supplement. The Global Exposure of any Fund will not exceed its total Net Asset Value at any time.

### **Cover requirements**

A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

1. in the case of FDI which automatically, or at the discretion of a Fund, are cash settled a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
2. in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the relevant Fund. Alternatively, a Fund may cover the exposure with sufficient liquid assets where:
  - (a) the underlying assets consists of highly liquid fixed income securities; and/or
  - (b) a Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in the paragraph entitled "Risk Management" below, and details are provided in the Prospectus.

### **Risk Management**

1. Each Fund must employ a RMP to monitor, measure and manage the risks attached to FDI positions.
2. Each Fund must provide the Central Bank with details of its proposed RMP with details of its FDI activity. The initial filing is required to include information in relation to:
  - (a) permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
  - (b) details of the underlying risks; and
  - (c) relevant quantitative limits and how these will be monitored and enforced;
  - (d) methods for estimating risks.
3. Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
4. Each Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 2 above, must be submitted with the annual report of the ICAV. A Fund must, at the request of the Central Bank, provide this report at any time.
5. The ICAV will, on request, provide supplementary information to shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.



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

1. Where set out in the relevant Supplement only, the Fund may enter into repurchase/reverse repurchase agreements, (“repo contracts”) and securities lending subject to and in accordance with the conditions and limits set out in the Central Bank UCITS Regulations for the purposes of Efficient Portfolio Management. Repo contracts are transactions in which a Fund sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price. The repurchase price is usually greater than the original sale price, the difference effectively representing interest, sometimes called the repo rate. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.
2. All assets received in the context of efficient portfolio management techniques and instruments or OTC FDI transactions should be considered as collateral and should comply with the following criteria:
  - (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a Recognised Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of UCITS Regulation 74.
  - (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
  - (c) Issuer credit quality: Collateral received should be high quality. Where the issuer is subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority, that rating shall be taken into account by the ICAV in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in the preceding sentence, this shall result in a new credit assessment being conducted of the issuer by the ICAV without delay.
  - (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
  - (e) Diversification (asset concentration): Diversification (asset concentration): (i) Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer and (ii) a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Fund’s net value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, this will be disclosed in the relevant Appendix in the Prospectus with respect to that Fund. The Appendix with respect to a Fund should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which the Fund is able to accept as collateral for more than 20 per cent of its net asset value.

- (f) Immediately available: Collateral received should be capable of being fully enforced at any time without reference to or approval from the counterparty.
- 3. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.
- 4. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third-party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- 5. Non-cash collateral cannot be sold, pledged or re-invested.
- 6. Cash collateral may not be invested other than in the following:
  - (a) deposits with relevant institutions; (aa) high-quality government bonds;
  - (b) 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;
  - (c) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity. 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 the section of the Prospectus entitled “Re- investment of Cash Collateral Risk” for more details.

- 7. A Fund receiving collateral for at least 30% of 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 assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
- 8. A clear haircut policy will be adopted for each class of assets received as collateral. When devising the haircut policy, the Fund will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 7. This policy will be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.
- 9. Where a counterparty to a repurchase or securities lending agreement which has been entered into by the Management Company on behalf of a Fund:

- (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Fund in the credit assessment process;
  - (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 9 this shall result in a new credit assessment being conducted of the counterparty by the Management Company without delay.
- 10. A Fund that enters into a reverse repurchase agreement will be 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 callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the Net Asset Value.
  - 11. A Fund that enters into a repurchase agreement will 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 should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
  - 12. A Fund that enters into a securities lending agreement will ensure that it is at all times able to recall any security that has been lend out or to terminate any securities lending agreement to which it is a party.
  - 13. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of UCITS Regulation 103 and UCITS Regulation 111 respectively.
  - 14. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund.

## **Global Exposure and Leverage**

### **Commitment Approach**

Unless otherwise set out in the relevant Supplement, a Fund will employ the Commitment Approach where required. In such circumstances, the Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Fund and will be measured using the Commitment Approach. The Commitment Approach methodology aggregates the underlying market or notional values of FDIs to determine the degree of global exposure of a Fund to FDIs.

### **VaR Approach**

There are two types of VaR measure which can be used to monitor and manage the Global Exposure of a Fund: "Relative VaR" and "Absolute VaR".

Relative VaR is the VaR of a Fund divided by the VaR of an appropriate benchmark or reference portfolio allowing the global exposure of a Fund to be compared to, and limited by reference to, the global exposure of the appropriate benchmark or reference index. The UCITS Regulations specify that the VaR of the Fund must not exceed twice the VaR of the benchmark or reference index.

Absolute VaR is commonly used as the relevant VaR measure for absolute return style funds where a benchmark or reference portfolio is not appropriate for risk measurement purposes. In accordance with the requirements of the Central Bank and unless otherwise set out in the relevant Supplement, each Fund

using an absolute VaR model is subject to an absolute VaR limit of 20% of the Fund's NAV, based on a 20 day holding period and a "one tailed" 99% confidence interval. However, each of these Funds may from time to time experience a change in NAV over a 20 day holding period greater than 20% of NAV.

The calculation of the expected level of leverage of a Fund under the VaR approach may be supplemented with leverage calculated on the basis of the Commitment Approach.

The creation of leveraged exposure to an index via FDI, or the inclusion of a leverage feature in an index, shall be taken into account in assessing compliance with the Prospectus disclosure requirements of Regulation 56(4) of the Central Bank UCITS Regulations.

Investors should note that VaR is a risk measurement tool that makes certain assumptions, which could prove wrong, and has inherent limitations. Funds using VaR may still have substantial losses.

## APPENDIX II

### MARKETS

The markets and exchanges are listed in accordance with the requirements of the Central Bank which does not issue a list of approved markets and exchanges. With the exception of permitted investments in unlisted securities, the ICAV will only invest in securities traded on a stock exchange or market which the Directors consider as meeting with the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which are listed in the Prospectus. The Central Bank does not issue a list of approved stock exchanges or markets. The stock exchange and/or markets will be drawn from the following list:

1. any stock exchange which is:

- (a) located in any Member State; or
- (b) located in any of the following countries:

Australia

Canada

Japan

New Zealand

Norway

Switzerland

United Kingdom

United States of America; or

2. any stock exchange included in the following list:

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electronico S.A
Brazil	Bolsa De Valores De Sao Paulo
Chile	La Bolsa Electronica De Chile
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa de Valparaiso
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Egypt	Egyptian Exchange

Hong Kong	Stock Exchange of Hong Kong Ltd
Hong Kong	Hong Kong Futures Exchange
India	National Stock Exchange of India
India	Bombay Stock Exchange
Indonesia	Indonesia Stock Exchange
Korea	Republic of Korea Exchange
Malaysia	Bursa Malaysia Securities Berhad
Malaysia	Bursa Malaysia Derivatives Berhad
Mexico	Bolsa Mexicana De Valores (Mexican Stock Exchange)
Mexico	Mercado Mexicano de Derivados
Peru	Bolsa De Valores De Lima
Philippines	Philippines Stock Exchange, Inc.
Singapore	Singapore Exchange
Singapore	CATALIST
South Africa	JSE Securities Exchange
South Africa	South African Futures Exchange
Taiwan	GreTai Securities Market
Taiwan	Taiwan Stock Exchange
Taiwan	Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange

3. any of the following:

(a) the market organised by the International Capital Market Association;

- (b) the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Markets in Sterling, Foreign Exchange and Bullion” dated April 1988 (as amended from time to time);
- (c) a market comprising dealers which are regulated by the Federal Reserve Bank of New York and the United States Securities and Exchange Commission;
- (d) a market comprising dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission;
- (e) NASDAQ;
- (f) The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- (g) The French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments); and
- (h) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

### **Financial Derivative Instruments**

In the case of an investment in financial derivative instrument, in any derivative market approved in a member state of the European Economic Area, the United Kingdom, and the following exchanges or markets:

American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Mercantile Exchange, Twin Cities Board of Trade.

