

PROSPECTUS

ARDAN QIAIF ICAV

(An Irish Collective Asset-management Vehicle with variable capital constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the Act and the AIFM Regulations, capable of establishing Open-Ended Funds, Open-Ended with Limited Liquidity Funds and Closed-Ended Funds)

ALTERNATIVE INVESTMENT FUND MANAGER

Carne Global Fund Managers (Ireland) Limited

DATED 28 November, 2018



If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser.

DEFINITIONS

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

"1933 Act"	means the U.S. Securities Act of 1933, as amended.
"1940 Act"	means the U.S. Investment Company Act of 1940, as amended.
"Accounting Period"	means a period ending on the Annual Accounting Date and commencing, in the case of the first such period on the date the ICAV's registration and, in subsequent such periods, on the day following expiry of the last Accounting Period.
"Accumulating Class" or "Accumulating Classes"	any class(es) in respect of which the Directors have determined to accumulate all net investment income and net realised capital gains attributable to such classes and in respect of which it is not intended to declare dividends.
"Act"	means the Irish Collective Asset-management Vehicles Act 2015 as may be amended and every amendment or re-enactment of the same, and all applicable notices issued by the Central Bank or conditions imposed or derogations granted thereunder.
"Administration Agreement"	means the administration agreement dated 28 November, 2018, between ICAV, the AIFM and the Administrator appointing the Administrator in respect of the ICAV, as may be amended and / or supplemented from time to time.
"Administrator"	means Société Générale Securities Services, SGSS (Ireland) Limited or such other entity 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.
"ADR"	means an American Depositary Receipt, a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a non-U.S. stock that is traded on a U.S. exchange.
"ADS"	means an American Depositary Share, an underlying share that an ADR represents.
"AIF"	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013).
"AIF Rulebook"	any alternative investment fund rulebook or any similar measures issued by the Central Bank governing Irish-domiciled AIFs such as the ICAV, as same may be updated, amended or replaced from time to time;
"AIFM"	means Carne Global Funds Managers (Ireland) Limited as the entity designated by the ICAV, in accordance with the requirements of the Central Bank, to act as the alternative investment fund manager of the ICAV and to assume responsibility for ensuring compliance with the AIFM Regulations.
"AIFM Agreement"	means the AIFM agreement dated 28 November, 2018 between the ICAV and the AIFM pursuant to which AIFM is appointed to provide alternative investment fund management services to the

	ICAV and the Funds.
"AIFMD"	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulation (EC) No 1060/2009 and (EU) No 1095/2010.
"AIFMD Level 2 Measures"	means the provisions of the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing AIFMD.
"AIFM Regulations"	means the European Union (Alternative Investment Fund Managers Directive) Regulations (SI No. 257 of 2013), as amended.
"Annual Accounting Date"	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 March in each year or such other date as the Directors may decide from time to time and in the case of the liquidation of the ICAV or termination of a Fund, the date on which monies required for the final distribution shall have been paid to the Members.
"Anti-Dilution Levy"	means a charge imposed on subscriptions or on redemptions (including subscriptions and/or repurchases which would be effected as a result of requests for exchange from one Fund into another Fund), as relevant, to offset the dealing costs of buying or selling assets of the Fund and to preserve the NAV per share of the Fund, as a result of net subscriptions or of net redemptions on a Dealing Day.
"Application Form"	means any application form, as prescribed by the ICAV or its delegate from time to time, to be completed by subscribers for Participating Shares or which must be completed by a Participating Shareholder in order to redeem all or a portion of their Participating Shares.
"Applicable Law"	means the Act, the AIFM Regulations, AIFMD Level 2 Measures, the AIF Rulebook and all notices, regulations, guidance and rulebooks issued by the Central Bank thereunder which are or may be applicable to the ICAV from time to time.
"AUD"	means Australian Dollars, the lawful currency of Australia.
"Auditors"	means Deloitte or such other firm of registered auditors as may from time to time be appointed as auditors to the ICAV.
"Base Currency"	means the currency of account of a Fund or a Class thereof, as specified in the relevant Supplement relating to that Fund.
"Benchmark Regulation"	Regulation (EU) 2016/1011 of the European Parliament and of the Council.
"Board"	means the board of Directors of the ICAV for the time being and any duly constituted committee thereof.
"BRL"	means the lawful currency of Brazil.
"Business Day"	means in relation to a Fund (or a Class thereof) such day or days as shall be so specified in the relevant Supplement for that Fund or such other day or days as may be specified by the Directors

	and/or the AIFM.
"CAD"	means Canadian Dollars, the lawful currency of Canada.
"Capitalisation Shares"	means a capitalisation shares of no par value issued at one Euro each and initially designated as "Capitalisation Shares" which entitle the holders to attend and vote at general meetings of the ICAV as provided for in the Instrument but not to participate in the profits and assets of the ICAV except for a return of paid up capital on a winding-up.
"Capitalisation Shareholder"	a person/persons registered in the register of members of the ICAV as a holder or holders of Capitalisation Shares.
"Central Bank"	means the Central Bank of Ireland or the successor regulatory authority with responsibility for the authorisation and supervision of the ICAV.
"CFD"	means a contract for difference.
"CFTC"	U.S. Commodity Futures Trading Commission.
"CHF"	means Swiss Francs, the lawful currency of Switzerland.
"CIS"	means a collective investment scheme(s), as the context so requires.
"Class Currency"	the currency of denomination of a Class.
"Class"	means Participating Shares of the ICAV representing an interest in the ICAV designated as a class of Participating Shares for the purposes of attributing different portions of the Net Asset Value to such Participating Shares.
"Closed-Ended Fund"	means a Fund which is established as a closed-ended fund in accordance with the requirements of the Central Bank.
"Closed-Ended Period"	means such closed-ended period of a Fund (if any) as is set out in the relevant Supplement.
"Closing Date"	means in respect of Closed-Ended Fund or Open-Ended Fund with Limited Liquidity, such date as disclosed in the Prospectus as the Directors and the Depositary shall determine and notify to the Central Bank;
"Collection Account"	means one or more cash accounts opened in the name of the ICAV on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Participating Shares are deposited and held until Participating Shares are issued as of the relevant Dealing Day; and/or (ii) redemption monies due to investors who have redeemed Participating Shares are deposited and held until paid to the relevant investors; and/or (iii) dividend payments owing to Participating Shareholders are deposited and held until paid to such Participating Shareholders.
"Companies Act"	means the Companies Act 2014, as may be amended.
"Country Supplement"	means a supplement to this Prospectus specifying certain information pertaining to the offer of Participating Shares of the

	ICAV or a Fund or Class in a particular jurisdiction or jurisdictions;
"CRS" or "Common Reporting Standards"	means a) the Standard for Automatic Exchange of Financial Account Information in Tax Matters published by the Organisation for Economic Co-operation and Development on 15 July 2014 (the "Standard") (including any commentary thereon); or (b) any treaty, law, regulation or other official guidance of any jurisdiction, or relating to a competent authority agreement (including any commentary thereon and any notification issued pursuant to a multilateral competent authority agreement) or intergovernmental agreement, which (in either case) facilitates the implementation of the Standard.
"CDSC"	means a contingent deferred sales charge.
"Data Protection Legislation"	means the GDPR, the Data Protection Act 1988-2018 (as amended from time to time), and any other applicable national data protection legislation, as amended supplemented or replaced from time to time.
"Dealing Day"	such day or days as the Directors may determine and specify in the Prospectus as a dealing day, in respect of a subscription for Participating Shares, or a dealing day, in respect of a redemption or transfer of Participating Shares, provided that there shall, in the case of Open-Ended Funds only, be at least one dealing day per calendar quarter;
"Dealing Deadline"	means in relation to a Fund (or Class thereof), such time on any Dealing Day as shall be specified in the relevant Supplement for the Fund (or relevant Class).
"Defaulting Participating Shareholder"	means a Participating Shareholder who fails to comply with the terms and/or conditions of issue of its Participating Shares or any agreement with the ICAV to subscribe for further Participating Shares or the investor otherwise becomes classified by the Directors as a defaulting shareholder in accordance with the terms of this Prospectus or a Supplement for a Fund.
"Depositary"	means Société Générale S.A., Dublin branch or such other entity appointed to act as depositary to the ICAV, in accordance with the requirements of the Central Bank.
"Depositary Agreement"	means the agreement made between the ICAV, the AIFM and the Depositary dated 28 November, 2018 appointing the Depositary in respect of the ICAV as may be amended and / or supplemented from time to time.
"Depositary Receipts"	negotiable financial instruments issued by a bank including but not limited to ADRs, EDRs and GDRs.
"Director(s)"	means the Directors of the ICAV for the time being (or as the case may be, the Directors assembled as a board) and any duly constituted committee thereof.
"Dividend Period"	means any period ending on an Annual Accounting Date, Semi-Annual Accounting or a dividend date as the Fund may select and beginning on the day following the last preceding Annual Accounting Date or Semi-Annual Accounting, or the day following the last preceding Dividend Date, or the date of the initial issue of

	Participating Shares of a Fund, as the case may be.
"Distributor"	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 or Funds as specified in the relevant Supplement.
"Distribution Agreement"	means the distribution agreement between the ICAV and/or the AIFM and the relevant Distributor, as detailed in the Prospectus or in the relevant Supplement.
"Distributing Class" or "Distributing Classes"	any Class in respect of which the Directors intend to declare dividends in accordance with the Instrument, the "Distribution Policy" section and the relevant Supplement.
"Dodd-Frank Act"	means the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended.
"Duties and Charges"	in relation to any Fund, means all stamp duty and other duties, taxes, governmental charges, imposts, levies, brokerage fees, agent's fees, bank charges, exchange costs and commission, foreign exchange spreads, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the constitution, acquisition, increase or reduction of cash or other assets of the ICAV or relevant Fund or the creation, acquisition, issue, sale, holding, transfer conversion, valuation, redemption or repurchase of Participating Shares or 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 Prices 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), but shall not include any commission payable to agents on sales and purchases of Participating Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Participating Shares in the relevant Fund.
"EDR"	means a European Depositary Receipt, a negotiable certificate issued by a bank of an EEA Member State representing a specific number of shares of a stock traded on an exchange of another EEA Member State.
"EEA"	means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, EU Member States, Norway, Iceland, Liechtenstein).
"EMIR"	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).
"ERISA"	means the US Employee Retirement Income Security Act of 1974.

"ESMA"	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.
"ESMA Remuneration Guidelines"	means the guidelines on sound remuneration policies under AIFMD as published by ESMA (as such may be updated or amended from time to time).
"ETFs"	means exchange traded funds.
"EU Member State" or "Member State"	means a Member State of the European Union.
"Euro", "euro" and "€"	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.
"Exchange Charge"	shall have the meaning set out under the heading EXCHANGE CHARGE.
"Exempt Investor"	means any of the following Irish Residents: (i) the AIFM or Investment Manager, for so long as the AIFM 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 Participating Shares held are assets of an approved retirement fund or an approved minimum retirement fund; (ix) (k) 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 Participating 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; or (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; or (xiv) the National Asset Management Agency; or (xv) a company that is or will be 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 Participating 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 Participating Shareholder or the transfer by a Participating Shareholder of any Participating Shares, and in each case in respect of whom the ICAV is in possession of a Relevant

	Declaration, as applicable.
"External Valuer"	means a legal or natural person independent of the ICAV, the AIFM and any other person with close links to the ICAV or the AIFM who may be appointed by the ICAV or the AIFM to value the ICAV's assets in accordance with Articles 18(4) and 18(5) of AIFMD;
"Ex-Dividend Date"	means such ex-dividend date as specified in the relevant Supplement.
"FATCA"	<ul style="list-style-type: none"> (i) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations; (ii) any treaty, law, regulation or official guidance of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (i) above; or (iii) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.
"FCA"	means the Financial Conduct Authority of the UK or any successor regulatory authority thereto.
"FDI"	means financial derivative instruments as described herein and used by the ICAV from time to time.
"Fitch"	means Fitch Ratings Inc.
"Fund" or "Funds"	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 Participating 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.
"FX"	means foreign exchange.
"GBP"	means the lawful currency of the UK.
"GDR"	means a Global Depositary Receipt, a bank certificate issued in more than one country for Participating Shares in a non-U.S. company.
"GDPR"	means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
"Gross Asset Value"	means, means in respect of the assets of a Fund, the Net Asset Value of that Fund plus the liabilities of the Fund and any amount

	payable but not paid to Participating Shareholders.
"Hedged Class"	a Class, the details of which will be set out in the relevant Supplement, which is denominated in a currency other than the Base Currency of the Fund, and in respect of which the relevant 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.
"HKD"	the lawful currency of Hong Kong.
"Identified Staff"	means categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the AIFM's risk profile or the risk profiles of the Funds.
"ILS"	the lawful currency of Israel.
"ICAV"	means Ardan QIAIF ICAV.
"Independent Valuer"	means any company/companies or person(s) as may be appointed by the ICAV and/or the AIFM from time to time as independent valuer of the Property in accordance with the requirements of the Central Bank and identified in the annual accounts of the Funds/ICAV and which the Directors and/or AIFM believe have the appropriate skills, competence and experience. For the avoidance of doubt, such independent valuer shall not constitute an external valuer for the purposes of the AIFM Regulations without the prior approval of the Directors and/or the AIFM.
"Initial Offer Period"	the period as specified in the relevant Supplement, during which Participating Shares in a Fund or Class are initially offered.
"Initial Offer Price"	means the initial offer price payable for a Participating Share as specified in the relevant Supplement for each Fund.
"Instrument or "Instrument of Incorporation"	means the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time in accordance with the requirements of the Central Bank.
"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.
"Investments"	means any investment, securities, instruments or obligations of whatsoever nature or other asset of any description in which the ICAV is entitled to trade or invest in respect of a Fund in accordance with the provisions of the Instrument, this Prospectus and the AIFM Regulations.
"Investment Advisor"	means any person, firm or corporation appointed in accordance with the requirements of the Central Bank and for the time being providing Investment Advisory services in relation to one or more of the Funds.

"Investment Advisory Agreement"	means one or more Investment Advisory Agreement(s) made between ICAV, the AIFM and/or the relevant Investment Manager and one or more Investment Advisors.
"Investment Manager"	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 discretionary investment management or advisory services to one or more Funds as specified in the relevant Supplement.
"Investment Management Agreement"	means the agreement pursuant to which the AIFM has appointed the relevant Investment Manager to manage the investment and reinvestment of the assets of any one or more of the Funds, as may be amended, supplemented or replaced from time to time. Details of each Investment Management Agreement are set out in the relevant Supplement, as applicable.
"Ireland"	means the Republic of Ireland.
"Irish Stock Exchange"	means the Irish Stock Exchange Limited.
"Irish Resident"	means any undertaking resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please refer to the "TAXATION" section for the summary of the concepts of residence and ordinary residence issued by the Irish Revenue Commissioners.
"Irish Revenue Commissioners"	means the Irish authority responsible for taxation.
"Irish Time"	means the time in the same time zone as Greenwich, England and used in the Republic of Ireland.
"JPY"	means Japanese Yen, the lawful currency of Japan.
"Knowledgeable Investor"	<p>means an investor who has met one of the following conditions to the satisfaction of the Directors:</p> <p>(a) The investor is an entity appointed to provide investment management or advisory services to the ICAV or any Fund;</p> <p>(b) The investor is a Director;</p> <p>(c) The investor is a director of the AIFM or a company appointed to provide investment management or advisory services; or</p> <p>(d) The investor is an employee of the ICAV, the AIFM or a company appointed to provide investment management or advisory services and is directly involved in the investment activities of the ICAV or is a senior employee of the ICAV, the AIFM or company appointed to provide investment management or advisory services and has experience in the provision of investment management services;</p> <p>and in each case certifies in writing to the ICAV that:</p> <p>(i) They are availing of the exemption from the Minimum Initial Subscription requirement of €100,000 on the basis that they are a Knowledgeable Investor as defined above;</p> <p>(ii) Are aware that each Fund is marketed solely to Qualifying Investors who are normally subject to a minimum subscription</p>

	<p>requirement of €100,000;</p> <p>(iii) that they meet the minimum criteria applicable to a Qualifying Investor and that they are aware of the risk involved in the proposed investment; and</p> <p>(iv) they are aware that inherent in such investment is the potential to lose all of the sum invested.</p> <p>In the case of investment by employees, the ICAV must ensure that the ICAV, the AIFM or a company appointed to provide investment management or advisory services, as appropriate, is satisfied that prospective investors fall within the criteria outlined at (d) above.</p>
"Loan Originating Fund"	means a Fund, which is permitted to engage in loan originating in accordance with the requirements of the Central Bank and the AIF Rulebook.
"Member"	means a Subscriber Shareholder, Capitalisation Shareholder and/or a Participating Shareholder, as the context so requires.
"MiFID"	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, MiFIR, MiFID Delegated Directive and related legislation; as transposed into Irish law by the MiFID Regulations.
"MiFID Delegated Directive"	means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
"MiFID Regulations"	means S.I. No. 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended from time to time and any regulations or conditions made thereunder by the Central Bank.
"MiFIR"	means the Markets in Financial Instruments Regulation (EU) No 600/2014.
"Minimum Fund Size"	means such amount as the Directors may consider for a Fund and as set out in the Supplement for the relevant Fund.
"Minimum Initial Subscription"	means the minimum initial subscription for Participating Shares in the ICAV, any Fund or Class of Participating Shares as set out in the Prospectus or relevant Supplement provided the minimum amount of such initial subscription (taking into account initial subscriptions by the applicant in other Funds or Classes of Participating Shares in the ICAV) shall not be less than €100,000 or its equivalent in another currency (subject to certain exemptions for certain categories of persons which may be granted by the ICAV in accordance with the requirements of the Central Bank and provided for in the this Prospectus and the aggregate of one or more investor's investments to the ICAV as a whole may generally be taken into account for the purposes of satisfying the regulatory minimum subscription requirement.
"Minimum Subsequent"	means such amount (if any) as the Directors may from time to time prescribe as the minimum subscription amount required by

"Subscription"	each Participating Shareholder for Participating Shares of each Class as is specified in the Supplement for the relevant Fund.
"Minimum Holding"	means the minimum number or value of Participating Shares which must be held by Participating Shareholders as specified in this Prospectus and/or the relevant Supplement.
"Minimum Share Class Size"	means such amount (if any) as the Directors may consider for each Share Class and as set out in the Supplement for the relevant Fund.
"Minimum Transaction Size"	means, apart from the Minimum Initial Subscription and the Minimum Subsequent Subscription, the minimum value of each redemption, conversion or transfer of Participating Shares in any Fund or Class as may be specified in the relevant Supplement.
"Moody's"	means Moody's Investors Service, Inc.
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which comply with the requirements of the Central Bank.
"Net Asset Value"	means the amount determined as being the net asset value of the ICAV, a Fund or a Class or a Participating Share on any particular Valuation Day pursuant calculated as described or referred to herein.
"Net Asset Value per Participating Share"	means, in relation to any Class, the Net Asset Value divided by the number of Participating 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.
"NOK"	means Norwegian Kroner, the lawful currency of Norway.
"Non-Voting Participating Shares"	means Participating Shares which carry no voting rights as further described in Section 2.13.
"NZD"	means the New Zealand Dollar, the lawful currency of New Zealand.
"OECD"	means the Organisation for Economic Co-Operation and Development.
"Open-Ended Fund"	means a Fund which is established as an open-ended fund in accordance with the requirements of the Central Bank.
"Open-Ended Fund with Limited Liquidity"	means a Fund which is established as an open-ended fund with limited liquidity in accordance with the requirements of the Central Bank.
"Ordinary Resolution"	means a resolution of the Members of the ICAV or of the Participating Shareholders of a particular Fund or Class passed by a simple majority of the votes cast in person or proxy at a general meeting of the ICAV, Fund or Class as the case may be, or a resolution in writing signed by all the Members entitled to vote on such resolution.

"OTC"	means Over-the-Counter.
"Participating Share" or "Participating Shares"	unless the context otherwise requires, a participating shares of no par value in the capital of the ICAV, designated in one or more Funds (or Classes thereof) entitling the holder thereof to (i) participate in or receive the profits and income arising from the acquisition, holding, management or disposal of the assets of the ICAV or in one or more Funds as provided for in the Instrument; (ii) vote at a general meeting of the ICAV or any meeting of Members of the ICAV or a Meeting of Participating Shareholders of a Fund or a Class (or Series thereof) (save to the extent that the relevant Participating Shares are designated as Non-Voting Participating Shares); (iii) such other rights as may be provided for in the Instrument in relation to Participating Shares of that Class or Series, subject to Applicable Law and conditions imposed under section 27 of the Act. Participating Shares may be divided into different Classes. Participating Shares shall be personal property, transferable, subject to the provisions of the Act, Applicable Law and conditions imposed under section 27 of the Act, in the manner provided by the Instrument and shall not be in the nature of real property;
"Participating Shareholder"	means a person registered as a holder of Participating Shares or, save as otherwise provided in this Prospectus, a fraction of a Participating Share in the capital of the ICAV (or a Fund or Class thereof).
"Paying Agency Agreement"	means one or more Paying Agency Agreements made between the AIFM and/or the ICAV and/or one or more Paying Agents and dated as specified in the relevant Country Supplement.
"Paying Agent"	means one or more paying agents/facilities agents/distributors/sub-distributors/correspondent banks, appointed by the ICAV and/or the AIFM in certain jurisdictions as detailed in the relevant Country Supplement.
"Performance Fee"	means a performance fee in such amount as shall be determined by the Directors and disclosed in the Prospectus and/or relevant Supplement with respect to the relevant Performance Fee Period.
"Performance Fee Period"	a calculation period in respect of which a Performance Fee may become payable, which shall be disclosed in the Prospectus and/or relevant Fund Supplement.
"Permitted U.S. Person"	means a U.S. Person who also falls within the meaning of the U.S. Internal Revenue Code of 1986, as amended, that is subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or is otherwise exempt from payment of U.S. Federal Income Tax or an entity substantially all of the ownership interests in which are held by tax-exempt U.S. Persons.
"Personal Data"	has the meaning given in the GDPR.
"Portfolio Company"	means a company or other issuer in which a Loan Originating Fund makes an investment.
"Prime Broker"	means a prime broker appointed in accordance with the requirements of the Central Bank to provide prime brokerage services to the ICAV in respect of a Fund, as set out in the

	relevant Supplement for the Fund.
"Property"	means the freehold or leasehold interest in any land or building.
"Professional Investor"	means an investor which is considered to be a professional client or may, on request, be treated as a professional client within the meaning of Annex II to AIFMD.
"Prospectus"	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.
"QIAIF" or "Qualifying Investor AIF"	means a qualifying investor alternative investment fund, being a category of non-UCITS collective investment scheme authorised by the Central Bank pursuant to the Act and chapter 2 of the AIF Rulebook.
"Qualifying Investor"	<p>means an investor who:</p> <p>(a) Is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) (MiFID); or</p> <p>(b) Receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or</p> <p>(c) Certifies that they are an informed investor by providing:</p> <p>(i) Written confirmation that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or</p> <p>(ii) Written confirmation that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.</p> <p>The qualifying investor must certify in writing to the Directors that they:</p> <p>(i) Meet the minimum criteria set out at (a), (b) or (c) above;</p> <p>(ii) Are aware of the risk involved in the proposed investment; and</p> <p>(iii) That they are aware that inherent in such investment is the potential to lose all of the sum invested.</p> <p>Within the EU, a qualifying investor alternative investment fund may only be marketed to professional investors as defined in AIFMD, unless the Member State where the Fund is to be marketed permits, under the laws of that Member State, Participating Shares in the Fund to be sold to other categories of investors and this permission encompasses investors under (c)(ii) and (c)(iii) above, as may be amended, supplemented or replaced from time to time.</p>
"Recognised Rating Agency"	S&P, Moody's, Fitch or an equivalent rating agency as the Directors may from time to time determine.
"Record Date"	means such record date as specified in the relevant Supplement.

"Redemption Charge"	means in respect of a Fund (or a Class thereof), the charge payable (if any) on the redemption of Participating Shares as specified in the Supplement for the relevant Fund.
"Redemption Price"	means, in respect of each Participating Share being redeemed, the value payable to the investor of each Participating Share based on the Net Asset Value per Participating Share, adjusted for any Duties and Charges which may be imposed by the Directors or to take account of the application of Swing Pricing or an Anti-Dilution Levy, calculated as at the Valuation Day related to the Dealing Day upon which such Share is to be redeemed.
"Redemption Settlement Cut-Off"	means the time by which redemption proceeds will generally be paid to Participating Shareholders as specified in the relevant Supplement for the Fund, provided that all relevant documentation has been furnished to and received by the Administrator.
"REITs"	means real estate investment trusts, being pooled investment vehicles that invest in income producing real property or real property-related loans or interests listed, traded or dealt in on Regulated Markets. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest their assets directly in real property and derive income primarily from the collection of rents. Equity REITs may also realise capital gains by selling properties that have appreciated in value. Mortgage REITs invest their assets in real property mortgages and derive income from the collection of interest payments.
"Recognised Market"	means in relation to any Investment (not being a commodity, option or futures contract), any stock exchange, over-the-counter market or other securities market; in relation to any particular option, futures contract or index futures contract, any exchange or market on which such option, futures contract or index futures contract is regularly traded; in relation to forward foreign exchange contracts, the interbank market; in each case in any part of the world and includes in relation to any particular Investment, any one or more responsible persons, firms or associations in any part of the world so dealing in the Investment as to be expected generally to provide in the opinion of the Directors, a satisfactory market for such Investment and in such case the relevant Investment shall be deemed to be the subject of an effective permission to deal on the recognised market deemed to be constituted by such persons, firms or associations.
"Registered Office"	means the registered office of the ICAV as set out in the directory to this Prospectus.
"RMB"	means Renminbi, the lawful currency of China.
"Securities Financing Transactions"	means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction, each as defined in the Securities Financing Transactions Regulations.
"Securities Financing Transaction Regulations" or "SFTR"	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

"Series"	means, in relation to each Class in a Fund, a series of that Class, provided that if a Class has not been issued in multiple series, the term series shall mean such Class.
"Side Pocket Shares"	means a Class or Classes of Participating Shares to which Illiquid Investments may be allocated by the Directors in accordance with the Instrument and the requirements of the Central Bank.
"S&P" or "Standard & Poor's"	means Standard & Poor's Ratings Service.
"SEC"	means the U.S. Securities and Exchange Commission.
"SEHK"	the Stock Exchange of Hong Kong Limited.
"SEK"	means Swedish Kronor, the lawful currency of Sweden.
"SFC"	means the Securities and Futures Commission of Hong Kong.
"SGD"	means Singapore Dollars, the lawful currency of Singapore.
"Special Resolution"	means a special resolution of the Members of the ICAV or the Participating Shareholders of a particular Fund or Class in general meeting passed by 75% of votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class as the case may be; or a resolution in writing signed by all the Members entitled to vote on such resolution.
"Sub-Investment Manager"	means any one or more entities or individuals which may be selected and appointed by the relevant Investment Manager to manage the portfolio of assets or a portion thereof of a Fund subject to the particular terms of the Sub-Investment Management Agreement.
"Sub-Investment Management Agreement"	means any one or more Sub-Investment Management Agreements made between the relevant Investment Manager and one or more Sub-Investment Managers.
"Subscriber Shares"	the issued share capital of 2 subscriber shares of no par value and initially designated as "Subscriber Shares" but which do not entitle the holders to participate in the profits of the ICAV attributable to any Fund.
"Subscriber Shareholder"	a person/persons registered in the register of Members of the ICAV as a holder or holders of Subscriber Shares.
"Subscription Charge"	shall have the meaning set out under the heading SUBSCRIPTION CHARGE .
"Subscription Price"	means, in respect of each Participating Share being subscribed for the value payable by the investor of each Participating Share based on the Net Asset Value per Participating Share, adjusted for any Duties and Charges which may be imposed by the Directors or to take account of the application of Swing Pricing or an Anti-Dilution Levy, calculated as at the Valuation Day related to the Dealing Day upon which such Share is to be redeemed.
"Subscription Settlement Cut-	means the time by which payment for subscriptions must be

Off"	received in the bank account as specified on the Application Form and in the relevant Supplement for the Fund to permit processing as at the relevant Dealing Day.
"Subsidiary"	means a wholly-owned subsidiary of the ICAV, controlled by the ICAV and established with the prior approval of the Central Bank and in accordance with its requirements. The Directors of the ICAV shall form at least the majority of the board of directors of any such Subsidiary.
"Supplement"	means a document which contains specific information supplemental to this document in relation to a particular Fund and/or Class and any addenda thereto, which forms part of and should be read in the context of and together with the Prospectus.
"Swing Pricing"	has the meaning set out above under the heading "Swing Pricing".
"Taxation"	means any tax, levy, import, duty or other charge or withholding of a similar nature (including penalty of interest payable in connection with any failure to pay or any delay in paying any of the same);
"TCA" or "Taxes Acts"	means the Taxes Consolidation Act 1997 of Ireland, as amended.
"Total Return Swap"	means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty.
"Unhedged Class"	a class of Participating Shares which is denominated in a currency other than the Base Currency of the Fund and in respect of which the relevant Investment Manager does not employ techniques and instruments to protect against fluctuations between the Class Currency of the relevant class and the Base Currency of its Fund.
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland.
"USD"	or "US\$" or "U.S."
"Dollars" or "\$"	means the lawful currency of the United States of America.
"U.S."	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.
"U.S. Person" or "US Person"	means an individual or entity that is a U.S. person as more particularly described in Appendix I.
"Valuation Day"	means such day or days as the Directors may from time to time determine and set out in the Supplement, being a day on which the Net Asset Value shall be determined; provided that in the case of Open-Ended Funds only, there shall be at least one Valuation Day per calendar quarter and in the case of an Open-Ended Fund with Limited Liquidity and Closed-Ended Funds, one such day per annum.
"Valuation Point"	means such time or times on a Valuation Day as the Directors may from time to time determine and set out in the relevant Supplement, provided that the Valuation Point will always be after

	<p>the Dealing Deadline.</p> <p>such time or times on each Valuation Day by reference to which the Net Asset Value shall be calculated on or with respect to each Dealing Day (or in the case of a Closed-Ended Fund or an Open-Ended Fund with Limited Liquidity, a Capital Subscription Day) as shall be determined by the Directors and specified in this Prospectus or the relevant Supplement for each Fund.</p>
"VAT"	means value added tax.
"ZAR"	means the South African Rand, the lawful currency of the Republic of South Africa.

In this Prospectus any reference to any statute, statutory provisions or to any order or regulation shall be construed as a reference to: (a) that statute, provision, order or regulation as extended, amended, replaced or re-enacted from time to time; (b) all statutory instruments made under it or deriving validity from it; (c) any statutory instruments made under any enactment to be read and/or construed with any such statute, statutory provisions, order or regulation; and (d) any rules made by competent authorities under or pursuant to a statutory instrument.