For the purposes only of determining the value of the assets of a Fund, the term “**Recognised Market**” shall be deemed to include, in relation to any derivatives contract used, any market or exchange on which such contract may be acquired or sold which is referred to in (i)(a) or (iii) hereof or which is in the European Economic Area or the United Kingdom, is regulated, recognised, operates regularly and is open to the public.

## APPENDIX III

### List of sub-custodial agents appointed by the Depositary

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

Country/Market	Sub-Custodian
Argentina	HSBC Bank Argentina S.A.
Australia	JPMorgan Chase Bank, N.A. - Sydney Branch
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (Bahrain Branch)
Bangladesh	Standard Chartered Bank (Bangladesh Branch)
Belgium	BNP Paribas SA
Bermuda	HSBC Bank Bermuda Limited
Botswana	Standard Chartered Bank Botswana Limited
Brazil	J.P. Morgan S.A. Distribuidora de Titulos e Valores Mobiliarios*
Bulgaria	Citibank Europe plc, Bulgaria Branch
Canada	Royal Bank of Canada  CIBC Mellon Trust Company
Chile	Banco Santander Chile
China A-Share	HSBC Bank (China) Company Limited
China B-Share	HSBC Bank (China) Company Limited
China Connect	JPMorgan Chase Bank, N.A. - Hong Kong Branch
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna banka Zagreb d.d.
Cyprus	BNP Paribas S.A. Athens Branch
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Direct participant of the CSD
Egypt	Citibank N.A., Egypt
Estonia	Clearstream Banking S.A.
Finland	Skandinaviska Enskilda Banken AB (publ) Helsingforsfilialen
France	BNP Paribas SA
Georgia	JSC Bank of Georgia
Germany	Deutsche Bank AG



Ghana	Standard Chartered Bank Ghana PLC
Greece	BNP Paribas S.A. Athens Branch
Hong Kong	JPMorgan Chase Bank, N.A. - Hong Kong Branch
Hungary	Deutsche Bank AG - Hungary Branch
Iceland	Islandsbanki hf.
India	JPMorgan Chase Bank, N.A. - Mumbai Branch
Indonesia	PT Bank HSBC Indonesia
Ireland	Direct participant of the CSD
Israel	Bank Leumi le-Israel B.M.
Italy	BNP Paribas SA - Succursale Italia
Japan	MUFG Bank, Ltd.
Jordan	Bank of Jordan PLC
Kazakhstan	Citibank Kazakhstan Joint Stock Company
Kenya	Standard Chartered Bank Kenya Limited
Kuwait	HSBC Bank Middle East Limited (Kuwait Branch)
Latvia	Clearstream Banking S.A.
Lithuania	Clearstream Banking S.A.
Luxembourg	Clearstream Banking S.A.
Malawi	Standard Bank PLC
Malaysia	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited – Mauritius Branch
Mexico	Banco Nacional De Mexico, S.A. Integrante Del Grupo Financiero Banamex
Morocco	Société Générale Marocaine de Banques
Namibia	Standard Bank Namibia Limited
Netherlands	BNP Paribas SA
New Zealand	JPMorgan Chase Bank, N.A. - New Zealand Branch
Nigeria	Stanbic IBTC Bank Plc
Norway	Skandinaviska Enskilda Banken AB (publ) Oslofilialen
Oman	Standard Chartered Bank - Oman Branch
Pakistan	Standard Chartered Bank (Pakistan) Limited
Panama	Citibank, N.A. Panama Branch
Peru	Citibank del Perú S.A.
Philippines	The Hongkong and Shanghai Banking Corporation Limited – Philippine Branch
Poland	Bank Handlowy w. Warszawie S.A.
Portugal	BNP Paribas SA
Qatar	HSBC Bank Middle East Limited (Qatar Branch)
Romania	Citibank Europe plc, Dublin – Romania Branch

Russia	Commercial Bank J.P. Morgan Bank International (Limited Liability Company)
Saudi Arabia	J.P. Morgan Saudi Arabia Company
Serbia	UniCredit Bank Serbia JSC Belgrade
Singapore	DBS Bank Ltd
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s. Pobočka Zahranicnej Banky
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
South Korea	Standard Chartered Bank Korea Limited  Kookmin Bank Co., Ltd.
Spain	CACEIS Bank Spain, S.A.U.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited (Sri Lanka Branch)
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Direct participant of the CSD
Taiwan	JPMorgan Chase Bank, N.A. – Taipei Branch
Tanzania	Stanbic Bank Tanzania Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Tunisia	Union Internationale de Banques
Türkiye	Citibank, A.S.
Uganda	Standard Chartered Bank Uganda Ltd
Ukraine	Joint Stock Company "Citibank"
United Arab Emirates	HSBC Bank Middle East Limited (United Arab Emirates Branch)
United Kingdom	Direct participant of the CSD
United States	JPMorgan Chase Bank, National Association
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Ltd.
WAEMU (Ivory Coast, Benin, Burkina Faso, Guinea Bissau, Mali, Niger, Senegal and Togo)	Standard Chartered Bank Côte d'Ivoire S.A.
Zambia	Standard Chartered Bank Zambia Plc
Zimbabwe	Stanbic Bank Zimbabwe Ltd

**eNova Active Core EUR Ultra Short Term**

**Supplement to the Prospectus**

**Dated 31 October 2025**

**for eNova ICAV**

This Supplement contains information relating specifically to eNova Active Core EUR Ultra Short Term (the “**Fund**”), a sub-fund of eNova ICAV (the “**ICAV**”), an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 31 October 2025, as may be amended or updated from time to time (the “Prospectus”) in relation to the ICAV and contains information relating to the Fund which is a separate portfolio of the ICAV.** To the extent that there is any inconsistency between the Prospectus and this Supplement, the Supplement shall prevail. Words and terms defined in the Prospectus have the same meaning in this Supplement unless otherwise stated herein.

The Directors of the ICAV whose names appear in the section of the Prospectus under the heading “**Directory**” jointly accept responsibility for the information contained in this document. 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 document is in accordance with the facts in all material respects and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. If you are in any doubt about the contents of this Supplement or the Prospectus you should consult your stockbroker, bank manager, solicitor, accountant, or other financial adviser.

**Shareholders should note that dividends may be paid out of capital, therefore capital may be eroded, distribution is achieved by forgoing the potential for future capital growth and this cycle may continue until all capital is depleted. Distributions out of capital may have different tax implications to distributions of income. Shareholders should seek advice from their professional advisers in this regard. Please refer to the disclosure in the section of the Prospectus entitled “Dividend Distribution Policy”.**

**Investors should note the difference between the nature of a deposit and the nature of an investment in the Fund, in particular the risk that the principal invested in the Fund is capable of fluctuation and thus Shareholders may not have all of their principal returned to them on redemption. In addition, investment into the Fund will not benefit from any deposit protection scheme such as might be applicable to an investment in a deposit.**

## **1. INVESTMENT OBJECTIVE AND POLICY**

### **1.1 Investment Objective**

The investment objective of the Fund is to achieve long-term capital growth.

There is no guarantee or assurance that the investment objective of the Fund will be achieved.

### **1.2 Investment Policy**

The Fund aims to achieve its investment objective by investing primarily in marketable, short dated, Euro denominated, high grade bonds and/or cash and cash equivalents. The Fund will primarily invest in a diversified portfolio of bonds, including government bonds, supranational bonds, government-guaranteed bonds, covered bonds and/or cash and cash equivalents. The bonds in which the Fund may invest will be fixed rate debt securities.

The Fund may invest up to 100% of its Net Asset Value in bonds issued or guaranteed by government issuers and in bonds issued by supranational issuers. In certain circumstances, the Fund may diverge from the commitment to invest up to 100% of its Net Asset Value in bonds issued by government issuers and in bonds issued by supranational issuers and may invest up to 50% of its Net Asset Value in covered bonds when an increased exposure to covered bonds is considered to be in the best interests of investors due to the prevailing market conditions.

Covered bonds are debt securities which offer a so-called “double-recourse protection” to bondholders in that, where the issuer fails, the bondholder has a direct and preferential claim against certain pre-determined assets and an ordinary claim against the issuer’s remaining assets.

The Fund's investment portfolio may include investment of up to 100% of the Net Asset Value in cash and cash equivalents (including money market instruments such as treasury bills, supranational bills, certificates of deposit, floating rate notes and in cash deposits denominated in Euro).

The Fund will only invest in securities of issuers with an investment grade rating of AA- or higher by Standard & Poor's Corporation / Fitch or Aa3 or higher by Moody's or another recognized rating agency at the time of the securities purchases.

#### *Recognised Markets*

Except to the extent permitted by the UCITS Regulations, the securities in which the Fund will invest will be listed or traded on a Recognised Market. Where it is considered appropriate to achieve the investment objective of the Fund, the Fund may invest up to 10% of its NAV in securities which are not listed or traded on a Recognised Market and, further, the Fund may invest up to 10% of its NAV in recently issued securities which are expected to be admitted to official listing on a Recognised Market within a year.

#### *Geographic, Industry and Market Focus*

The Fund will have a European focus.

In making its investments, the Fund does not intend to concentrate on any particular industries or sector.

### *Long / Short Positions*

The Fund will primarily seek to obtain long exposures to debt securities as described above, in order to seek to achieve capital appreciation. It is expected that the total net long positions will not exceed 100% of the NAV of the Fund. The Fund will not adopt any short positions.

## **1.3 Benchmark / Reference Index**

The Fund is actively managed by the Investment Manager and the Fund is not constrained by reference to any index. The Fund uses iBoxx EUR Germany 0-1 Index (the “**Reference Index**”) for performance comparison purposes only and the Investment Manager has broad discretion to deviate from the Reference Index’s constituents, weightings and risk characteristics within the Fund’s objective and investment policy. The degree to which the Fund may resemble the composition and risk characteristics of the Reference Index will vary over time and the Fund’s performance may be meaningfully different from, or more closely aligned with, that of the Reference Index.

The Reference Index aims to reflect the performance of EUR-denominated bonds issued by the German government with maturities of up to one year and minimum amount outstanding of EUR 1 billion per bond.

The list of benchmark administrators that are included in the Benchmarks Regulation Register is available on ESMA’s website at [www.esma.europa.eu](http://www.esma.europa.eu).

## **2. INVESTMENT STRATEGY**

The Fund is actively managed with a focus on bond selection and interest rate positioning.

The Investment Manager selects the investments made by the Fund based on an active fundamental approach, bottom-up research analysis to select all issues. Each investment will be subject to credit approval by the Investment Manager. The issue selection process and other actively managed techniques, such as duration and curve management, will be utilised to select investments.

The Investment Manager will take into consideration instruments that by themselves, or as a combination of instruments, predominantly represent the most liquid bonds in the 0-14 month sector of the Euro rates market and give investors access to a version of the risk-free rate in Euro.

When selecting investments issued by governmental issuers, the Investment Manager receives input from its research team who consider factors including but not limited to the following: (i) the economic structure of a country; (ii) the country’s politics and governance; (iii) the country’s net international investment position i.e., the difference between the country’s stock of foreign assets and a foreign country’s stock of the country’s assets; (iv) the country’s debt sustainability, i.e., the government’s ability to meet its current and future payment obligations without financial assistance or going into default; and (v) the country’s fiscal and monetary flexibility.

ESG aspects will be considered when selecting issuers and instruments and their relative weights as further set out below and in Annex I to this Supplement.

### 3. SUSTAINABLE FINANCE DISCLOSURES

**The Supplement has been drafted with the intention of complying with the disclosure requirements of Article 8 of the SFDR. Further information about the environmental and social characteristics that the Fund promotes is in Annex I to this Supplement.**

Regulation (EU) 2020/852 (the “**EU Taxonomy**”) sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria. The “do not significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The Fund commits to investing at least 5% of the Fund’s assets in sustainable investments, as defined under the SFDR. The Fund does not intend to allocate a minimum level (0 per cent.) of investments in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

The Fund invests the majority of its assets in investments that contribute to relevant environmental and social characteristics. The Fund has a broad objective of the environmental and social goals it supports which are based on selected UN Sustainable Development Goals including clean water and sanitation, affordable and clean energy, sustainable cities and communities, sustainable consumption and production and climate protection measures.

#### *Integration of Sustainability Risks into investment decisions*

In accordance with the SFDR, the Investment Manager has implemented the assessment of Sustainability Risks within the investment decision-making process for the Fund, both at the initial due diligence stage of the investment process and as part of the ongoing monitoring of the Fund’s investments.

The integration of Sustainability Risk assessments to actual investment decisions aims to ensure that Sustainability Risks are considered similarly to all other risks that are integrated in the investment decision-making process. The Investment Manager generally makes investment decisions taking into account Sustainability Risks. Sustainability Risks can be caused by ecological and social influences potential assets arise as well as from corporate management (corporate governance) of the issuer of an asset. The Sustainability Risk factors taken into account by the Investment Manager include non-financial, responsible investment criteria with regard to the environment, social issues and good corporate governance.

Sustainability Risk can either represent its own type of risk or relate to other risk types relevant to the Fund such as market risk, liquidity risk, credit risk or operational risk.

If Sustainability Risks occur, they can have a significant impact on the value and/or return on the assets affected. Such effects on an asset may negatively impact the Fund's return influence.

The aim of taking Sustainability Risks into account by the Investment Manager is to prevent Sustainability Risks from occurring, to identify these risks as early as possible, to take appropriate measures to address the effects that Sustainability Risks have on the affected assets and to minimize the effects on the overall portfolio of the Fund.

Assessment of Sustainability Risks is complex and may be based on key risk indicators. The risk indicators can be of a quantitative or qualitative nature and can be used to address environmental, social and governance aspects.

### Impact of Sustainability Risks on the returns of the Fund

Despite the integration of Sustainability Risks into investment decisions by the Fund, Sustainability Risks are not expected to impact on the returns of the Fund.

The results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund indicate that the Fund is likely to be less impacted by such risks than the Fund's investment universe and that the Fund will experience lower volatility caused by such risks than the wider market generally.

The Investment Manager acknowledges that the Fund's exposure to Sustainability Risks is evolving over time and shall keep the Fund's exposure to these risks under monitoring. Where the Investment Manager considers, as a result of such a review, that the Fund's exposure to Sustainability Risks has materially changed, these disclosures will be updated accordingly.

### Adverse Sustainability Impacts

The Investment Manager considers principal adverse impacts of investment decisions/advice on sustainability factors, a statement on due diligence policies with respect to those impacts, taking due account of their size, the nature and scale of their activities and the types of financial products they make available.