SECTION 1 — IMPORTANT INFORMATION

THIS PROSPECTUS

- 1.1 The Directors of Ardan QIAIF ICAV (the "**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. Capitalised terms are defined herein. The Directors accept responsibility accordingly.
- 1.2 This Prospectus describes the ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Funds, which was registered with and authorised by the Central Bank to carry on business as an ICAV, pursuant to Part 2 of Act and established as a QIAIF pursuant to the AIFM Regulations.
- 1.3 This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Supplement, which may be issued in respect of a Fund or if appropriate, a relevant Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail. Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.
- 1.4 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. 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.

AUTHORISATION BY THE CENTRAL BANK

- 1.5 **This Prospectus comprises information relating to the ICAV, an Irish collective asset management vehicle constituted as an umbrella fund with segregated liability between sub-funds in Ireland with registered number C183199. The ICAV is authorised and regulated by the Central Bank as a QIAIF pursuant to the AIFM Regulations to market its Participating Shares solely to Qualifying Investors which includes Professional Investors within the meaning of AIFMD in EU Member States pursuant to Article 31 and Article 32 of the AIFM Regulations). The Participating Shares issued by the ICAV are appropriate to investors satisfying the eligibility criteria described under "Qualifying Investors" and elsewhere in this Prospectus and as may be specified in the relevant Supplement.**
- 1.6 **Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the ICAV and the Central Bank shall not be liable by virtue of that authorisation or by reason of its exercise of the functions conferred on it by legislation in relation to the ICAV for any default of the ICAV. Authorisation of the ICAV 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 the Prospectus.**
- 1.7 **The ICAV has been authorised by the Central Bank for marketing solely to Qualifying Investors. As the Minimum Initial Subscription to the ICAV (with the exception of subscriptions from Knowledgeable Investors) will always equal or exceed EUR 100,000 (or its foreign currency equivalent) or such other minimum amount as the Central Bank may prescribe and as the ICAV will market its Participating Shares solely to Qualifying Investors, the ICAV qualifies as a QIAIF for the purposes of the Central Bank's AIF Rulebook. Accordingly, while the ICAV is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on**

the degree of leverage which may be employed in respect of the ICAV, nor has the Central Bank reviewed this Prospectus.

- 1.8 **A Subscription Charge and/or a Redemption Charge may be charged by a Fund, as set out in the relevant Supplement. Where there is a Subscription Charge and a Redemption Charge payable on the issue and redemption of Participating Shares in a Fund, the difference at any one time between the Subscription Price and Repurchase Price of Participating Shares in the relevant Fund means that the investment should be viewed as medium to long term.**
- 1.9 **Investors should note that distributions may be made out of capital and investors may not receive back the full amount invested.**

INVESTOR RESPONSIBILITY

- 1.10 Prospective investors should review the Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other financial adviser in relation to (i) the legal requirements within their own countries for the purchase, holding, exchange, redemption or disposal of Participating 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 Participating Shares; and (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Participating 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.
- 1.11 Participating Shares will be offered only to investors who are Qualifying Investors, as defined herein, and, in the case of U.S. Persons, investors who also qualify as "accredited investors" under Regulation D of the U.S. Securities Act of 1933, as amended.
- 1.12 A Qualifying Investor must certify in writing to the ICAV that the Qualifying Investor meets the criteria, is aware of the risk involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sums invested.
- 1.13 The ICAV may waive any suitability requirement with respect to one or more investors when such waiver is permitted by applicable law and not inconsistent with the interests of the ICAV.

DISTRIBUTION AND SELLING RESTRICTIONS

- 1.14 The distribution of this Prospectus and any Supplement and the offering or purchase of the Participating Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus, any Supplement or the accompanying Application Form in any such jurisdiction may treat this Prospectus, any Supplement or such Application Form as constituting an invitation to them to subscribe for Participating 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.
- 1.15 **Notice to residents of member states of the EEA**
- 1.16 In relation to each member state of the EEA (each an "**EEA Member State**") which has implemented the AIFMD (and for which transitional arrangements are not / no longer available), this Prospectus may only be distributed and Participating Shares may only be offered or placed in a EEA Member State to the extent that: (1) the ICAV is permitted to be marketed to professional investors in the relevant EEA Member State in accordance with AIFMD (as implemented into the local law / regulation of the relevant EEA Member State); or (2) this Prospectus may otherwise be lawfully distributed and the Participating Shares may otherwise be lawfully offered or placed in that EEA Member State (including at the initiative of the investor). In relation to each EEA Member State which, at the date of this Prospectus, has not implemented AIFMD, this Prospectus may only be distributed and Participating Shares may only be offered or placed to the extent that this Prospectus may be lawfully distributed and the Participating Shares may lawfully be offered or placed in that EEA Member State (including at the initiative of the investor).

- 1.17 Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) (the "**PRIIPs Regulation**") for offering or selling the Participating Shares in the Fund to retail investors in the EEA has been prepared. Therefore, offering or selling the Participating Shares in the Fund to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.
- 1.18 **Notice to residents of the United States**
- 1.19 The Participating Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the States of the United States. Except with respect to permitted U.S. Persons the Participating Shares may not be offered, sold or delivered directly or indirectly in the US or to or for the account or benefit of any U.S. Person (as defined herein). In reliance on the private placement exemption from the registration requirements of the 1933 Act provided by Section 4(2) of the 1933 Act and Regulation D thereunder, the ICAV may arrange or permit the private sale of Participating Shares to a limited number (being not more than 100) of "accredited investors" (as defined in Rule 501(a) of Regulation D under the 1933 Act) in the United States under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Participating Shares under the 1933 Act. Any resales or transfers of the Participating Shares in the United States or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the ICAV. Applicants for Participating Shares will be required to certify whether they are a "U.S. Person".
- 1.20 The ICAV will not be registered under the United States Investment Company Act of 1940 (the "**Investment Company Act**") since it will in respect of any Fund limit to not more than 100 the number of beneficial owners of its Participating Shares (to include Non-Voting Participating Shares) that are U.S. Persons. The Directors will not knowingly permit the number of Participating Shareholders who are U.S. Persons to exceed 100 in respect of any Fund. To ensure this limit is maintained the Directors may require the mandatory repurchase of Participating Shares beneficially owned by U.S. Persons.

RELIANCE ON THIS PROSPECTUS

- 1.21 Participating Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and, as appropriate, the latest audited annual accounts of the ICAV or relevant Fund(s).
- 1.22 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 Participating Shares in the ICAV other than those contained in this Prospectus and in any subsequent 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 Administrator or the Depositary.
- 1.23 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 Participating 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.

RISKS

Investors should be aware that investment in the ICAV carries with it the potential for above average risk and is only suitable for people who are in a position to take such risks. The value of Participating Shares may go down as well as up, and investors may not get back any of the amount invested. The difference at any one time between the Subscription Price and the Redemption Price of Participating Shares due to applicable charges (if any) means that an investment in the ICAV should be viewed as medium- to long-term. Investment in the ICAV should not constitute a substantial proportion of an investor's portfolio and may not be appropriate for all investors. Risk factors for an investor to consider are set out in the RISK FACTORS section.

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DIRECTORY

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Investment Manager

As disclosed in the relevant Supplement,
where applicable.

Distributor

As disclosed in the relevant Supplement, where
applicable.

Investment Advisor

As disclosed in the relevant Supplement,
where applicable.

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SECTION 2 — THE ICAV

FUND STRUCTURE

- 2.1 The ICAV is an umbrella type Irish collective asset-management vehicle with segregated liability between Funds, registered as an Irish collective asset-management vehicle on 2 October, 2018 with registered number C183199 and is authorised by the Central Bank pursuant to Part 2 of the Act.
- 2.2 The ICAV is regulated by the Central Bank as a Qualifying Investor AIF pursuant to the AIFM Regulations.

ESTABLISHMENT OF FUNDS AND CLASSES

- 2.3 The ICAV is an umbrella fund with segregated liability, which is comprised of different Funds, each of which may have one or more classes of Participating Shares. Prior to the issue of any Participating Shares, the ICAV will designate the Fund in relation to which such Participating Shares shall be issued. Additional Funds in respect of which a Supplement(s) will be issued may be established by the Directors with the prior approval of the Central Bank and in accordance with the provisions of the Instrument, the Prospectus and the conditions imposed under the Act.
- 2.4 A separate Fund with separate records and accounts will be maintained and assets in such Fund will be invested in accordance with the investment objective and policies applicable to such Fund (as set out in the relevant Supplement). A separate portfolio of assets will be maintained in relation to each Fund. A separate portfolio of assets is not maintained for each Class.
- 2.5 In accordance with the provisions of the Act, it is intended that the ICAV will not be liable as a whole to third parties for the liabilities for each Fund. However, investors should note the risk factor under **UMBRELLA STRUCTURE OF THE ICAV** below.
- 2.6 The names of all Funds of the ICAV will be detailed in a separate Existing Fund Supplement to this Prospectus, which shall form part of, and should be read in conjunction with this Prospectus and which shall be updated from time to time. On the establishment of any new Fund or the creation of a new Class in an existing Fund, documentation will be prepared setting out the relevant details of each such Fund or Class.
- 2.7 Funds may be established as either Open-Ended Funds, Open-Ended with Limited Liquidity Funds or Closed-Ended Funds, as may be determined by the Directors from time to time, with the prior approval of the Central Bank. Each Supplement shall state whether the Fund is an Open-Ended Fund, an Open-Ended Fund with Limited Liquidity or a Closed-Ended Fund (and if closed-ended the Closed-Ended Period). The creation of any Fund will require the prior approval of the Central Bank.

2.7.1 Open-Ended Funds

Open-Ended Funds are Funds that permit redemptions at the request of Participating Shareholders on at least a quarterly basis and provides for a period of ninety (90) calendar days or less between the applicable Dealing Deadline and the Redemption Settlement Cut-Off.

2.7.2 Open-Ended with Limited Liquidity Funds

Open-Ended with Limited Liquidity Funds are Funds that offer redemptions on less than a quarterly basis or which provides for a period of greater than ninety (90) calendar days between the applicable Dealing Deadline and the Redemption Settlement Cut-Off. The settlement of redemptions in a Limited Liquidity Fund may involve substantial delays and the ability to honour redemption requests will be dependent upon circumstances relating to, inter alia, the relevant Fund's investment in underlying assets and the liquidity profile of those assets. Before investing in an Open-Ended with Limited Liquidity Fund, investors

should read and consider the relevant Fund's redemptions provisions as detailed in this Prospectus and the Supplement for the Fund.

2.7.3 Closed-Ended Funds

Closed-Ended Funds are Funds for which redemptions at the request of Participating Shareholders shall either be prohibited or shall be significantly restricted, subject to conditions set down by the Central Bank. Before investing in a Closed-Ended Fund, investors should read and consider the limitations attaching to the relevant Fund's redemptions provisions as detailed in this Prospectus and the Supplement for the Fund.

Details of the Closed-Ended Period of each Closed-Ended Fund will be set out in the relevant Supplement. At the end of the Closed-Ended Period, the ICAV on behalf of the Closed-Ended Fund will undertake one of the following actions:

- (i) terminate the Closed-Ended Fund and apply to the Central Bank for withdrawal of approval of the Closed-Ended Fund;
- (ii) redeem all outstanding Participating Shares and apply to the Central Bank for withdrawal of approval of the Closed-Ended Fund;
- (iii) convert the Closed-Ended Fund into an Open-Ended Fund or Open-Ended with Limited Liquidity Fund, the relevant details of which shall be disclosed in this Prospectus and/or the relevant Supplement; or
- (iv) obtain approval of relevant Participating Shareholders in the Closed-Ended Fund to extend the Closed-Ended Period for a further finite period.

2.8 Different Classes may be issued from time to time in accordance with the requirements of the Central Bank. Each Class represents interests in a Fund. Participating Shares can be either described as Distributing Class or Accumulating Class. Subject to the provisions of the AIF Rulebook, the Directors shall accrue and/or distribute capital gains/losses and income to each Participating Shareholder relative to their participation in the relevant Class. Details of the Classes will be disclosed in the relevant Supplement.

2.9 The Instrument contain provisions which permit the Directors to issue, designate as, compulsorily repurchase and/or repurchase Side Pocket Shares and to allocate Illiquid Investments to them. The Instrument also provides that the designation or issuance of any Side Pocket Shares and that allocation of Illiquid Investments to them will only be effected in accordance with the requirements of the Central Bank and in circumstances where the Directors consider it to be appropriate and in the interests of the relevant Participating Shareholders.

2.10 In accordance with the Act, the Shares are intangible personal property which gives the holders thereof certain legal rights. The Shares are transferable subject to the provisions of the Instrument and the AIFM Regulations. The Participating Shares of each Class allocated to a Fund will rank *pari passu* with each other in all respects except as to all or any of the following or as the ICAV may otherwise determine in accordance with the requirements of the Central Bank which requires uniform treatment of Participating Shareholders within the same Class: Class Currency; distribution policy; hedging policy; voting rights; return of capital, as to the allocation of assets of a Fund attributable to each Class, the level of fees and expenses to be charged; dealing procedures including subscription and redemption rights and/or procedures; Minimum Initial Subscription; Minimum Subsequent Subscription; Minimum Holding; Minimum Share Class Size, Minimum Fund Size and Minimum Transaction Size applicable and other terms of issue and use of techniques and instruments for efficient portfolio management or to provide protection against exchange risks and shares of any such Class of the ICAV may have preferred, deferred or other special rights, privileges or restrictions attached thereto.

2.11 The share capital of each Fund shall at all times equal its Net Asset Value.

- 2.12 The ICAV may, where disclosed in the Supplement, choose to allocate assets (including without limitation financial derivative instruments) to individual Classes or have different dealing procedures in accordance with the Central Bank's requirements. The assets of each Fund (or Class where relevant) will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund.
- 2.13 The Directors may create Non-Voting Participating Shares within a Fund or a particular Class thereof. In accordance with the requirements of the Central Bank, Participating Shareholders which hold Non-Voting Participating Shares will be able to request the conversion of their Non-Voting Participating Shares, without fee, to Participating Shares with full voting rights in accordance with the provisions outlined below under the section of the Prospectus entitled **EXCHANGE OF PARTICIPATING SHARES**. The decision to invest in such Non-Voting Participating Shares shall be made at the sole discretion of the investor.
- 2.14 The Directors also reserve the right to re-designate any Class from time to time, provided that Participating Shareholders in that Class will first have been notified by the ICAV that the Participating Shares will be re-designated and will have been given the opportunity to have their Participating Shares redeemed by the ICAV.
- 2.15 All holders of Participating 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. Subscriptions for Participating Shares will only be considered on the basis of this Prospectus (and any Supplement as defined herein) and the latest published annual report ICAV in respect of the relevant Fund and audited financial statements of the ICAV in respect of the relevant Fund. This report will form part of this Prospectus.
- 2.16 Investors may deal in the Participating Shares by subscribing for and/or having their Participating Shares redeemed in accordance with the terms of the Prospectus, the relevant Supplement and the Instrument.

BASE CURRENCY AND CLASS CURRENCY

- 2.17 The Base Currency of each Fund and the Class Currency of each Class shall be specified in the relevant Supplement.

MINIMUM SUBSCRIPTION, HOLDING AND TRANSACTION SIZE REQUIREMENTS

- 2.18 Participating Shares are being marketed solely to Qualifying Investors who (except for Knowledgeable Investors) must invest not less than the Minimum Initial Subscription or such other minimum level set by the Central Bank from time to time and disclosed in the relevant Supplement.
- 2.19 The Minimum Initial Subscription, Minimum Subsequent Subscription, Minimum Holding and Minimum Transaction Size for Participating Shares, as applicable, shall be set out in the Supplement for each Fund.
- 2.20 The Directors may increase or reduce the Minimum Initial Subscription, Minimum Subsequent Subscription, Minimum Holding, and Minimum Transaction Size if, in their absolute discretion they consider that the circumstances so warrant, subject to the requirements of the Central Bank. In exceptional circumstances, the Minimum Initial Subscription, Minimum Subsequent Subscription, Minimum Holding and/or the Minimum Transaction Size amount may be reduced by the Directors and/or the AIFM, at their discretion, in respect of specific applications.
- 2.21 In the event that a transfer by any such investor results in the Minimum Holding of that investor falling below an aggregate Net Asset Value of the Minimum Holding for the relevant Fund or Class, the Directors reserve the right either: (i) to refuse to register the relevant transfer; or (ii) to register the relevant transfer and compulsorily redeem all of the remaining Participating Shares of that investor.