## **4. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors willing to tolerate a low to medium level of volatility who are seeking a portfolio which has a short-term, medium-term or long-term horizon, depending on the use case for the investor. The Fund is designed, among different use cases, as an alternative to a cash fund but with slightly longer duration and hence slightly higher volatility.

## **5. INVESTMENT RESTRICTIONS**

The general investment restrictions set out under the heading "**Investment Restrictions**" in the Prospectus are deemed to apply at the time of purchase of the Investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

The following additional investment restriction shall also be deemed to apply:

- the Fund may not invest in units of other CIS.

## **6. BORROWINGS**

The Fund may temporarily borrow monies from time to time for temporary liquidity purposes, with borrowings permissible up to a maximum of 10% of Net Asset Value of the Fund. Any

temporary borrowings must be in accordance with the general provisions set out in the Prospectus under the heading "**Borrowing Policy**".

## **7. SHARE CLASSES**

Details of the Share Classes of the Fund are set out in the Share Class Table below.

## **8. SHARE DEALING**

Applications for subscription for Shares, redemption of Shares and Conversion of Shares may be made to the Administrator through the process described in the Prospectus under the headings "**Subscriptions**", "**Investing in Shares**" "**Redemptions**" and "**Dealing Information**".

Applicants should note that investors who have purchased Non-ETF Shares can subscribe and redeem their Shares directly from the ICAV, whereas investors should be aware that ETF Shares purchased on the Secondary Markets cannot usually be sold directly back to the ICAV. Additionally, if the Relevant Stock Exchanges are closed but it is a Dealing Day for the Fund, then investors who have purchased Non-ETF Shares may be able to subscribe and redeem with the Fund, while other investors will likely have to wait for the Relevant Stock Exchanges to open again to buy and sell Shares. Investors who have purchased ETF Shares can purchase or sell Shares on a Relevant Stock Exchanges through an intermediary at any time during the trading day whereas investors who have purchased Non-ETF Shares may only purchase and sell shares directly with the ICAV prior to the Dealing Deadline for that Dealing Day.

### **8.1 ETF Shares**

Investors can buy and sell Shares in the ETF Shares on the Secondary Market with the assistance of an intermediary (e.g., a broker-dealer) as described above in accordance with the procedures set out in the section entitled "Secondary Market for ETF Shares" in the Prospectus and may incur fees charged by their intermediary or broker. In addition, investors in who purchase ETF Shares may pay more than the current Net Asset Value when buying Shares and may receive less than the current Net Asset Value when selling them. Investors can otherwise subscribe for or redeem ETF Shares in accordance with the procedures set out in the section entitled "Investing in Shares" in the Prospectus.

### **8.2 Non-ETF Shares**

Investors can buy and sell Non-ETF Shares in accordance with the procedures set out in the section entitled "Investing in Shares" and "Redemptions" in the Prospectus. Investors in Non-ETF Shares may pay the Subscription Fee and the Redemption Fee to cover transactions costs of purchasing and selling Shares of the Fund as detailed in the Share Class Table set out below.



## 9. DIVIDEND POLICY

### 9.1 Accumulating and Distributing Classes

The income and earnings and gains of Share Classes which are accumulating classes per the Share Class Table set out below will be accumulated and reinvested on behalf of the Shareholders.

The payment of dividends in respect of the distributing Share Classes will be made in accordance with the process described in the Prospectus under the heading “**Dividend Distribution Policy**”. All Share Classes of the Fund that are classified as distributing Share Classes, may make distributions out of net income and/or realised gains net of realised and unrealised losses and/or out of capital in respect of investments of the Fund.

For distributing Share Classes, the Directors will, in consultation with the Investment Manager, determine whether and to what extent dividends shall be paid by the Fund.

The accounting date of the ICAV is currently 31 December each year, and any dividend payable on the Shares Classes which are distributing Share Classes per the Share Class Table set out below will be declared on a semi-annual basis on 5 June and 5 December and paid to Shareholders within a period of five (5) Business Days to the bank account specified by them in their application for Shares or at such other times as determined by the Directors in accordance with the provisions of the Prospectus and the Instrument.

### 9.2 Distributions out of Capital

The payment of dividends out of capital may result in the erosion of capital notwithstanding the performance of the Fund. As a result, distributions may be achieved by foregoing the potential for future capital growth and this cycle may continue until all capital is depleted. Consequently, distributions from capital made during the life of the Fund must be understood as a type of capital reimbursement. Due to capital erosion the value of future returns would also likely be diminished. Distributions out of capital may have different tax implications to distributions of income - investors should seek advice from their professional advisers in this regard.

When determining whether and to what extent dividends shall be paid by the Fund, it will not be the aim of the Directors, in consultation with the Investment Manager, for dividends to be paid out of capital. Nevertheless, in order to uphold a regular dividend payment and if deemed beneficial for Shareholders, the Directors may, in consultation with the Investment Manager, decide for a limited period of time to pay dividends partially or entirely out of capital.

Further details are included in the Prospectus under the heading “**Dividend Distribution Policy**”.

## 10. INVESTMENT MANAGER

Fidus Finanz AG (the “**Investment Manager**”) of August-Schanz-Straße 30-32, 60433 Frankfurt am Main, Germany has been appointed as the discretionary investment manager and sub-distributor to the Fund pursuant to an investment management and sub-distribution agreement dated 1 July 2025 (the “**Investment Management and Sub-Distribution Agreement**”) and is responsible for providing investment management in connection with the assets of the Fund and distribution services to the Fund, subject to the terms of the Investment Management and Sub-Distribution Agreement. The Investment Manager is a limited company

incorporated under the laws of Germany. It is subject to the supervision of The Federal Financial Supervisory Authority (i.e., BaFin) in Germany.

The Investment Management and Agreement shall continue until terminated by either party on not less than 90 days' notice in writing although in certain circumstances the agreement may be terminated earlier upon certain breaches or the insolvency of either party. The Investment Manager shall not be liable for any loss or damage or expenses arising directly or indirectly out of or in connection with the performance by the Investment Manager of its obligations and duties under the Investment Management and Distribution Agreement, unless such loss or damage arises out of or in connection with the negligence, wilful default, fraud, recklessness or bad faith of the Investment Manager in the performance of its obligations and duties under the Investment Management and Sub-Distribution Agreement.

## 11. FEES AND EXPENSES

The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV as set out in detail under the heading "**Fees and Expenses**" in the Prospectus and as set out below.

The total annual fees and operating expenses of the Fund per Share Class will be up to the percentage per annum of the Net Asset Value of the Share Class (the "**Total Expense Ratio**" or "**TER**") as set out in the Share Class Table to this Supplement.

The TER shall accrue daily and be payable monthly in arrears. The excess over the Total Expense Ratio will be paid by the Investment Manager out of its own assets. The Investment Manager will receive no further disbursement for expenses, out of pocket or otherwise from the Fund.

Where the TER relevant to a particular Share Class calculated and accrued as set out above is in fact less than the maximum amounts provided for in the Share Class Table below, only the amount of the TER calculated will be payable.

Please see the section of the Prospectus, entitled "**Fees and Expenses**" for further information on details of the fees, costs and expenses.

## 12. RISK FACTORS

The general risk factors set out under the heading "**Risk Factors**" section of the Prospectus apply to the Fund. The specific risk factors set out under the headings "**ETF Class and Non-ETF Class Risk**" and "**Risks relating to the Secondary Market for ETF Shares**" apply to the ETF Shares.