MINIMUM FUND SIZE AND MINIMUM SHARE CLASS SIZE

- 2.22 Where applicable, the Minimum Fund Size of the Fund and Minimum Share Class Size applicable to a Class(es) in a Fund and the related period(s) will be disclosed in the relevant Supplement. The ICAV, on behalf of the Fund, will return any subscriptions to the Participating Shareholders where the Minimum Fund Size is not reached within the relevant period, as set out in the Supplement. The Directors may increase or reduce the Minimum Fund Size and/or Minimum Share Class Size, or otherwise extend or shorten the relevant period(s), if in their absolute discretion they consider that the circumstances so warrant.

SIDE POCKET CLASSES

- 2.23 In accordance with the Instrument and the requirements of the Central Bank, the Directors may in their discretion (unless specifically disappplied in the Supplement) create and issue one or more Classes of Participating Shares (each a "**Side Pocket Class**") to which assets (and liabilities arising in connection with such assets) of the Fund may be allocated, where Investments are or have become illiquid or otherwise difficult to value or realise ("**Illiquid Investments**"), and the Directors may also allocate to such Side Pocket Class such additional cash or other assets representing a reserve for commitments and contingencies related to such Illiquid Investments as the Directors may in their discretion determine, provided that a Fund may only establish Side Pocket Classes for assets which are illiquid when purchased where the Fund classifies itself as either an Open-Ended with Limited Liquidity Fund or a Closed-Ended Fund.
- 2.24 Side Pocket Classes shall be redeemable only when so determined by the Directors. This may involve the Directors effecting a pro-rata reduction in the number of Participating Shares held by a Participating Shareholder attributable to the relevant Fund excluding the assets and liabilities attributable to the Side Pocket Class and creating for the benefit of such Participating Shareholder a corresponding pro-rata interest in the Side Pocket Class.
- 2.25 The value of assets and liabilities attributed to a Side Pocket Class shall be determined by the Directors in accordance with the Instrument. Participating Shares in classes other than the Side Pocket Class shall not participate in the assets and liabilities attributable to the Side Pocket Class, which shall be segregated from and shall not form part of the other assets of the Fund. The liabilities of or attributable to a Side Pocket Class shall be discharged solely out of the assets of that Side Pocket Class.

CLOSURE OF CLASSES

- 2.26 The Directors, at their sole discretion, may close some or all of the Classes in a Fund(s) to subscriptions from existing and/or new Participating Shareholders. The Directors may subsequently re-open some or all of the Classes in the Fund to further subscriptions from existing and/or new Participating Shareholders at their discretion and the process of closing and potentially, re-opening the Classes may be repeated thereafter as the Directors may determine from time to time. Participating Shareholders may ascertain the closed or open status of the Classes of the relevant Fund and if those Classes are open to existing and/or new Participating Shareholders by contacting the Administrator or the AIFM. Closing the Fund to new subscriptions will not affect the redemption rights of existing Participating Shareholders in the relevant Fund and such Participating Shareholders will be permitted to convert into other Classes of the same Fund or a Class of another Fund as outlined below under the section of the Prospectus entitled **EXCHANGE OF PARTICIPATING SHARES**.

INVESTMENT OBJECTIVE AND POLICIES

- 2.27 In accordance with the Act, the ICAV has been established as an umbrella fund with the aim of collective investment of its funds in property and giving members of the ICAV the benefit of the results of the management of its funds. The ICAV will establish separate Funds, each of which will have their own investment objectives, policies and strategies, details of which will be contained in the Supplement issued by each Fund. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Participating Shares, other than Side Pocket Shares)

and will be invested in accordance with the investment objective and policy applicable to such Fund.

- 2.28 The investment objective and policies for each Fund and all other relevant details in relation to such Fund will be formulated by the Directors at the time of creation of such Fund and set out in the Supplement which should be read in conjunction with and construed as supplemental to this Prospectus. The Supplement will include information relating to particular investment considerations applying to that Fund, a description of the types of assets in which each Fund may invest, the techniques it may employ and any associated risk factors, the currency in which the relevant Participating Shares are denominated, the distribution policy for that Fund and details regarding subscription and the redemption procedures and applicable fees and expenses.
- 2.29 The assets of each Fund will be invested in accordance with the restrictions and limits set out in this Prospectus and such additional investment restrictions, if any, as may be adopted by the Directors and/or the AIFM from time to time and set out in the Supplement.
- 2.30 Funds may invest in any type of asset or investments authorised or permitted under the Act and the AIFM Regulations. In particular, Funds may, in accordance with the requirements of the Central Bank invest in, *inter alia*, listed or unlisted securities, equities, debt securities, money market instruments, financial indices, hedge funds, feeder funds, real estate, private equity investments, credit instruments, commodities, loan investments and life settlements. As there is virtually no restrictions on the assets in which a Fund may invest, Funds may be established as, *inter alia*, equity funds, fixed income funds, money market funds, fund of funds, feeder funds, alternative investment funds, real estate funds, Loan Origination Funds, private equity funds or structured investment products.

PENDING INVESTMENTS

- 2.31 Each Fund, at the discretion of the Investment Manager, shall also have the ability to invest in or hold ancillary liquid assets which may be held in the form of Money Market Instruments (or schemes which invest primarily in Money Market Instruments) and other liquid financial instruments issued by governments or by rated corporate issuers such as commercial paper, bonds, notes, bills, deposits, certificates of deposit and cash in accordance with the investment restrictions applicable to the relevant Fund or under the following conditions:
- 2.31.1 pending investment of the proceeds of a placing or offer of Participating Shares; or
- 2.31.2 in circumstances in which the AIFM or Investment Manager considers it to be in the interests of the Fund to do so.
- 2.32 Under such circumstances, a Fund's assets may be invested by the Investment Manager up to 100% in ancillary liquid assets as described above and the relevant Investment Manager may arrange for the sale of "market risk positions" at what the Investment Manager believes represents the best price attainable under the circumstances and transfer the proceeds of such sale such that the Fund invests up to 100% into Money Market Instruments and ancillary liquid assets as described above.
- 2.33 The Investment Manager will reinvest any such monies in accordance with the provisions of the investment objective and the investment policies of the relevant Fund in such investments, at such rates and in such amounts as the Investment Manager will deem appropriate under the circumstances, provided that such investments will be within the restrictions applicable to the relevant Fund.

CROSS INVESTMENT

- 2.34 Where considered appropriate by the Directors in respect of the investment objective and policy of a Fund, a Fund (the "**Investing Fund**") may be permitted to invest in the Participating Shares of other Funds (each a "**Receiving Fund**"), provided that the rate of the annual AIFM Fee and Investment Management Fee (if applicable) which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in the Receiving Fund(s) (unless

otherwise permitted by the Central Bank) may not exceed the rate of the maximum annual AIFM Fee and Investment Management Fee (as applicable) 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 AIFM Fee and Investment Management Fee (as applicable) to the Investing Fund as a result of its investments in the Receiving Fund.

- 2.35 The Fund shall only invest in units of an investment fund managed by its AIFM or Investment Manager or by an associated or related company where the manager of the investment fund in which the investment is being made has waived the preliminary/initial/redemption charge which it would normally charge.
- 2.36 Where commissions or rebates are received by the AIFM or an Investment Manager by virtue of an investment into any collective investment scheme, such commissions or rebates must be paid to the property of the relevant Fund.

CHANGE IN INVESTMENT OBJECTIVES, INVESTMENT POLICIES, DURATION OR FEES

2.37 Open-Ended Funds and Open-Ended with Limited Liquidity Funds

- 2.38 A change to the investment objective or a material change to the investment policy as disclosed in a Supplement to this Prospectus for any Fund other than a Closed-Ended Fund shall not be effected without the prior written approval of all Participating Shareholders of the relevant Fund or without prior Participating Shareholder approval on the basis of a majority of votes cast at a general meeting of Participating Shareholders of that Fund. In the event of a change of investment objective and/or a material change to the investment policy on the basis of a majority of votes cast at a general meeting, Participating Shareholders will be given reasonable notice of such changes to enable them to redeem their Participating Shares prior to the implementation of these changes. Where a Fund other than a Closed-Ended Fund makes a non-material change to the investment policy of the Fund, it shall notify Participating Shareholders of these changes in accordance with Central Bank requirements. Notification can be provided by means of appropriate disclosure in the next annual report of the ICAV in respect of the relevant Fund.
- 2.39 Where the ICAV proposes to increase the maximum redemption charge or the maximum annual fee (which shall include any performance related fee charged by the AIFM or the Investment Manager) charged by the AIFM or an Investment Manager (where the Investment Manager is paid directly out of the assets of the ICAV or relevant Fund):
 - 2.39.1 Where there is no opportunity for Participating Shareholders to redeem or otherwise exit the relevant Fund, the ICAV shall ensure that votes in favour of the increase must represent at least 75% of votes cast;
 - 2.39.2 If there is an opportunity for Participating Shareholders to redeem or otherwise exit the relevant Fund, it shall ensure that votes in favour of the increase must represent at least 50% of votes cast

2.40 Closed-Ended Funds

- 2.41 Where a Closed-Ended Fund which does not provide realistic liquidity wishes to change the duration of the Closed-Ended Period or where it wishes to make changes to its investment objective or a material change to its investment policy or to increase fees or charges, with no opportunity for Participating Shareholders to redeem or otherwise exit the Closed-Ended Fund, the vote in favour of any such change must represent at least 75% of the votes cast.
- 2.42 In the case of Closed-Ended Funds that do provide realistic liquidity with an opportunity for Participating Shareholders to redeem or otherwise exit the Closed-Ended Fund, votes in favour of the relevant change must represent at least 50% of votes cast. Where a Closed-Ended Fund makes a non-material change to the investment policy of the Fund, it shall notify Participating Shareholders of these changes in accordance with Central Bank requirements. Notification can be provided by means of appropriate disclosure in the next annual report of the ICAV in respect of the relevant Fund.

INVESTMENT RESTRICTIONS

- 2.43 The investment and borrowing restrictions for each Fund are formulated by the Directors at the time of the creation of the Fund, details of which will be contained in the relevant Supplement.
- 2.44 Notwithstanding the above, the following investment restrictions apply to all Funds unless provided otherwise the relevant Supplement and in accordance with the Central Bank's requirements. These are Irish regulatory requirements applicable to Qualifying Investor AIFs pursuant to the Act and chapter 2 of the AIF Rulebook:
- 2.44.1 A Fund will not invest more than 50% of its Net Asset Value in any one unregulated fund and will not invest more than 50% of its Net Asset Value in another fund which itself invests more than 50% of its net assets in another investment fund.
- 2.44.2 Where a Fund invests in the shares or units of any other collective investment scheme managed by the AIFM or an associated entity, the AIFM or the associated entity, as applicable, will waive any Subscription Charge, Redemption Charge or Exchange Charge that would otherwise be payable in connection with the investment in that other collective investment scheme.
- 2.44.3 With the exception of Loan Originating Funds, a Fund may not grant loans or act as a guarantor on behalf of third parties. This is without prejudice to the ability of a Fund to acquire debt securities or loans. It will not prevent a Fund from acquiring loans or securities which are not fully paid or from entering into bridge financing arrangements where the financing extended to the Fund is backed by sufficient legally binding commitments to discharge the financing within a time period determined by the AIFM at least simultaneous triggering of obligations on Participating Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into.
- 2.44.4 A Fund may not (nor may it appoint an AIFM that would on the relevant Fund's behalf) acquire any shares carrying voting rights which would enable either of them to exercise significant influence over the management of an issuing body. This restriction is not applied to Funds structured as venture capital, development capital or private equity funds or for any investments by a Fund in other collective investment schemes (provided the relevant Supplement indicates the intention regarding the exercise of legal and management control over underlying investments).
- 2.44.5 The ICAV, acting on behalf of a Fund, shall not raise capital from the public through the issue of debt securities. This restriction does not operate to prevent the issue of notes by the ICAV, acting on behalf of a Fund, on a private basis, to a lending institution to facilitate financing arrangements.

Additional requirements under Regulation 27 - 31 of the AIFM Regulations for Funds acquiring control of non-listed companies/issuers:-

When the AIFM on behalf of a Fund (either individually or jointly with another AIF or its alternative investment fund manager) acquires legal or beneficial control of more than 50% of the voting rights of a non-listed company which is not:

- (i) (a) a small or medium-sized enterprise being an enterprise which employs fewer than 250 persons and which has an annual turnover not exceeding €50 million, and/or an annual balance sheet total not exceeding €43 million (in accordance with within the meaning of Article 2(1) of the Annex to Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises); or (b) a special purpose vehicle established with the purpose of purchasing, holding or administering real estate; the AIFM shall within 10 working days notify:
- (a) the non-listed company;

- (b) the shareholders of which the identities and addresses are available to the AIFM or can be obtained from the non-listed company or its register to which the AIFM has or can obtain access; and:
 - (c) the Central Bank, of the acquisition of control by the Fund, the date of such acquisition, the identity of the different shareholders involved, the resulting situation in terms of voting rights, and the chain of ownership through which, and conditions subject to which control was acquired. The AIFM shall use its best efforts to ensure that the employees or their representatives are informed by the board of directors of the non-listed company of the acquisition of control.
- (ii) When the AIFM on behalf of a Fund acquires a non-controlling participation in a non-listed company other than a non-listed company of the type specified in (i)(a) or (i)(b) above, the AIFM shall notify the Central Bank within 10 working days of the acquisition, disposal or holding of Participating Shares of such non-listed company, any time when the proportion of voting rights of the non-listed company held by the Fund reaches, exceeds or falls below the thresholds of 10%, 20%, 30%, 50% and 75%.
 - (iii) When the AIFM on behalf of a Fund individually, or jointly acquires control of a non-listed company in accordance with (i) above, the AIFM shall disclose its intentions with regard to the future business of the non-listed company and the likely repercussions on employment, including any material change in the conditions of employment, to the non-listed company or the shareholders of the non-listed company whose details it can access. The AIFM shall also use its best efforts to ensure that the employees or their representatives are informed by the board of directors of the non-listed company of this information. The AIFM shall also provide the Central Bank and Participating Shareholders of the Fund with information on the financing of the acquisition.
 - (iv) When the AIFM on behalf of a Fund individually, or jointly acquires control of a non-listed company in accordance with (a) above, the AIFM shall include in the annual report of the Company or request and use its best efforts to ensure that the annual report of the non-listed company includes a fair review of the development of the non-listed company's business representing the situation at the end of the period covered by the annual report, important events that have occurred since the end of the financial year, likely future development of the non-listed company and information concerning acquisitions of own Participating Shares. The AIFM shall either: (i) request and use its best efforts to ensure that the information included in the annual report of the Company is made available to the employees or their representatives; or (ii) shall make available the information included in the annual report of the non-listed company to Participating Shareholders of the Fund.
 - (v) When the AIFM on behalf of a Fund individually, or jointly acquires control of a non-listed company in accordance with (a) above, the AIFM shall for a period of 24 months following the acquisition of control, not facilitate, instruct, vote in favour of any distribution, capital reduction, share redemption and/or acquisition of own Participating Shares by the non-listed company as described in Regulation 27(2) and Regulation 27(3) of the AIFM Regulations, and shall use best efforts to prevent any such event occurring.
 - (vi) Similar obligations of disclosure of acquisition of control under Regulation 31(1) - 31(3) of the AIFM Regulations and restrictions on distribution, capital reduction, share redemption and/or acquisition of own shares" under Regulation 31 of the AIFM Regulations apply to the AIFM where the Fund acquires control over an issuer whose securities are admitted to trading on a regulated market.