These risk factors are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making a subscription request for Shares. The investments of the Fund may be subject to market fluctuations, currency fluctuations, registration risk and foreign exposure risk. In addition, the following risk factors apply to the Fund:

Risks associated with investment in debt securities

Funds that invest in debt securities are subject primarily to credit risk and interest rate risk. Such risks can affect the price of a security and the Fund's ability to dispose of such securities. The price of debt securities may be influenced by: (i) the perceived creditworthiness of the issuer of such securities; and (ii) interest rate movements. The value of debt securities tends to decline as interest rates rise.

#### Risk of Government Securities

Government-issued debt securities are sensitive to changes in macro policy and associated interest rate trends, political and economic instability, social unrest and potentially default. Not all government debt securities are backed by the full faith and credit of the relevant government. Some are backed only by the credit of the issuing agency, instrumentality or sponsored entity, although they may be implicitly guaranteed by the relevant government. There is a chance of default on all government securities, particularly those not backed by the full faith and credit of the relevant government.

#### Credit Risk

Debt securities to which the Fund may be exposed could be subject to a default in payment of interest and/or principal. There can be no assurance that the issuers of debt securities will not experience credit difficulties that could result in the loss of some or all of the amounts invested on behalf of the Fund in such securities.

#### Assessments of Credit Risk

While the Investment Manager will assess the credit risk of exposures to individual obligors, securities or securitisation positions as part of its investment due diligence process and on an ongoing basis, there is a risk that the credit risk mitigation techniques used by the Investment Manager may prove less effective than expected. Assessments relating to an individual obligor's ability to repay its loan will be based in part on information provided by that obligor. There is a risk that this information may prove to be inaccurate due to a misrepresentation or omission on the part of the obligor and that the obligor's ability to repay the amount due to the Fund may differ substantially from the projected amount. There are other circumstances which may also affect an obligor's ability to repay its loan including changes in the financial conditions of the business and/or changes in economic conditions globally or in the countries the obligor conducts its business.

#### Investment Grade Debt Securities

Although debt securities rated in the BBB or equivalent category are commonly referred to as investment grade, they may have speculative characteristics. Such investments may, under certain circumstances, lead to a greater degree of fluctuation in the Net Asset Value than if the Fund only invested in higher rated investment grade securities with similar maturities. In addition, changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher grade bonds.

#### Interest Rate Risk

The value of debt securities can be affected by changes in interest rates. An increase in interest rates generally has a negative impact on the value of fixed rate debt securities. The longer the duration of a debt security the greater the effect a change of interest rate will have on the value of that security. Such securities are generally subject to greater price volatility as

a result of interest rate changes. Variable rate debt securities may also be affected by changes in interest rates but usually to a lesser extent than fixed rate debt securities.

#### Rating Agencies and downgrading Risk

A credit rating by a credit rating agency will provide an indication of the creditworthiness of a particular issuer and security based on the opinion of the agency issuing the rating. Such a rating cannot be considered an absolute guarantee as to the credit quality of the security. The financial position of a specific issuer may be better or worse than a credit rating suggests. Changes to an issuer's or a security's credit rating may have an adverse effect of the value of the Fund's investment. Additionally, no assurance can be given that the ratings assigned to any particular security will not be withdrawn or revised downward in the future. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

#### Sovereign Debt Risk

The Fund may invest in debt securities issued or guaranteed by governments (national, state or local) or governmental agencies. Not all securities are backed by the full faith and credit of the relevant national government and there is additional risk associated with investing in such securities. A number of factors can result in the entity responsible for the repayment of the debt being unable or unwilling to repay the principal and/or interest due in accordance with the terms of the debt arrangements including (i) political constraints; (ii) its cash flow position; and (iii) the relative size of the debt and its effects on the economy as a whole. Where an issuer of sovereign debt defaults on its repayments, there may be limited recourse against the issuer and/or the guarantor. The Fund, as a holder of such debt securities, may be required to participate in restructuring arrangements in respect of these securities that may result in a reduction in the amounts the Fund will ultimately receive and/or a rescheduling of the payment of such amounts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

#### Concentration of Investments

The Fund is not limited in the amount of Fund capital which may be committed to any one investment. The Fund may at certain times hold a few, relatively large (in relation to its capital) positions in securities, with the result that a loss in any position could have a material adverse impact on the Fund's capital.

### **13. NAME OF THE FUND**

"Nova" is a term derived from the Latin word "nova" meaning "new", which signifies renewal, innovation and forward thinking investment strategies. The prefix "e" stands for efficient, evolved and European and aligns with the Fund's investment objective to provide short-term bond exposure within a European-regulated framework. "Active Core EUR Ultra Short-Term" is reflective of the Fund's investment policy being short-term bonds.

### **14. LISTINGS**

The ETF Shares will be listed on one or more Relevant Stock Exchanges.

Neither the admission of the ETF Shares to trading on the Relevant Stock Exchanges nor the approval of the listing particulars pursuant to the listing requirements of the Relevant Stock Exchanges shall constitute a warranty or representation by the Relevant Stock Exchanges as

to the competence of service providers to or any other party connected with the ICAV, the adequacy of information contained in the listing particulars or the suitability of the ICAV or the Fund for investment purposes.

It is intended that the Shares will be listed and admitted for trading on a number of stock exchanges but the ICAV does not warrant or guarantee that such listings will take place or continue to exist.

SHARE CLASS TABLE				
	Class RD Shares	Class ED Shares	Class ID Shares	Class UCITS ETF Shares
<b>Initial Offer Price per Share</b>	EUR 100			EUR 10
<b>Initial Offer Period</b>	<p>The Initial Offer Period for the RD Class, the ED Class and the ID Class has closed.</p> <p>Following the close of each relevant Initial Offer Period, the Shares of each Share Class will be available for subscription at the Net Asset Value per Share on each Dealing Day.</p>			<p>The Initial Offer Period for the UCITS ETF Class means the period from 9:00 a.m. (Irish time) on 3 November 2025 and ending at 5:00 p.m. (Irish time) on 1 April 2026 or such shorter or longer period as any one Director may decide in accordance with the requirements of the Central Bank.</p> <p>Following the close of each relevant Initial Offer Period, the Shares of each Share Class will be available for subscription at the Net Asset Value per Share on each Dealing Day.</p>
<b>Base Currency</b>	Euro			
<b>Business Day</b>	Means each weekday other than New Year's Day, Good Friday, Easter Monday, Christmas Day and 26 December or such other days as may be determined by the Directors from time to time and as notified to Shareholders in advance.			