2.45 It is intended that the ICAV shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified pursuant to the

Central Bank's requirements. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement, and if material, subject to prior Participating Shareholder approval in accordance with Central Bank requirements.

- 2.46 The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of the Participating Shareholders in order to comply with the laws and regulations of the countries where Participating Shareholders are placed.
- 2.47 Limits on investments (if any) set out in this Prospectus or any Supplement apply at the time of purchase of the investments. If the limits are subsequently exceeded for reasons beyond the control of the ICAV or as a result of exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of that situation taking account of interests of Participating Shareholders (save where such investment restrictions are stated to apply only as at the date of acquisition of an investment).

SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

- 2.48 Subject to the investment policies and restrictions for a Fund as set out in the Supplement in respect of the Fund, a Fund may enter into one or more Securities Financing Transaction and/or Total Return Swap for investment purposes and/or efficient portfolio management, including, inter alia, for the purposes of generating additional capital or income or for reducing costs or risk.
- 2.49 The types of assets of a Fund that may be subject to a Securities Financing Transaction or a Total Return Swap will be determined by the AIFM in accordance with the investment policy of a Fund and may include, but shall not be limited to, equity and equity related securities, debt and debt related securities, structured financial instruments, including asset backed securities, and liquid and near cash assets, such as short-term fixed income securities, instruments and obligations, bills, commercial paper and notes, derivatives and other permitted investments of a Fund specified in the Supplement for a Fund.
- 2.50 The maximum exposure and the expected exposure of each Fund with respect to SFTs shall be disclosed in the relevant Supplement for the Fund, where applicable. Variations in SFT exposure may be dependent on, but not limited to, factors such as total Fund size, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market.
- 2.51 In accordance with the AIFMD Legislation, the AIFM is required to exercise due diligence when selecting and appointing counterparties taking into account the services provided by such counterparties. When selecting counterparties to an OTC derivatives transaction, securities lending or repurchase agreement, such counterparties must meet the conditions that they are subject to supervision by a public authority, financially sound and have an organisational structure for performing the services which are to be provided by them to the ICAV. Factors that may be taken into account when considering financial soundness include whether the counterparty is subject to counterparties include legal status, country of origin and any credit rating.
- 2.52 Direct and indirect operational costs and/or fees arising from the use of Securities Financing Transactions and/or Total Return Swaps on behalf of a Fund may be deducted from the revenue delivered to the relevant Fund. These costs and/or fees will be charged at normal commercial rates and will not include hidden revenue. Where applicable, the entities to which such direct and indirect operational costs and/or fees have be paid during the annual period to the relevant accounting year end of the Fund (including whether such entities are related to the AIFM) will be disclosed in the annual report for such period.
- 2.53 The Depositary is responsible for the safekeeping of the assets of each Fund as outlined below and in the Depositary Agreement.
- 2.54 Please refer to the section below entitled **COLLATERAL AND ASSET RE-USE ARRANGEMENTS** for details of the applicable collateral requirements.

INVESTMENT THROUGH SUBSIDIARIES

- 2.55 The ICAV may, with the prior approval of the Central Bank, establish one or more Subsidiaries for the purposes of holding Investments. Any such Subsidiary will be established in accordance with the requirements of the Central Bank. Such arrangements are designed, amongst other things, for capital protection purposes. The shares or other ownership interests of any such Subsidiary shall be held by the Depositary on behalf of the ICAV and any assets of any such Subsidiary shall be held by the Depositary or its nominees or otherwise in accordance with the requirements of the Central Bank.
- 2.56 The names of any Subsidiaries will be disclosed in the annual report of the relevant Fund of the ICAV.

LEVERAGE AND BORROWING POLICY

- 2.57 Under the Instrument, the ICAV and/or its AIFM acting on behalf of the ICAV are empowered to exercise all of the borrowing powers of the ICAV, in accordance with the Act and the requirements of the Central Bank (including the power to borrow for the purpose of repurchasing Participating Shares) and to mortgage, charge or pledge its undertaking, property and assets or any part thereof and to issue debentures, debenture stock bonds and other securities whether outright or as security for any debt, liability or obligation of the ICAV, provided that all borrowing powers are within the limits and conditions laid down by the Central Bank.
- 2.58 Leverage may be employed by the Funds at the discretion of the Directors and/or the AIFM. As the ICAV is a QIAIF, for the purposes of the AIF Rulebook, the Central Bank has not imposed any limit on the degree to which a Fund may be leveraged.
- 2.59 The leverage and borrowing restrictions applicable to each Fund, as determined by the Directors and/or the AIFM will be specified in the Supplement. The Supplements also describe for each Fund, where applicable, the types and sources of leverage permitted and the associated risks, any restrictions on the use of leverage and any collateral and asset reuse arrangements, and the maximum level of leverage which may be employed in managing each Fund. Participating Shareholders in each Fund will be periodically informed of any change to the maximum level of leverage at Fund level, where applicable as well as details of any right of reuse of collateral or any guarantee granted under the leveraging arrangements and the total amount of leverage employed by each Fund.
- 2.60 For the purposes of this Prospectus, leverage is defined as any method by which the exposure of the relevant Fund is increased, whether through borrowing of cash or securities, leverage embedded in financial derivative instruments, the use of repurchase or reverse repurchase agreements or securities lending, or by any other means. Leverage is monitored by the AIFM on a regular basis and shall be, calculated in accordance with the gross method and also calculated in accordance with the commitment method, as set out under the AIFM Regulations. The gross method gives the overall exposure of each Fund whereas the commitment method gives information on the hedging and netting techniques used by each Fund.
- 2.61 Leverage creates additional risks for each Fund. While leverage may present the opportunity for increasing the Fund's total return, it may also have the effect of increasing losses. The investor's attention is drawn to the section headed **RISK FACTORS** herein.

COLLATERAL AND ASSET RE-USE ARRANGEMENTS

- 2.62 The ICAV may accept cash collateral and non-cash collateral as agreed in the agreement with the counterparty or otherwise between the parties from time to time ("**Eligible Collateral**"). Non-cash collateral could include, inter alia, transferable securities, debt securities, such as government or supranational bonds, and near cash assets traded on a regulated market or multilateral trading facility with transparent pricing. The AIFM may accept less liquid non-cash collateral in certain circumstances. Non-cash collateral received should be issued by an entity that is independent from the counterparty and considered by the AIFM to be of appropriate quality.

- 2.63 Non-cash collateral may be diversified in terms of country, markets and issuers/issue, provided that a Fund may be fully collateralised in securities and instruments issued by a single issuer or in different securities and 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 where the Fund diversifies its exposure to the issuer by receiving securities from a number of different issues. The AIFM may also limit the securities from any one issue to a maximum percentage of the NAV where considered appropriate by the AIFM.
- 2.64 Collateral must be capable of being valued on at least a daily basis. The market value of Eligible Collateral is determined by the relevant counterparty, acting in good faith, based on the relevant valuation provisions contained in the relevant securities financing transaction agreement. For purposes of determining the market value of collateral, the ICAV may rely on any recognised pricing service.
- 2.65 Collateral may be re-used as agreed with the relevant counterparty from time to time.
- 2.66 Further details of any collateral and asset re-use arrangements of a Fund may be detailed in the Supplement of that Fund. Any charges to any right of re-use of collateral will be disclosed to Participating Shareholders in accordance with the AIFM Regulations.

CAPACITY TO AVAIL OF CHANGES TO AIF RULEBOOK

- 2.67 It is intended that a Fund will have the power (subject to the prior approval of the Central Bank and to any such change being materially consistent with the investment objective and policies of the relevant Fund) to avail of any change in the limits on investments contained in the AIF Rulebook which would permit investment by or on behalf of the relevant Fund in funds, securities, derivative instruments or in any other forms of investments in which investment is, at the date of this Prospectus, restricted or prohibited under the AIF Rulebook.

PORTFOLIO HOLDINGS DISCLOSURE

- 2.68 Upon request from any Participating Shareholder in a Fund (or their duly appointed agent or delegate), the ICAV may (or may not) at its sole discretion and subject to the principal of the fair treatment of its Participating Shareholders, disclose that Fund's portfolio holdings or such other information, including collateral holdings to such Participating Shareholder (or their duly appointed agent or delegate) provided the Participating Shareholder (or their duly appointed agent or delegate) has entered into an agreement with the ICAV or the AIFM governing the disclosure of such information. To the extent that the Fund provides non-public holdings information or other information to a Participating Shareholder in a Fund, the ICAV will provide the same holdings information or other information to any other Participating Shareholder in the Fund on request provided such Participating Shareholder (or their duly appointed agent or delegate) has entered into an agreement with the ICAV or the AIFM governing the disclosure of such information.

SECTION 3 — DIVIDEND POLICY

ISSUANCE OF ACCUMULATING AND DISTRIBUTING CLASSES

- 3.1 The ICAV, with respect to any Fund, can issue both Accumulating Classes and/or Distributing Classes. No distribution of dividends shall be made for Accumulating Classes, and the income attributable to those Participating Shares will be reflected in the increased value of the Participating Shares. Please refer to the relevant Supplement to determine the Accumulating Classes and/or Distributing Classes available for each Fund.

DISTRIBUTION POLICY

- 3.2 The Instrument empowers the Directors to declare dividends in respect of any Distributing Classes out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV (or such other manner as specified in the relevant Supplement) and subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Instrument. Participating Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.
- 3.3 The distribution policy and information on the declaration and payment of dividends for each Fund, or Class thereof, will be determined by the Directors from time to time and shall be specified in the relevant Supplement. Please refer to the Supplement for the Fund for details of the applicable Dividend Period, Ex-Dividend Date and Record Date.
- 3.4 The ICAV may change its dividend policy with respect to any Fund and/or Class (to accumulating/distributing, as appropriate), provided full details will be provided in an updated Prospectus and/or Supplement and that all relevant Participating Shareholders will be notified in advance.

METHOD OF PAYMENT AND UNCLAIMED DIVIDENDS

- 3.5 Participating Shareholders can elect to reinvest dividends in additional Participating Shares or have the dividends paid in cash by ticking the appropriate box on the Application Form. Dividends not reinvested in Participating Shares will be paid to the Participating Shareholder by way of bank transfer at the Participating Shareholder's risk, the cost of which will normally be passed on to the Participating Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Class(es).
- 3.6 Any dividend unclaimed after six years from the date when it first became payable or on the winding up of the ICAV, if earlier, shall be forfeited automatically and shall revert to the relevant Fund, without the necessity for any declaration or other action by the Directors, the ICAV, the AIFM or the relevant Investment Manager. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend, returns of capital or other amount payable to any Participating Shareholder shall bear interest against the ICAV. Payment by the ICAV of any unclaimed amount payable in respect of a Share into a separate account shall not constitute the ICAV a trustee in respect thereof.

DISTRIBUTIONS IN-SPECIE

- 3.7 The Directors may, unless otherwise specified in the Supplement of the relevant Fund, satisfy any dividend due to Participating Shareholders in whole or in part by distributing to them in-specie any of the assets of the relevant Fund, and in particular any Investments to which the relevant Fund is entitled.
- 3.8 A Participating Shareholder may require the ICAV instead of transferring any assets in-specie to him, to arrange for a sale of the assets and for payment to the Participating Shareholder of the net proceeds of same. The ICAV will be obliged and entitled to deduct an amount in respect of Irish

taxation from any dividend payable to a Participating Shareholder in any Fund who is or is deemed to be a taxable Irish Resident and pay such sum to the Revenue Commissioners.

OPERATION OF COLLECTION ACCOUNT FOR DIVIDENDS

- 3.9 Pending payment to the relevant Participating Shareholder, dividend payments will be held in an account in the name of the ICAV and will be treated as an asset of the Fund until paid to that Participating Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Participating Shareholder). In such circumstance, the Participating Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the ICAV until paid to the Participating Shareholder and the Participating Shareholder entitled to such dividend amount will be an unsecured creditor of the Fund.
- 3.10 In the event of the insolvency of the Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Participating Shareholders due dividend monies which are held in the Collection Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Participating Shareholder may not recover all monies originally paid into the Collection Account for onward transmission to that Participating Shareholder. Your attention is drawn to the section of the Prospectus entitled **COLLECTION ACCOUNT RISK**.

DISTRIBUTIONS OUT OF CAPITAL

- 3.11 Subject to the Act, any such dividend policy may also include the payment of such distributions out of capital of the ICAV or a Fund thereof, where specified in the relevant Supplement. Where dividends will be paid out of the capital of the relevant Fund, this is likely to reduce the amount received back by Participating Shareholders, and increase the risk of receiving back less than the amount invested.

SECTION 4 — MANAGEMENT AND ADMINISTRATION

THE ICAV

- 4.1 The Board are responsible for managing the business affairs of the ICAV. Under the Instrument, the Directors have delegated management of the ICAV to the AIFM who in turn has delegated the day-to-day portfolio management of each Fund to the relevant Investment Manager(s) and administration of the ICAV's affairs (including the calculation of the Net Asset Value and the Net Asset Value per Participating Share, shareholder registration and transfer agency services and related services) to the Administrator.
- 4.2 The Directors are listed below with their principal occupations. None of the Directors has entered into a service contract with the ICAV nor is any such contract proposed. The Directors have each entered into a letter of engagement with the ICAV. The ICAV has granted indemnities to the Directors in respect of any loss or damages which they may suffer save where this results from the Directors' negligence, default, breach of duty or breach of trust. The Instrument does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation.

DIRECTORS OF THE ICAV

- 4.3 The Directors of the ICAV are:

- **Michael McInerney (nationality: Irish – Irish resident) (Independent Non-Executive Director and Chairman)**

Michael McInerney is engaged principally as a non-executive director and hold directorships in Irish MiFID, Insurance and Funds regulated entities. In 2015 he retired as CEO and executive director of Santander Financial Products plc, a MiFID authorised structured derivatives business, which he joined at its launch in 1994. During that period he also served as non-executive director of various Santander boards in Ireland, including insurance entities and funds. Prior to 1994 he worked principally as taxation adviser with Arthur Andersen Dublin and KMG Dublin. He is a Fellow of the Institute of Chartered Accountants in Ireland and a graduate of University College Galway.

- **Dennis Murray (nationality: Irish – Irish resident) (Non-Executive Director)**

Dennis Murray is a Director, Risk Management at Carne Group Ireland and has over 23 years of professional experience in the International Financial Services sector in Senior Risk & Investment Management functions. Dennis has gained extensive experience in both the US and Ireland as a Senior Risk Manager with the Charles Schwab Corporation and the Dexia Group, respectively. He then spent over ten years with Dexia Investments Ireland as a Senior Credit Portfolio Manager before becoming Director, Investments for Belfius Investments Ireland, a former entity of the Dexia Group. Dennis holds a MA in Economics from University College Dublin (UCD) and has been a Certified Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) since 2000. He also recently attained a dual-award of a Professional Certificate in Investment Fund Services Risk Management from the Institute of Banking and an Operational Risk Manager Certificate from the Professional Risk Managers' International Association (PRMIA).