SHARE CLASS TABLE				
	Class RD Shares	Class ED Shares	Class ID Shares	Class UCITS ETF Shares
<b>Dealing Day</b>	<p>The Dealing Day being the day upon which redemptions and subscriptions occur, means (i) each Business Day; and / or (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders and provided there is at least one Dealing Day per fortnight. However, certain Business Days will not be Dealing Days where, for example, any day on which (i) market(s) on which the investments in the portfolio of the Fund are traded is/are closed and, as a result of which 25% or more of the portfolio of the Fund may not be traded, (ii) markets on which the Fund's investments are listed or traded are suspended or closed, or (iii) there is a public holiday in the relevant jurisdiction in which a delegate of the Investment Manager is based, subject always to the Directors' discretion to temporarily suspend the determination of the Net Asset Value and the sale, switching and/or redemption of Shares of the Fund in accordance with the provisions of the Prospectus and the Instrument.</p> <p>The Investment Manager produces dealing calendars which detail in advance the Dealing Days for the Fund. The dealing calendar may be amended from time to time by the Investment Manager where, for example, the relevant market operator, regulator or exchange (as applicable) declares a relevant market closed for trading and/or settlement (such closure may be made with little or no notice to the Investment Manager). The dealing calendar for the Fund (and each Share Class within the Fund) is available from the Investment Manager.</p>			
<b>Dealing Deadline</b>	The Dealing Deadline is 3pm (Irish time) on the relevant Dealing Day or such other times as the Directors may determine and notify in advance to Shareholders. The Directors may agree to accept applications after the Dealing Deadline, only in exceptional circumstances, provided such applications are received before the relevant Valuation Point for the relevant Dealing Day.			
<b>Valuation Day</b>	Any relevant Dealing Day.			
<b>Valuation Point</b>	4pm (Eastern Standard Time) on a Valuation Day or such other time or times on a Valuation Day as the Directors may determine provided that the valuation point shall always be after the Dealing Deadline and provided further that Shareholders shall have been notified in advance of such other time or times.			
<b>Subscription Date</b> <b>Settlement</b>	Payment in respect of subscriptions must be received by the Administrator 2 Business Days after the relevant Dealing Day for subscription requests.			
<b>Redemption Date</b> <b>Settlement</b>	2 Business Days after the relevant Dealing Day and in any event will be paid within 2 Business Days of the relevant Dealing Day for redemption requests provided that all the required documentation has been furnished to and received by the Administrator.			
<b>TER</b>	up to 0.12%	up to 0.12%	up to 0.08%	up to 0.12%

SHARE CLASS TABLE				
	Class RD Shares	Class ED Shares	Class ID Shares	Class UCITS ETF Shares
<b>Minimum Dealing Amount</b>	No Minimum Restriction	No Minimum Restriction	No Minimum Restriction	10,000 ETF Shares
<b>Subscription Fee*</b>	No Subscription Fee	No Subscription Fee	up to 1%	No Subscription Fee
<b>Distributing/Accumulating Share Class</b>	Distributing	Accumulating	Distributing	Accumulating
<b>ISIN</b>	IE0000B8WAY5	IE000AKHLQ11	IE000MOGY77	IE000ST59DS4

\*The Directors or the Management Company may in their discretion waive or reduce the amount of Subscription Fee where it is considered equitable to do so.



## ANNEX

### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** eNova Active Core EUR Ultra Short Term

**Legal entity identifier (LEI):** 529900W2YXRLDNQKL815

#### Environmental and/or social characteristics

##### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments.

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It promotes E/S characteristics, but **will not make any sustainable investments.**



#### What environmental and/or social characteristics are promoted by this financial product?

The Fund seeks to promote the following environmental and/or social characteristics:

1. Responsible business practices in accordance with the United Nations Global Compact Principles for Business.
2. Minimum environmental and/or social standards achieved through the exclusion of business activities that the Investment Manager has deemed to be harmful to the environment and society respectively.
3. Understanding and identifying the environmental and social adverse impacts through consideration of the principal adverse impacts ("PAIs") of investment decisions on sustainability factors.
4. Promote the UN Sustainable Development Goals ("UN SDG") provided in the table below.

UN SDG	
Goal 6	Clean water and sanitation
Goal 7	Affordable and clean energy
Goal 11	Sustainable cities and communities
Goal 12	Sustainable consumption and production
Goal 13	Climate protection measures

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the achievement of each environmental or social characteristic promoted by this financial product?***

The following sustainability indicators are used to measure the attainment of the promoted environmental and/or social characteristics:

1. The Fund's consideration of PAIs on sustainability factors, as described in the section headed "***Does this financial product consider principal adverse impacts on sustainability factors?***" below.
2. The Fund's exclusion of holdings in issuers identified by the exclusion criteria set out in the section headed "***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***" below.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Fund commits to partially invest in economic activities that contribute to either an environmental or social objective and that are sustainable investments (as defined by Article 2 (17) SFDR).

The objectives of the sustainable investments that the financial product partially intends to make are:

**Environmental**

- Clean water and sanitation
- Affordable and clean energy
- Climate protection measures

**Social**

- Sustainable cities and communities
- Sustainable consumption and production

The sustainable investments may contribute to the objectives listed above as they generate a certain level of revenues, either through products and/or services, that are aligned with the broader sustainable objectives of society as currently best defined by the UN SDGs, some which can be mapped on a high-level basis against the six environmental objectives outlined in the EU Taxonomy. However, as the Fund does not commit to the specific environmental objectives in the EU Taxonomy but it may make investments that contribute to these specific environmental objectives in which case they will be disclosed in the periodic reporting included in the annual report.

The objectives of the sustainable investments that the Fund partially intends to make may vary from time to time depending on the Fund's investment opportunities.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In order to validate the sustainable investments' compliance with the "do no significant harm" principle ("DNSH") principle, an assessment of investee companies based on the PAI indicators is made.

Additionally investments are reviewed regarding their contribution to the UN SDGs. In order for an investment to be regarded as sustainable by the Fund there must be no significant negative contributions to the UN SDGs. An assessment of contribution to the UN SDGs is made based on information received from the data provider ISS. ISS uses the sustainability indicator "UN SDG – Product and Services Score" ("**SDG Score**") to assess the contribution. This sustainability indicator is based on the net sales of relevant products and services of the respective issuer, which either contribute to or hinder the achievement of a UN SDG. This SDG Score is measured on a numerical scale from -10 to +10, or ranges from "significant negative impact" (most negative contribution) to "significant positive impact" (most positive contribution).

A significant negative contribution occurs when either one or both of the following conditions apply:

1. The SDG Score for one or more of the five UN SDGs 6, 7, 11, 12 and 13 is negative; and/or
2. The SDG Score for one or more of the remaining 12 UN SDGs is less than -0.5.

By way of example, if it is proposed that the Fund will invest in an airline which has a SDG Score of -4.5 in UN SDG 7 (Affordable and clean energy) due to the airline's heavy use of fossil fuel, this investment will not qualify as sustainable as the SDG Score illustrates a significant negative contribution under condition #1 above i.e., the SDG Score for one or more of the five UN SDGs 6, 7, 11, 12 and 13 is negative (as  $-4.5 < 0$ ).

Another example would be if the Fund was to invest in a company that produces renewable energy which has a SDG Score of -0.2 in SDG 15 (Life on Land) due to the company's potential damage to terrestrial ecosystems. This would not be considered a significant negative contribution as (i) the SDG Score is not negative for any of the five UN SDGs listed in condition #1 and (ii) the SDG Score for UN SDG 15 (one of the remaining 12 UN SDGs) is not less than -0.5 (as  $-0.2 > -0.5$ ).

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

At the time of investment and over the life of the Fund, indicators that are deemed to indicate the presence of a principal adverse impact are assessed. The PAI indicators for adverse effects are detailed in the table in the section headed "**Does this financial**

**product consider principal adverse impacts on sustainability factors?”** below. As indicated there, PAIs are taken into account via dedicated exclusion criteria.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? Details:*

All investments that are part of the asset allocation “#1 aligned with E/S characteristics”, including those that qualify under subcategory “#1A Sustainable” will be compliant with the UN Global Compact Code and the OECD Guidelines.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes, the Fund takes into account key PAIs on sustainability factors.