- **Elizabeth Beazley (nationality: Irish – Irish resident) (Non-Executive Director)**

Elizabeth Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. She has an 18-year track record in financial services. As Head of onboarding for Carne, Ms Beazley oversees a team project managing the establishment of UCITS and alternative investment funds ("AIFs") and several third party management companies covering service provider selection, governance documentation drafting and operational set-up. Ms Beazley acts as a designated person and compliance officer for a number of UCITS companies and acts as Director on Carne's qualifying investor alternative investor fund and

UCITS platforms. In addition, Ms Beazley is a Director of Carne's UCITS/AIF Management Company. Prior to Carne Ms Beazley spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Ms Beazley has been a member of various industry working groups including the Technical committee and the ETF committee. She graduated with a Bachelor of Commerce from University College Cork, and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Ms Beazley is a member of the Association of Chartered Certified Accountants.

- **Sarah Murphy (nationality: Irish – Irish resident) (Non-Executive Director)**

Sarah Murphy is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director on Carne's AIF management company in addition to serving on the boards of Carne's UCITS and QIAIF platforms. As Chief Operations Officer of Carne's Management Companies, Sarah is primarily responsible for leading the execution of the firm's management company operations, which collectively oversee more than \$10bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses. Prior to joining Carne, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations. Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

All of the Directors are non-executive directors and their address, for the purpose of the ICAV, is the registered office of the ICAV. The ICAV secretary of the ICAV is Carne Global Financial Services Limited.

ICAV SECRETARY

- 4.4 The ICAV's secretary is Carne Global Financial Services Limited, with its registered office at 2nd Floor, Block E Iveagh Court, Harcourt Road, Dublin 2, Ireland.

THE AIFM

- 4.5 Carne Global Fund Managers (Ireland) Limited has been designated as AIFM to the ICAV, pursuant to the AIFM Agreement. The AIFM is a privately owned company incorporated with limited liability in Ireland on 10 November 2003 with registration number 377914 and has its registered office at 2nd Floor Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland. The company secretary of the AIFM is Carne Global Financial Services Limited with its registered office at 2nd Floor Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.
- 4.6 The AIFM was approved by the Central Bank with effect from 16 August 2013 to act as an alternative investment fund manager for QIAIFs pursuant to the AIFM Regulations. Its principal business is acting as manager of investment funds and currently manages regulated investment funds authorised by the Central Bank. It will appoint one or more investment managers to manage the assets of each Fund.
- 4.7 The company secretary of the AIFM is Carne Global Financial Services Limited, with its registered office at 2nd Floor, Block E Iveagh Court, Harcourt Road, Dublin 2, Ireland.
- 4.8 **Directors of the AIFM**
- 4.9 The directors of the AIFM are Dennis Murray, Teddy Otto, Michael Bishop, Neil Clifford, Elizabeth Beazley and Kevin Nolan. The biographies for all directors are set out below, save in relation to Elizabeth Beazley and Dennis Murray, whose biographies are set out above in their respective capacity as a director of the ICAV.

- **Teddy Otto**

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

- **Michael Bishop**

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

- **Neil Clifford (nationality: Irish – Irish resident)**

Neil is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Neil joined Carne in October 2014 from Irish Life Investment Managers (April 2006 – September 2014), where he was Head of Alternative Investments, overseeing an external hedge fund manager portfolio. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investee companies. He began his career with Irish Life as a sector-focused fund manager overseeing part of a €4 billion portfolio. Prior to this, Neil was a Senior Equity Analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a Bachelor of Electrical Engineering from University College Cork and a Master of Business Administration from the Smurfit School of Business, University College, Dublin. He is a Chartered Alternative Investment Analyst (CAIA) and a Financial Risk Manager (FRM – Global Association of Risk Professionals).

- **Kevin Nolan (nationality: Irish – Irish resident)**

Kevin joined the Carne Group as Group Finance Director in February 2015 and took responsibility for the Group's global financial management systems. He is a qualified Chartered Accountant, with over 25 years of experience across a variety of industries including travel, security, telecommunications and financial services. Kevin is highly experienced in the streamlining of business operations that drive growth and bottom line profit and especially in the areas of revenue management, developing and implementing financial controls, I.T. and product procurement. Since joining Carne, Kevin has immersed himself in all aspects of the Group's global business and has become well-versed in a wide variety of issues within the Asset Management Industry. Kevin currently sits on the board of

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

DUTIES OF THE AIFM

- 4.10 The AIFM has been designated as alternative investment fund manager to the ICAV pursuant to the AIFM Agreement and is responsible for providing or procuring the provision to the ICAV of the services of investment manager, administrator, registrar, transfer agent and distributor and to undertake certain corporate, regulatory and risk management duties for the ICAV and each of the Funds.
- 4.11 The AIFM is responsible for the performance of certain management functions (including portfolio management and risk management within the meaning of Schedule 1 of the AIFM Regulations) in respect of the ICAV, and ensuring compliance with the AIFM Regulations, including, without limitation, meeting with various organisational requirements and conduct of business rules, adopting and implementing a programme of activities and various policies and procedures (which address areas such as risk management, liquidity management and remuneration) and complying with ongoing capital, reporting and transparency obligations, in accordance with the terms of the AIFM Agreement.

DELEGATION OF AIFM FUNCTIONS

- 4.12 The AIFM may delegate all or any part of its investment management function, provided the AIFM notifies the ICAV and obtains prior written consent from the ICAV. The AIFM may delegate in an exclusive manner all or any part of its investment management function to the relevant Investment Manager with the written consent of the ICAV. The AIFM may delegate all or any part of its administration function, provided the AIFM notifies the ICAV and obtains prior written consent from the ICAV. The AIFM may delegate in an exclusive manner all or any part of its administration function to the Administrator with the written consent of the ICAV. The AIFM may delegate all or any part of its marketing of Participating Shares of the relevant Fund to the relevant Distributor (or any other person or entity approved by the relevant Distributor) with the written consent of the ICAV. The AIFM may delegate any other responsibility and function, so long as (i) it is with ICAV consent, and (ii) is consistent with the AIFMD, the AIFMD Level 2 Measures and the AIFM Regulations. For the avoidance of doubt, to the extent the AIFM delegates all of its power and authority with respect to a specific activity or function (which it intends to do with respect to discretionary investment management to the relevant Investment Manager), then the AIFM shall retain no power and authority to conduct such delegated activity if and until such delegation is properly terminated.

AIFM AGREEMENT

- 4.13 The AIFM Agreement provides that in the absence of any gross negligence, wilful misfeasance or bad faith on its part, it shall not be liable to the ICAV or any Participating Shareholder for any actions, costs, charges, losses, damages or expenses suffered as a result of any act or omission in the course of or connected with the discharge by the AIFM of its duties under the AIFM Agreement. In addition, the AIFM shall not be liable under the AIFM Agreement in any circumstances for indirect, special or consequential loss or damage. The ICAV shall, out of the assets of the relevant Fund, hold harmless and indemnify the AIFM, its directors, employees, delegates and agents ("**AIFM Indemnified Parties**") from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, reasonable legal and professional expenses on a full indemnity basis (each a "**Loss**") which may be brought against, suffered or incurred by the AIFM Indemnified Parties in the performance of their duties under the AIFM Agreement other than due to the gross negligence, wilful misfeasance, bad faith or fraud of any of the AIFM Indemnified Parties in the performance of their obligations hereunder and in particular (but without limitation) this indemnity shall extend to (and the AIFM Indemnified Parties shall have no liability in respect of) any Loss arising as a result of any error of judgement, third party default or any loss, delay, misdelivery or error in transmission of any communication to the AIFM or its delegates (other than due to its negligence, wilful misfeasance, bad faith or fraud), or as a result of acting in good faith

upon any forged document, signature or communication or in accordance with the advice of legal counsel, the Auditor or professional advisors, and the ICAV acknowledges that in discharging its duties and obligations under the AIFM Agreement the AIFM may, in the absence of manifest error, rely without enquiry upon all information supplied to it by the ICAV or any persons appointed by the ICAV (other than any Indemnified Person appointed by the ICAV).

- 4.14 The AIFM Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice (provided that such termination shall not take effect until the appointment of a successor alternative investment fund manager is approved by the Central Bank) or at any time if the other party: (i) shall commit any material breach of its obligations under the AIFM Agreement and shall fail to make good such breach within 30 days of receipt of written notice from the other party or parties requiring it to do so; (ii) shall be dissolved (except a voluntary dissolution for the purposes of reconstructing or amalgamation upon terms previously approved in writing by the other parties) or be unable to pay its debts or commit any act of bankruptcy or if a receiver is appointed of any of the assets of either party; or if the AIFM has given notice to the ICAV that (in the AIFM's reasonable opinion) the AIFM is unable to ensure compliance with implementing provisions of the AIFM Regulations for which the ICAV is responsible and such matter has not been rectified by the ICAV within 30 days of receipt of such notice to the reasonable satisfaction of the AIFM.

PROFESSIONAL INDEMNITY INSURANCE

- 4.15 In order to cover potential professional liability risks resulting from its activities, the AIFM will hold professional indemnity insurance against liability that is appropriate to the risks covered. Where the AIFM does not hold such professional indemnity insurance, the AIFM will maintain additional own funds to cover potential professional liability risks arising from professional negligence which may result from its activities as an AIFM as required by the Central Bank.

REMUNERATION POLICIES AND PROCEDURES

- 4.16 The AIFM has established, implemented and maintains a remuneration policy which meets the requirements of, and complies with the principles set out in Schedule 2 of the AIFM Regulations and the ESMA Remuneration Guidelines. The AIFM's remuneration policy is designed to ensure that the AIFM's remuneration practices, for those staff in scope of the applicable rules: (i) are consistent with and promote sound and effective risk management; (ii) do not encourage risk taking and are consistent with the risk profiles, prospectus or articles of association of the ICAV and its Funds; (iii) do not impair the AIFM's compliance with its duty to act in the best interests of those Funds; and (iv) include fixed components of remuneration. When applying its remuneration policy, the AIFM will comply with AIFMD in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the AIFM's activities.
- 4.17 Where the AIFM delegates certain portfolio management and risk management functions in respect of the Fund, which it does to the relevant Investment Manager, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and the AIFM will use best efforts to ensure that:
- 4.17.1 the entities to which portfolio or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the relevant guidelines issued by ESMA; or
 - 4.17.2 appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the relevant ESMA Remuneration Guidelines.
- 4.18 The details of the AIFM's remuneration policy (including how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits) are available at <http://www.carnegroup.com/en/downloads> and a copy will be made available free of charge on request.

LIQUIDITY POLICY OF THE AIFM

- 4.19 The AIFM employs an appropriate liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of the ICAV and each Fund and to ensure that the liquidity profile of the investments of each Fund complies with its underlying obligations. The liquidity management system ensures that each Fund maintains a level of liquidity appropriate to their underlying obligations based on an assessment of the relative liquidity of the Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors.
- 4.20 The AIFM monitors the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Fund, the relative size of investments and the repurchase terms to which these investments are subject.
- 4.21 The AIFM implements and maintains appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have a material impact on the liquidity profile of the portfolio of the Fund's assets to enable their effects on the overall liquidity profile to be appropriately measured and considers and puts into effect the tools and arrangements necessary to manage the liquidity of the ICAV.

THE INVESTMENT MANAGER

- 4.22 The AIFM may appoint one or more Investment Managers to manage the investment and re-investment of the assets of any one or more of the Funds of the ICAV. Any such appointment shall be set out in the relevant Supplement to this Prospectus.
- 4.23 Details of all Sub-Investment Managers appointed by the relevant Investment Manager will be disclosed in the ICAV's periodic reports, and details of all Sub-Investment Managers appointed where such Sub-Investment Managers are paid directly out of the Fund's assets will be disclosed in the Supplement, in accordance with the Central Bank's requirements. If more than one Sub-Investment Manager is appointed to a Fund, the relevant Investment Manager may allocate the assets of the Fund between Sub-Investment Managers in such proportion as it shall, at its discretion, determine. The details of all Sub-Investment Managers appointed with respect to a Fund will be provided to relevant Participating Shareholders on request. References to the relevant Investment Manager in this Prospectus shall be interpreted to mean the relevant Sub-Investment Manager, as appropriate.

INVESTMENT ADVISOR

- 4.24 Details of any Investment Advisor appointed in respect of a Fund whose fees are payable from the assets of such Fund will be set out in the Supplement. Details of any other Investment Advisor appointed in respect of a Fund whose fees are not payable from the assets of the Fund will be provided to Participating Shareholders on request and disclosed in the periodic reports of the ICAV of the Fund.

DISTRIBUTOR

- 4.25 Details of any Distributor appointed in respect of a Fund, pursuant to a Distribution Agreement, whose fees are payable from the assets of such Fund will be set out in the Supplement. Details of any other Distributor or sub-distributor appointed in respect of a Fund whose fees are not payable from the assets of the Fund will be provided to Participating Shareholders on request and disclosed in the periodic reports of the ICAV of the Fund.
- 4.26 The ICAV may appoint sales agents and/or intermediaries and may also appoint distributor(s) to whom it may delegate distribution responsibilities in respect of particular jurisdictions or territories.

THE ADMINISTRATOR

4.27 The Administrator - General

- 4.27.1 The Administrator has been appointed to act as administrator in respect of the ICAV pursuant to the terms of an Administration Agreement. The Administrator is a private company incorporated with limited liability in Ireland on 9 January 2003. It is ultimately a wholly-owned subsidiary of Société Générale S.A, and is principally engaged in the business of, inter alia, providing fund administration, transfer agency and registrar services in respect of Collective Investment Schemes.
- 4.27.2 The Administrator is authorised by the Central Bank to provide administration services to CIS. Its services in respect of the ICAV include the calculation of the net asset value, calculation of management and performance fees, establishing and maintaining a register of Participating Shareholders, carrying out the issue and redemption of Participating Shares and preparation of the ICAV's financial statements.
- 4.27.3 The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is responsible and liable only for the administration services that it provides to the ICAV pursuant to the Administration Agreement. The Administrator will not participate in any ICAV's investment decision-making process.
- 4.27.4 The Administrator is a service provider to the ICAV and the AIFM and is not responsible for the preparation of this document or the activities of the ICAV or the AIFM and therefore accepts no responsibility for any information contained in this document other than the description of the Administrator contained in this section.

4.28 The Administration Agreement

- 4.28.1 The Administration Agreement shall continue in force until terminated by either the ICAV or the Administrator giving to the other ninety (90) days' written notice. The Agreement may however be terminated immediately without giving ninety (90) days' written notice if: (a) in the event of the winding up of or the appointment of an administrator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction; or (b) if any party to the Administration Agreement shall commit any material breach of the provisions of the Administration Agreement and shall if capable of remedy not have remedied the same within 30 days after the service of notice requiring it to be remedied; or (c) if the continued performance of the Administration Agreement for any reason ceases to be lawful. The Administrator may immediately terminate this Agreement at any time upon notice if fraud is proven against the ICAV and (ii) the ICAV and the AIFM may immediately terminate this Agreement at any time upon notice if fraud is proven against the Administrator;
- 4.28.2 Pursuant to the terms of the Administration Agreement, the Administrator is required to exercise the level of care and diligence in the performance of its services expected of an Irish professional administrator of collective investment schemes available for hire and regulated by the Central Bank.
- 4.28.3 The Administrator shall not be liable for any loss, damage, costs or expense suffered by the AIFM, the ICAV, the AIF, any Fund or any Participating Shareholders (or its or their agents) in connection with the performance by the Administrator of its obligations under the Administration Agreement save where such losses, damages, costs or expenses results directly from negligence, fraud or wilful default or bad faith on the part of the Administrator in the performance of its duties and obligations under the Administration Agreement.
- 4.28.4 The Administration Agreement provides that the ICAV shall indemnify the Administrator, its directors, officers, agents, delegates or employees (the "Indemnitees" and each an "Indemnitee") and hold it harmless out of the assets of the relevant Fund from and

against all liabilities, damages and reasonable costs, claims and expenses (including reasonable and documented professional fees) (the "**Indemnified Losses**") which may be incurred by, asserted against or become payable by any Indemnatee as a result of the Administrator's providing the services under the Administration Agreement provided that such indemnity shall not be given where the Administrator, its directors, officers, agents, employees, delegates or employees is or are guilty of any negligence, fraud, bad faith or wilful default, in the performance of their duties under the Administration Agreement or under any delegation arrangement thereunder. Furthermore, the ICAV is not required to indemnify the Administrator for any indirect, special or consequential loss or damages, costs, claims or expenses.