☐ No

The following table provides an overview of which PAI indicators are taken into account, how and for which type of investments:

#	PAI	cover	
		Via	Type of facility <sup>1</sup>
Pursue			
CLIMATE INDICATORS AND OTHER ENVIRONMENTAL INDICATORS			
1	GHG emissions	Exclusion criterion	#1 – E/S characteristics
2	Carbon footprint	Exclusion criterion	#1 – E/S characteristics
3	GHG emissions intensity of the companies in which investments are made	Exclusion criterion	#1 – E/S characteristics
4	Involvement in companies operating in the fossil fuel sector	Exclusion criterion	#1 – E/S characteristics

<sup>1</sup>#1 – E/S Characteristics – refers to “#1 Aligned with Environmental or Social Characteristics” from asset allocation. “#1 – E/S characteristics” includes government bonds. It should be noted that dedicated PAI indicators for government bonds are taken into account.

5	Share of energy consumption and energy production from non-renewable energy sources	Exclusion criterion	#1 – E/S characteristics
6	Intensity of energy consumption by climate-intensive sectors	<i>Due to a lack of or inconsistent data coverage, consideration of this PAI cannot currently be guaranteed.</i>	
7	Activities that have a detrimental impact on areas with vulnerable biodiversity	Exclusion criterion	#1 – E/S characteristics
8th	Emissions into water	<i>Due to a lack of or inconsistent data coverage, consideration of this PAI cannot currently be guaranteed.</i>	
9	Proportion of hazardous and radioactive waste	Exclusion criterion	#1 – E/S characteristics
<b>INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND FIGHTING CORRUPTION AND BRIBERY</b>			
10	Violations of the UNGC Principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Exclusion criterion	#1 – E/S characteristics
11	Lack of processes and compliance mechanisms for monitoring	<i>Due to a lack of or inconsistent data coverage, consideration of this PAI cannot currently be guaranteed.</i>	
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, consideration of this PAI cannot currently be guaranteed.</i>	
13	Gender diversity in management and control bodies	<i>Due to a lack of or inconsistent data coverage, consideration of this PAI cannot currently be guaranteed.</i>	
14	Involvement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	#1 – E/S characteristics
<b>Government bonds</b>			
15	GHG emission intensity	Exclusion criterion	#1 – E/S characteristics
16	Countries in which investments are made that violate social regulations	Exclusion criterion	#1 – E/S characteristics

The results are reported in the annual report.



## What investment strategy does this financial product follow?

The Fund is actively managed with a focus on bond selection and interest rate positioning.

The Investment Manager selects the investments made by the Fund based on an active fundamental approach, bottom-up research analysis to select all issues. Each investment will be subject to credit approval by the Investment Manager. The issue selection process and other actively managed techniques, such as duration and curve management, will be utilised to select investments.

The Investment Manager will take into consideration instruments that by themselves, or as a combination of instruments, predominantly represent the most liquid bonds in the 0-14 month sector of the Euro rates market and give investors access to a version of the risk-free rate in Euro. The Fund may use exchange traded derivatives with underlyings in longer dated maturities of eligible issuers for efficient portfolio management purposes, as further described in the section headed "Derivative Trading, Efficient Portfolio Management and Hedging" of the Supplement.

When selecting investments issued by governmental issuers, the Investment Manager receives input from its research team who consider factors including but not limited to the following: (i) the economic structure of a country; (ii) the country's politics and governance; (iii) the country's net international investment position i.e., the difference between the country's stock of foreign assets and a foreign country's stock of the country's assets; (iv) the country's debt sustainability, i.e., the government's ability to meet its current and future payment obligations without financial assistance or going into default; and (v) the country's fiscal and monetary flexibility.

ESG aspects will be considered when selecting issuers and instruments and their relative weights as further set out below.

The Fund's ESG/sustainability strategy, as outlined above, takes into account the following elements depending on the type of investment:

- Investments in companies:
  - Exclusion criteria for companies (including consideration of PAIs)
  - ESG rating minimum requirements and best-in-class approach
  - Classification of investments as Sustainable Investments
- Investments in government bonds:
  - Exclusion criteria for government bonds (including consideration of PAIs)

### ● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The Fund applies the binding elements described below as part of its portfolio management, i.e., when selecting investments and when managing existing investments, to attain each of the environmental or social characteristics promoted by this financial product.

Investments in companies and governments are generally classified as follows (for further information, see "**What is the asset allocation planned for this financial product?**" section below):

- Investments in companies
  - Aligned with environmental or social characteristics
    - Sustainable investments (according to Art. 2 (17) SFDR)
    - Other environmental or social characteristics
  - Other investments

**The Investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

- Investments in government bonds
  - Aligned with environmental or social characteristics
  - Other investments

At least 75% of the Fund's assets must be aligned with E/S characteristics. In addition to being aligned with E/S characteristics, at least 5% of the Fund's assets must also be classified as sustainable investments.

### ***Investments in companies***

#### **I. Investments geared towards environmental or social characteristics**

Exclusion criteria as well as minimum rating requirements and a best-in-class approach are used to classify investments in companies as geared towards environmental and social characteristics.

##### **a) Exclusion criteria**

An exclusion criterion applies if an investment does not comply with the respective limit value/specification.

<b>Exclusion criteria for companies</b>	<b>limit</b>
Revenue from the extraction of coal and/or petroleum	≤ 5%
Revenue from energy production or other use of fossil fuels (excluding natural gas)	≤ 10%
Share of sales from the production of nuclear energy	≤ 5%
Share of sales from services/supplies for nuclear energy	≤ 10%
Sales from cultivation, exploration and services in connection with Oil sands and oil shale	0%
Revenue from the production and/or distribution of military equipment	≤ 10%
Revenue from the production and/or distribution of banned weapons	0%
Revenue from the production of tobacco	0%
CO2 footprint	≤ 1500 tCO2e/ mEUR or Carbon Risk Rating ≥ 40
Greenhouse gas emission intensity	≤ 3000 tCO2e/ mEUR or Carbon Risk Rating ≥ 40
No activities that adversely affect areas with vulnerable biodiversity	
No violations of the UN Global Compact Code and/or the OECD Guidelines	

##### **b) ESG rating and best-in-class strategy**

Investments in companies that meet the exclusion criteria will then be assessed with regard to their ISS ESG rating.

ISS determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a specific industry. This assessment is carried out on a scale from A+ (best rating) to D- (worst rating). A minimum rating of C- is required.

In addition, as part of a best-in-class approach, an assessment takes place relative to a peer group. Only companies whose rating is at most two levels below the relevant prime limit are classified as aligned with environmental or social characteristics.

## II. Contribution to UN SDGs: Classification of investments as sustainable in accordance with Article 2 (17) SFDR

Investments that have successfully passed both previous assessment steps, as part of the ESG/sustainability analysis, are assessed with regard to their contribution to one of the selected UN SDGs.

As part of this assessment, the investments are first checked for a possible positive contribution to one of the following UN SDGs - SDG 6, SDG 7, SDG 11, SDG 12 or SDG 13.

An assessment of positive contribution is made based on information from the data provider ISS. The ISS sustainability indicator “UN SDG - Product and Services Score” (SDG scores) is used to assess the positive contribution. This sustainability indicator is based on the net sales of relevant products and services of the respective issuer, which either contribute to or hinder the achievement of a UN SDG. This score is measured on a numerical scale from -10 to +10, or ranges from “significant negative impact” (most negative contribution) to “significant positive impact” (most positive contribution).

According to the ISS ESG system, a score >0.1 represents a positive contribution. The Fund uses a stricter threshold of 0.5.

If a positive contribution to one or more of the five mentioned UN SDGs is observed, the next step is to check the investment for compliance with the DNSH principle. The aim is to exclude investments that make a positive contribution to a UN SDG but negatively influence other sustainability aspects.