THE DEPOSITARY

4.29 The Depositary - General

- 4.29.1 The ICAV has appointed Société Générale S.A., 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 Depositary is a branch of Société Générale S.A., a French public limited company founded in 1864 and which is one of France's leading commercial and investment banking institutions with operations throughout the world and with its head office at 29, boulevard Haussmann, 75009 Paris, France. The Depositary is registered with the Paris Trade and Companies Register under number 552 120 222, is an establishment approved by the French Prudential Control and Resolution Authority (ACPR) and supervised by the French Financial Markets Authority (AMF). Société Générale S.A. is actively engaged in asset management, private banking and corporate and investment financial services throughout the world. Société Générale S.A. provides global custody services to retail, institutional, industrial and corporate clients.
- 4.29.2 The Depositary acts, inter alia, as depositary of a number of CIS. The Depositary's main business activity consists of providing custody and related services to CIS and other portfolios.
- 4.29.3 The Depositary is a service provider to the ICAV and is not responsible for the preparation of this document or the activities of the ICAV and therefore accepts no responsibility for any information contained in this document. The Depositary will not participate in any Fund's investment decision making process.

4.30 The Depositary Agreement

- 4.30.1 Pursuant to the terms of the Depositary Agreement, the Depositary shall be liable to the ICAV and the Participating Shareholders for any loss of a financial instrument held in its custody (or held by a sub-custodian to whom the custody of financial instrument held in its custody in accordance with Regulation 22(8)(a) of the AIFM Regulations has been delegated) unless it can prove that the loss arose as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the case of a loss of a financial instrument held in its custody, the Depositary shall return a financial instrument of identical type or corresponding amount to the ICAV without undue delay.
- 4.30.2 The Depositary shall be liable to the ICAV and the Participating Shareholders for all other losses suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfil its obligations pursuant to the AIFM Directive and the AIFM Regulations.
- 4.30.3 Under the terms of the Depositary Agreement, the ICAV agreed to hold harmless and indemnify the Depositary against all losses, damages, actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the ICAV) and against all costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom ("**Losses**") which may be brought against, suffered or incurred by the Depositary by reason of the performance of the Depositary's duties thereunder save where any such Losses arise as a result of a loss of

a custody asset or the Depositary's negligent, fraudulent, or intentional failure to properly fulfil its obligations pursuant to the Act, the AIFM Regulations, AIFMD and the AIFMD Level 2 Measures.

- 4.30.4 The Depositary may, in the performance of its custody and asset verification duties appoint a sub-custodian or sub-custodians to which it may delegate its safe keeping obligations under the Depositary Agreement. In order for the Depositary to discharge its responsibility under the AIFMD and the AIFM Regulations; (a) the Depositary shall ensure that the delegation has not been undertaken with the intention of avoiding the requirements of the AIFMD and the AIFM Regulations, (b) that the Depositary can demonstrate that there is an objective reason for the delegation and (c) that the Depositary shall (i) exercise all due skill, care and diligence in its appointment of a sub-custodian, (ii) shall keep exercising all due skill, care and diligence in the periodic review and (iii) shall carry out periodic and ongoing monitoring of any sub-custodian and of the arrangements put in place by the sub-custodian in respect of the delegation.
- 4.30.5 In such circumstances, the Depositary may discharge its liability for loss of assets in custody held by a local entity, provided that: (i) the Instrument expressly allows for the discharge of liability envisaged under Regulation 22(14) of the AIFM Regulations; (ii) Participating Shareholders will be duly informed of such discharge and of the circumstances justifying that discharge prior to their investment; (iii) the ICAV or the AIFM acting on behalf of the ICAV instructs the Depositary to hold the relevant assets in custody using the local entity; (iv) there is a written contract between the Depositary and the ICAV and the AIFM which expressly allows such a discharge of liability envisaged; and (v) there is a written contract between the Depositary and the local entity that expressly transfers the liability of the Depositary to the local entity and makes it possible for the ICAV or the AIFM, acting on behalf of the ICAV, to make a claim against that local entity in respect of the loss of the asset in custody or for the Depositary to make a claim on their behalf. The AIFM shall inform investors before they invest in a Fund of any arrangement made by the Depositary to contractually discharge itself of any liability. The AIFM shall also inform Participating Shareholders of any changes with respect to Depositary liability without delay.
- 4.30.6 The Depositary Agreement provides that, in the event a Fund invests in markets where safe-keeping and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to the Depositary or any sub-custodian(s), in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.
- 4.30.7 Further details in relation to the sub-custodians appointed by the Depositary are available upon request from the Depositary. Investors' attention is drawn to the section entitled **CONFLICTS OF INTEREST** for a description of the conflicts of interest that may arise from such delegation.
- 4.30.8 The Depositary Agreement may be terminated by either party on 90 days prior written notice to the other party or such shorter time as the parties may agree; although in certain circumstances the Depositary Agreement may be terminated immediately by the ICAV or the Depositary; provided that the ICAV may not terminate the appointment of the Depositary and the current Depositary may not retire or resign from such appointment unless and until a successor Depositary shall have been appointed in accordance with the Instrument, the AIFM Regulations, AIFMD, AIFMD Level 2 Measures, the AIF Rulebook and any other rules, conditions, notices, requirements or guidance of the Central Bank applicable to the ICAV and/or the Depositary. If the Depositary shall have given to the ICAV notice of its desire to retire or resign from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the Depositary Agreement and no successor shall have been duly appointed within 90 days or such other period as may be agreed between the parties from the giving of such notice and the current Depositary is unable or unwilling to act as such, the ICAV shall forthwith convene an extraordinary general meeting of the Participating Shareholders at which there shall be proposed an

Ordinary Resolution to redeem all of the Participating Shares in issue or appoint a liquidator to wind up the ICAV in accordance with the provisions of the Instrument and in such circumstances the Depositary's appointment shall only terminate on revocation of the ICAV's authorisation by the Central Bank. The Central Bank may in its discretion replace the Depositary with another depositary. The

- 4.30.9 The Depositary is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the ICAV and is responsible and liable only for the trustee and custodial services that it provides to the ICAV pursuant to the Depositary Agreement.

LEGAL ADVISORS

- 4.31 The ICAV has appointed Pinsent Masons as its legal advisor as to matters of Irish law.

AUDITORS

- 4.32 The ICAV has appointed Deloitte as its auditor.

PRIME BROKERAGE AND SUB-CUSTODY

- 4.33 The ICAV may from time to time appoint one or more Prime Brokers in respect of one or more Funds of the ICAV. Any Prime Broker will be appointed as a sub-custodian of the Depositary, in accordance with the requirements of the Central Bank. Details of the appointment of any Prime Broker in respect of a particular Fund will be set out in the relevant Supplement for the Fund.

LOCAL PAYING AGENTS AND DISTRIBUTORS

- 4.34 The ICAV (or the AIFM on behalf of the ICAV where required in accordance with local regulations) may appoint local paying agents and distributors. Local regulations in certain countries including countries within the EEA may require the appointment of local paying agents or distributors and the maintenance of accounts by such paying agents or distributors 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 relevant Fund at normal commercial rates.

PROFESSIONAL ADVICE

- 4.35 The ICAV or its delegates may from time to time seek the advice of, or recommendations from such other advisers, analysts, consultants, agents, property management service providers or other suitably qualified persons to assist with the business of the ICAV or a Fund, or such delegate's duties in respect of the ICAV or a Fund

SECTION 5 — FEES AND EXPENSES

ESTABLISHMENT EXPENSES

- 5.1 The establishment expenses for the ICAV and its initial Funds are estimated not to exceed €100,000 plus VAT where applicable, if any. All fees and expenses relating to the establishment of the ICAV will be borne by the initial Funds of the ICAV, and any other subsequent Funds as may be established by the ICAV prior to the end of the five year amortisation period, and amortised over the first five financial periods of the ICAV, unless otherwise stated in the relevant Supplement. The Directors shall determine the respective amounts of the establishment fees and expenses of the ICAV to be allocated to and borne by each Fund established during this five-year amortisation period in such manner as they shall in their absolute discretion deem to be equitable.
- 5.2 It is expected that such accounting treatment will not be material to the financial statements of the ICAV or the relevant Fund. If the effect of the accounting treatment becomes material in the future and there is a requirement to write off any unamortised balance of establishment expenses in the financial statements, the Directors will re-consider this policy.
- 5.3 The establishment expenses for each Fund will be set out in the relevant Supplement and will be borne by that Fund, unless otherwise stated in that Supplement.

OPERATING EXPENSES

- 5.4 The ICAV and/or each Fund (and, where expenses or liabilities are attributable specifically to a Class of Participating Shares, that Class) shall also bear the following expenses and liabilities or, where appropriate, its pro rata share thereof (subject to adjustment/reimbursement to take account of expenses and liabilities attributable to one or more Classes), which the ICAV or the AIFM will pay out of the assets of each Fund (together with VAT thereon where applicable):
- (a) all taxes and expenses which may be incurred in connection with the acquisition and disposal of Investments and all other assets of the ICAV or a Fund;
 - (b) all taxes which may be payable on the assets, income and expenses chargeable to the ICAV or a Fund;
 - (c) all brokerage, bank and other charges incurred by the ICAV in relation to its business transactions;
 - (d) all remuneration, fees and expenses (including VAT, if applicable) payable to or incurred by the ICAV, the AIFM, any Investment Manager, any Sub-Investment Manager, any Investment Advisor, any sub-Investment Advisor, any Distributor, any sub-distributor, the Depositary, the Administrator, the Auditors, any External Valuer, any Independent Valuer, any other valuation agent, the Secretary, money laundering reporting officer, any cyber or information technology expert, data protection officer or data protection manager, any prime broker, any property manager appointed to manage the property of a Fund of the ICAV, any tax representative appointed for tax reporting services, and the legal advisors to the ICAV (or with respect to a Fund thereof) and any other person, firm or corporation appointed by or on behalf of the ICAV and its respective delegates;
 - (e) all expenses incurred in connection with publication and supply of information to Members and in particular, but without limitation, the cost of printing and distributing the interim 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 Members and the cost of preparing, publishing and distributing the Prospectus and any other offering documents for Participating Shares and the cost of all stationery,

printing and postage costs in connection with the preparation and distribution of information to Members;

- (f) all fees and 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 (including local securities dealers associations), including any regulatory fees and the cost of listing and maintaining a listing of Participating Shares on any stock exchange;
- (g) all expenses incurred in connection with the operation and management of the ICAV, including, without limitation to the generality of the foregoing, all Directors' fees, all costs incurred in organising Directors' meetings and obtaining proxies in relation to such meetings, the costs of complying with any reporting or other regulatory requirements, all insurance premiums and also all non-recurring and extraordinary items of expenditure as may arise;
- (h) ICAV secretarial fees;
- (i) any and all expenses arising in respect of legal or administrative proceedings concerning the ICAV;
- (j) all expense arising in respect of issuing, purchasing, repurchasing and redeeming Shares;
- (k) any fees and expenses for consulting, research (including operational due diligence) and statistical services;
- (l) any and all expenses in relation the termination / liquidation / winding-up of any Class, Fund and/or the ICAV;
- (m) all fees, charges, expenses and commissions incurred in relation to investing or selling the assets of the ICAV or a Fund, including investment research costs;
- (n) all fees and charges relating to the purchase of third party investment research which is used by the AIFM or its delegate in managing the assets of the ICAV, including any charges, costs and fees associated with the operation and/or funding of a research payment account;
- (o) expenses incurred in distributing income to Participating Shareholders;
- (p) all fees and expenses related to local Paying Agents and the ongoing legal and regulatory fees in the relevant jurisdictions in which the Funds are distributed and / or marketed;
- (q) fees in respect of the publication and circulation of details of the Net Asset Value of each Fund and each Class of each Fund;
- (r) the fees and expenses of any auditors, compliance facilitator, legal , money laundering reporting officer, tax and other professional advisors of the ICAV and of the Directors;
- (s) the costs of convening and holding meetings of Members (including meetings of Participating 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 (or committees thereof);
- (t) the costs of printing and distributing reports, accounts and any Prospectus;

- (u) the costs of publishing prices and other information which the ICAV is required by law to publish and any other administrative expenses;
- (v) any Duties and Charges and all taxes and duties payable by the ICAV;
- (w) interest on and charges incurred in relation to borrowings;
- (x) fees and expenses in connection with the listing of Participating Shares on any stock exchange, including the cost of obtaining and maintaining the listing of the Participating Shares on the Irish Stock Exchange and any other exchange, including the fees of any sponsoring broker;
- (y) any costs incurred in modifying the Instrument, the Prospectus and/or contractual agreements related to the ICAV;
- (z) 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;
- (aa) liabilities on amalgamation or reconstruction arising where the property of a body corporate or another CIS is transferred to the Depositary in consideration for the issue of Participating 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;
- (bb) any costs incurred in forming a Fund or a Class thereof;
- (cc) any other costs or expenses that may be taken out of the ICAV's property in accordance with the Instrument;
- (dd) any fees payable to the Central Bank and any other costs associated with any reporting or other regulatory requirements;
- (ee) 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;
- (ff) any costs incurred in relation to the verification of securities prices;
- (gg) any administrative costs associated with compliance with local companies legislation and tax residency where required by the ICAV or any Fund;
- (hh) all costs and expenses, license fees and other expenses associated with the use of any investment management and/or compliance software employed by the ICAV or its delegates;
- (ii) all costs, expenses and charges associated with the ICAV (a) borrowing money or securities or transferring, mortgaging, charging, pledging or transferring its undertaking, property and assets, or any part thereof or (b) issuing bonds, notes, debentures, debenture stock or other securities;
- (jj) all fees payable in respect of investments in collective investment schemes including, without limitation, subscription, redemption, management, performance, distribution, administration, loan servicing and/or custody fees in respect of each collective investment scheme in which a Fund invests except where this is not permitted by the Central Bank;

- (kk) all fees and expenses incurred in connection with the operation and management of the ICAV and all non-recurring and extraordinary items of expenditure as may arise from time to time (including but not limited to fees and expenses of any architects, contractors, development contractors, surveyors or property management agents appointed in relation to any Property of the Funds);
 - (ll) any other fees and expenses payable in respect of each Fund and/or Class as may be contained in the relevant Supplement; and
 - (mm) any other fees and expenses deemed appropriate by the Directors and/or the AIFM.
- 5.5 VAT (if any) on fees and expenses payable by the ICAV will be borne by the ICAV out of the assets of the relevant Fund, where applicable.

OPERATION OF RESEARCH PAYMENT ACCOUNTS

- 5.6 The ICAV may incur charges relating to the purchase of third party investment research which is used by an Investment Manager in managing the assets of the ICAV. In such circumstances, the Investment Manager may operate a research payment account ("RPA") in order to ensure that it complies with its regulatory obligations under MiFID, where applicable. The RPA(s) operated by the Investment Manager in this scenario will be funded by a specific research charge to the relevant Fund, will be used to pay for investment research received by the Investment Manager from third parties and will be operated in accordance with the requirements of MiFID. In respect of those Funds that may incur these charges, the Investment Manager in conjunction with the Directors will also set and regularly assess a research budget for the relevant Funds and will agree the frequency with which such charges will be deducted from the relevant Funds.
- 5.7 Further details of any investment research charges which are charged to the relevant Funds of the ICAV, will be disclosed in the financial statements of the ICAV or the relevant Fund.