This assessment is made in two different ways:

- Based on the consideration of PAI indicators (see PAI table above).
- Based on the SDG Scores: as discussed above, it is required that none of the UN SDGs 6, 7, 11, 12 and 13, which are crucial for the Fund, have a negative SDG Score and that none of the remaining 12 UN SDGs have a SDG Score of less than -0.5.

### ***Investments in government bonds***

#### I. Investments geared towards environmental or social characteristics

Exclusion criteria are used to classify investments in countries as being based on environmental and social characteristics.

Exclusion criteria for government bonds	limit
No child labour	
Sufficient climate protection (ratification of the Kyoto Protocol and/or Paris Climate Agreement, as well as adequate performance with regard to climate change)	
No death penalty	
No discrimination	
No violations of freedom of assembly , association and freedom of the press	
No violations of human and labour rights	
Sufficient freedom status (Freedom House)	



Greenhouse gas emissions intensity of a country <i>measured in tonnes of CO2e emissions per million euros of gross domestic product</i>	≤ 600
No violations of social regulations of investment countries	

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Fund has not set a minimum rate for reducing the investments under consideration.

- **What is the policy to assess good governance practices of the investee companies?**

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

SFDR requires that products promoting environmental and/or social characteristics do not invest in companies which do not follow good governance practices.

In order to check for investee companies' involvement in controversial business practices and to assess compliance with the standards for good governance practices, the Fund integrates selected norms-based screening criteria and exclusion criteria within its ESG/sustainability framework.

The Investment Manager uses data provided by ISS to assess investments in investee companies that are to be classified as "#1 Aligned with E/S characteristics" for involvement in verified violations of the UN Global Compact Code and of the OECD Guidelines for Multinational Enterprises. Where companies are identified in the data provided by ISS as potentially having issues with regards to good governance, and the Investment Manager agrees with this external assessment, the companies are reviewed by the Investment Manager to ensure that the Investment Manager is satisfied that the company has either taken remediation actions or will take remedial actions within a reasonable time frame to address the good governance issues. The Investment Manager may also decide to reduce exposure to such companies.

The good governance practices of investee companies are monitored on an ongoing basis by the Investment Manager through publicly available information, engagement with investee companies and through detection of changes in the governance data provided by ISS. Any companies that do which do not follow good governance practices will not be held in the Fund.

In addition, the Investment Manager is a signatory to the UN Principles for Responsible Investment and is therefore committed to supporting good corporate governance.



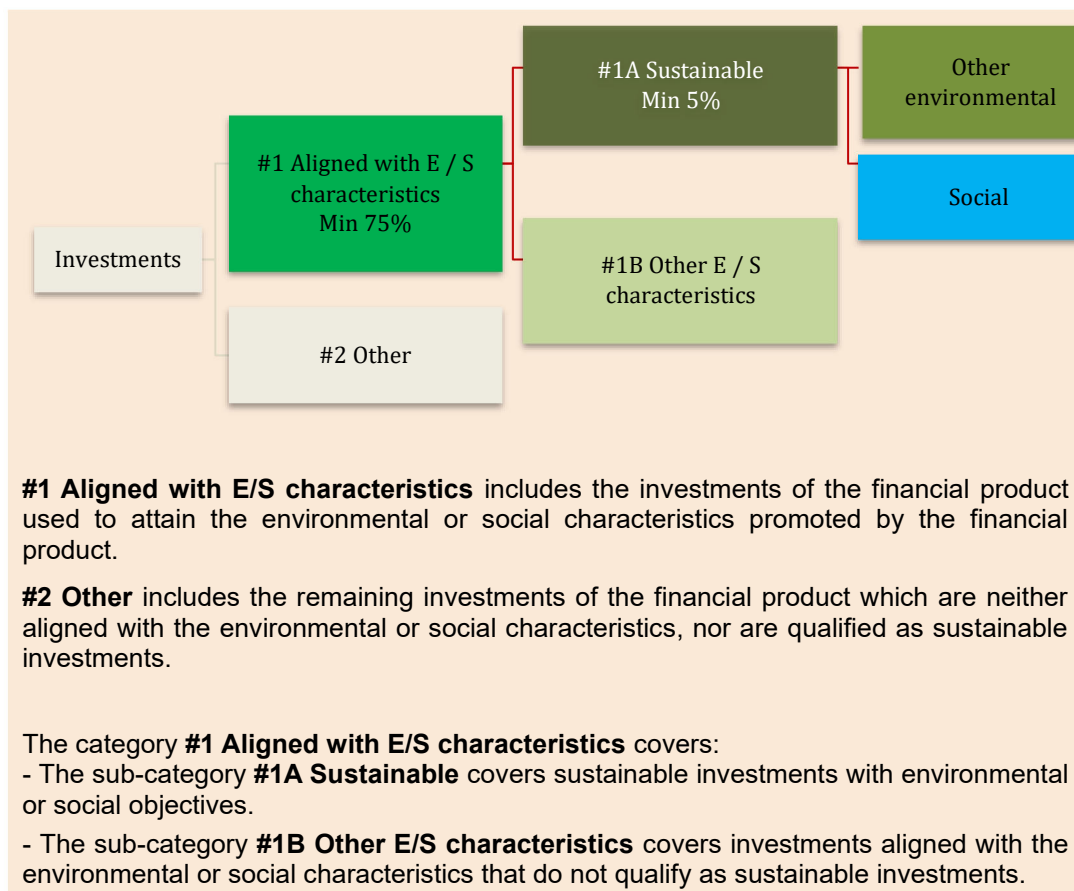
## What is the asset allocation planned for this financial product?

Please see the following illustration for the Fund's asset allocation.

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



## How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives will not be used to attain the environmental and social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not aim to make environmentally sustainable investments within the meaning of the EU Taxonomy, i.e., the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?

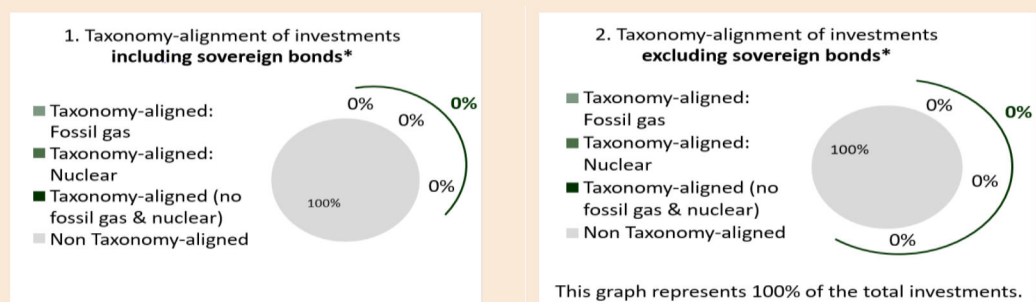
<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives

- ☐ Yes
- ☐ In fossil gas ☐ In nuclear energy
- ☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

### ● What is the minimum share of investments in transitional and enabling activities?

The Fund does not aim to make sustainable investments within the meaning of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Sustainable Investments are examined as a contribution to the SDGs. Since these include both environmental and social goals, no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is set. The minimum share of Sustainable Investments is 5% overall (environmental and social goals).



### What is the minimum share of socially sustainable investments?

As explained above, no minimum share of socially sustainable investments is set. The minimum share of sustainable investments is 5% overall (environmental and social goals).



### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

These may include bank deposits, derivatives as part of hedging transactions or in the course of using techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or that there is insufficient information to allow an

with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

appropriate assessment. There are no special criteria with regard to minimum environmental or social protection for this type of installation.



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