ALLOCATION OF FEES AND EXPENSES

- 5.8 All recurring expenses will be charged against current income or against realised capital gains, and, if need be, against assets of the ICAV as the Directors may from time to time decide and may be carried forward and amortised in such manner and over such period as the Directors may determine and the Directors may at any time lengthen or shorten any such period. In each of the foregoing matters plus any applicable VAT.
- 5.9 All fees and expenses, Duties and Charges will normally be charged to the relevant Fund (or Class thereof, if appropriate) in respect of which they were incurred or, where the expense is not considered by the Directors and/or the AIFM to be attributable to any one Fund (or Class thereof) the expenses will normally be allocated, insofar as practicable to all Classes pro rata to the Net Asset Value of the relevant Funds. Expenses of a Fund which are directly attributable to a specific Class are charged against the income available for distribution to the holders of such Participating Shares. In the case of any fees or expenses of a regular or recurring nature, such as audit fees and the fees, costs and expenses (including interest) payable in connection with any loan or debt facility, the Directors and/or the AIFM may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

CLASS HEDGING COSTS

- 5.10 Where a Fund engages in hedging at Class level, all costs relating to the relevant Class hedging transactions shall be attributable to the relevant Class on whose behalf the hedging transactions are being entered into.

DIRECTORS' FEES AND EXPENSES

- 5.11 The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, provided that the aggregate amount of all Directors' remuneration in any one year shall not exceed €130,000, without the prior approval of the Board. Such remuneration shall accrue from day-to-day and shall be paid semi-annually in advance. Dennis Murray, Elizabeth Beazley and Sarah Murphy are not entitled to receive any remuneration in respect of their positions as Directors of the ICAV.
- 5.12 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 committee thereof) or general meetings of the ICAV (or a Fund or Class thereof) or any other meetings in connection with the business of the ICAV. The Directors (and any alternate Directors) may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the ICAV and such remuneration will be at normal commercial rates.

AIFM FEES

- 5.13 The AIFM shall be entitled to receive a management fee in relation to each Fund as specified in the Supplement. The AIFM shall also be entitled to reimbursement of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.
- 5.14 Unless otherwise provided in any Supplement, the ICAV will pay the AIFM fees out of the assets of the relevant Fund and the AIFM shall be entitled to reimbursement by the ICAV for any VAT payable in relation thereto.

INVESTMENT MANAGEMENT FEE

- 5.15 Under the provisions of the relevant Investment Management Agreement, each Fund or Class will pay the relevant Investment Manager a fee in respect of its duties as investment manager of that Fund or Class. Each Investment Manager is entitled to such fees and expenses as stated in the relevant Supplement.
- 5.16 The Investment Manager shall also be entitled to reimbursement of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.
- 5.17 The fees and expenses of any Sub-Investment Manager will be set out in the Supplement, where discharged out of the assets of the Fund.

PERFORMANCE FEE

- 5.18 A Performance Fee may be payable to the AIFM, the relevant Investment Manager and/or the relevant Investment Advisor by a Fund or class of Participating Shares. Details of such Performance Fees and the relevant Performance Fee Period will be set out in the applicable Supplement.

CHANGES TO MAXIMUM ANNUAL FEE OF AIFM OR INVESTMENT MANAGER

- 5.19 Any increase in the maximum annual fee (including any performance related fee) charged by the AIFM or the relevant Investment Manager in respect of an Open-Ended Fund or an Open-Ended with Limited Liquidity Fund where there is an opportunity to redeem or otherwise exit the relevant Fund, where such annual fee is payable out of the assets of that Fund, may not be effected without prior approval on the basis of at least 50% of votes cast at a meeting of the Participating Shareholders of such Fund.
- 5.20 Where a Fund is a Closed-Ended Fund and there is no realistic opportunity for Participating Shareholders to redeem or otherwise exit the relevant Fund or Class before such change is

implemented and it is proposed to increase the maximum fees of the AIFM or any Investment Manager, the ICAV shall seek the approval of relevant Participating Shareholders of the relevant Closed-Ended Fund or Class thereof by way of Special Resolution to the increased maximum fees of the AIFM or any Investment Manager. However, where there is a realistic provision for liquidity with an opportunity for Participating Shareholders to redeem or otherwise exit the relevant Closed-Ended Fund or Class, an Ordinary Resolution of relevant Participating Shareholders shall be sufficient to increase the maximum fees of the AIFM or any Investment Manager.

INVESTMENT ADVISOR FEES

- 5.21 The fees of any Investment Advisor or sub-Investment Advisor will be set out in the Supplement, where discharged out of the assets of the Fund.
- 5.22 An Investment Advisor shall also be entitled to reimbursement of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.

DISTRIBUTION FEES

- 5.23 The fees of any Distributor or sub-distributor will be set out in the Supplement, where discharged out of the assets of the Fund.
- 5.24 A Distributor shall also be entitled to reimbursement of all reasonable vouched out-of-pocket expenses and disbursements, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.

ADMINISTRATION FEES

- 5.25 The Administrator will be entitled to receive an administration fee in respect of the ICAV accruing and payable in arrears at a rate and period specified in the Supplement of each Fund. Save as set out in the relevant Supplement, it is expected that the administration fee will be subject to a minimum base charge per annum. Administration fees may be waived or deferred in total or in part at the discretion of the Administrator for such period or periods of time as may be agreed between the ICAV and the Administrator. The basis upon which charges are calculated and levied will be subject to renegotiation or amendment from time to time as agreed between the ICAV and Administrator.
- 5.26 The Administrator will also be entitled to be reimbursed for transaction costs and reasonable out-of-pocket expenses incurred by it in respect of each Fund as set out in the Supplement, and for any value added tax payable on any such disbursement, incurred with respect to the relevant Fund.

DEPOSITARY FEES

- 5.27 Under the provisions of the Depositary Agreement, each Fund or Class will pay the Depositary a fee in respect of its duties as Depositary of that Fund or Class. Details of such fees will be as set out in the applicable Supplement.

FEES AND EXPENSES OUT OF CAPITAL / GROSS INCOME

- 5.28 Where disclosed in the relevant Supplement, a Fund may charge all or part of its fees and expenses to the capital at Fund or Class level. This will have the effect of lowering the capital value of your investment.
- 5.29 Where provided for in the relevant Supplement, the fees and expenses of a service provider to the ICAV may be deducted from the gross income of the ICAV or a Fund thereof.

SUBSCRIPTION CHARGE

- 5.30 Participating Shareholders may be subject to an initial subscription charge calculated as a percentage of subscription monies as specified in the relevant Supplement subject to a maximum

of 5% of the Net Asset Value per Participating Share purchased by Participating Shareholders ("**Subscription Charge**"). The initial Subscription Charge may be waived or reduced at the absolute discretion of the Directors and/or the AIFM (or its delegate). Any such Subscription Charge may be payable to the ICAV or otherwise to a Distributor and/or Paying Agent as the case may be, for its absolute use and benefit.

REDEMPTION CHARGE

- 5.31 Participating Shareholders may be subject to a Redemption Charge calculated as a percentage of redemption monies as specified in the relevant Supplement, subject to a maximum of 5% of the Net Asset Value of Participating Shares being redeemed in the case of an Open-Ended Fund or an Open-Ended with Limited Liquidity Fund ("**Redemption Charge**"). The Redemption Charge may be waived or reduced at the absolute discretion of the Directors and/or the AIFM (or its delegate). Any such Redemption Charge may be payable to the ICAV or otherwise to a Distributor or Paying Agent as the case may be, for its absolute use and benefit. Details of the Redemption Charge, if any, will be set out in the relevant Supplement.
- 5.32 Any increase in the maximum Redemption Charge (if any) disclosed in the Supplement in respect of an Open-Ended Fund or an Open-Ended with Limited Liquidity Fund may not be increased without prior approval of the Participating Shareholders on the basis of a majority of votes cast at a general meeting. In the event of an increase in the Redemption Charge a reasonable notification period must be provided to Participating Shareholders by the ICAV with respect to the relevant Fund in order to enable Participating Shareholders to redeem their Participating Shares prior to the implementation of the increase.
- 5.33 Any increase in the maximum Redemption Charge (if any) disclosed in the Supplement in respect of a Closed-Ended Fund where there is no opportunity for Participating Shareholders to redeem or otherwise exit the Fund, may not be effected without prior approval of at least 75% of votes cast at a meeting of the Participating Shareholders of that Fund. If there is an opportunity for Participating Shareholders to redeem or otherwise exit the closed-ended Fund, the increase may not be effected without prior approval on the basis of at least 50% votes cast at a meeting of the Participating Shareholders of that Fund.

EXCHANGE CHARGE

- 5.34 The Instrument authorises the Directors to charge a fee on the exchange of Participating Shares in any Fund or Class to Participating Shares in another Fund or Class or another Class in the same Fund up to a maximum of 5% of Net Asset Value of Participating Shares in the original Fund or Class ("**Exchange Charge**"). However, no Exchange Charge will apply to the exchange of Non-Voting Participating Shares in a Class of a Fund to voting Participating Shares in a different Class of the same Fund or to voting Participating Shares in a Class of a different Fund. The Exchange Charge may be waived or reduced at the absolute discretion of the Directors and/or the AIFM (or its delegate). Details of the Exchange Charge, if any, will be set out in the relevant Supplement.

CONTINGENT DEFERRED SALES CHARGE (CDSC)

- 5.35 The Instrument provides the flexibility to implement a CDSC whether this is determined appropriate by the Directors for a particular type of Fund or Class. If a CDSC is applied, details shall be set out in the relevant Supplement. The introduction of a CDSC to any existing Fund or Class would require advance shareholder notice.

FEES IN RESPECT OF INVESTMENT IN UNDERLYING FUNDS

- 5.36 Where a Fund may invest in underlying CIS, some or all of the relevant Fund's investments may be subject to fees and charges of a similar nature to those in respect of the Fund (i.e. management and performance, administration and custodial fees). The Fund will bear, indirectly through its investment in such underlying CIS, a proportion of the offering, organisational and operating expenses of such underlying CIS.

SUBSCRIPTION / REDEMPTION ADJUSTMENTS

5.37 Where provided for in the relevant Supplement, the AIFM and the Directors may impose either an Anti-Dilution Levy or Swing Pricing. For the avoidance of doubt, Funds may only impose either one or the other Net Asset Value adjustments when calculating the applicable Subscription Price or the Redemption Price (i.e. an Anti-Dilution Levy or Swing Pricing) and such election will be specified in the relevant Supplement.

5.38 Anti-Dilution Levy

Under certain circumstances and where provided in the Supplement relating to a Fund, the AIFM or the Directors are entitled to impose an Anti-Dilution Levy to be included in the applicable Subscription Price or Redemption Price, as appropriate. The aim of the Anti-Dilution Levy is to reduce the impact of Dealing Costs (which, if material, disadvantage existing Participating Shareholders of the relevant Fund) so as to preserve the value of the relevant Fund. The Anti-Dilution Levy may only be imposed in circumstances where there are net subscriptions or redemptions in a Fund on a particular Dealing Day. The Anti-Dilution Levy may vary according to the prevailing market conditions and the implementation of the valuation policy with respect to the determination of the Net Asset Value on any given Valuation Day.

5.39 In addition, the Anti-Dilution Levy on redemptions may include such sum as is considered fair and equitable by the Directors and is approved by the Depositary, in respect of redemption requests which will necessitate the ICAV breaking deposits at a penalty or realising investments at a discount in order to provide monies to meet such redemption requests or, in the event that the ICAV borrows funds, to meet the costs of such borrowings.

5.40 Swing Pricing

5.40.1 In certain circumstances, the value of the property of a Fund may be reduced as a result of charges incurred in dealings in the Fund's investments and of any spread between the buying and selling prices of these investments. In order to prevent this effect, called "dilution", and the consequent potential adverse effect on the existing or remaining Participating Shareholders, the Directors have the power, where specified in the relevant Supplement, to apply "swing pricing" methodology so as to allow for the Net Asset Value per Participating Share to be adjusted upwards or downwards by dealing and other costs, and fiscal charges which would be payable on the effective acquisition or disposal of assets in the relevant Fund if the net subscriptions and redemptions exceed a threshold (the "**Swing Pricing Threshold**") set by the AIFM and/or Directors and specified in the relevant Supplement, in their sole discretion, from time to time. The introduction of swing pricing to any existing Fund would require advance shareholder notice.

5.40.2 Where specified in the relevant Supplement and unless the Directors determine otherwise, the Net Asset Value will be adjusted in the following circumstances:

- (i) on a Fund experiencing levels of net subscriptions (i.e. subscriptions are greater in value than redemptions) in excess of the Swing Pricing Threshold, the NAV will be adjusted upwards by the swing factor set by the Directors or the AIFM from time to time;
- (ii) on a Fund experiencing levels of net redemptions (i.e. redemptions are greater in value than subscriptions) in excess of the Swing Pricing Threshold, the NAV will be adjusted downwards by the swing factor set by the Directors or AIFM from time to time;
- (iii) in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Participating Shareholders and potential Participating Shareholders that the NAV be adjusted.

SECTION 6 — RISK FACTORS

GENERAL

OVERVIEW

- 6.1 The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before deciding whether to invest in a Fund. Prospective investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in a Fund carries with it a degree of risk. The securities and other instruments in which a Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. Additionally, there can be no guarantee that the investment objective of a Fund will actually be achieved. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Participating Shares.
- 6.2 Prospective Investors are advised that the value of Participating Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested, and an investment should only be made by persons who can sustain a loss on their investment. Past performance of a Fund should not be relied upon as an indicator of future performance. The difference at any one time between the Subscription Price and the Redemption Price means an investment should be viewed as medium to long-term.
- 6.3 An investment in a Fund involves a high degree of risk, and is suitable only for a limited portion of the risk segment of an investor's portfolio. Investors may lose all or substantially all of their investment in one or more Funds.

FUND RISKS

6.4 **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.

6.5 **Classes of Participating Shares are not a Separate Legal Entity**

Expenses attributable solely to a particular Class will be allocated solely to that Class. However, a creditor of the Fund will generally not be bound to satisfy its claims from a particular Class. Rather such creditor generally may seek to satisfy its claims from the assets of the Fund as a whole. Further, if the losses attributable to a Class exceed its value, then such losses could negatively impact the value of other Classes of the relevant Fund.

6.6 **Segregated liability risk**

While the provisions of the Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the ICAV may not be exposed to the liabilities of other Funds of the ICAV. At the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the ICAV that is likely to be the subject of a claim against another Fund.

6.7 **Limited Recourse**

A Participating Shareholder will solely be entitled to look to the assets of the relevant Fund in respect of all payments in respect of its Participating Shares. If the realised net assets of the relevant Fund are insufficient to pay any amounts payable in respect of the Participating Shares, the Participating Shareholder will have no further right of payment in respect of such Participating Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the ICAV. Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

6.8 Directors

From time to time, a Director may also be a member or shareholder of an Investment Manager and/or the AIFM or a shareholder and / or a director of an associated ICAV to the relevant Investment Manager and/or the AIFM. The fiduciary duty of any such Director may compete with or be different from the interests of the relevant Investment Manager and/or the AIFM and only the Directors may terminate the services of the relevant Investment Manager and/or the AIFM. Consequently, such Directors may have a conflict of interest in relation to their duties to the ICAV.

6.9 AIFM Risk

6.9.1 The ICAV is an AIF within the scope of AIFMD. The ICAV has been authorised by the Central Bank as a Qualifying Investor AIF and has an external AIFM. As a consequence, the AIFM may market the Participating Shares of the ICAV to Professional Investors within the meaning of AIFMD in EU Member States pursuant to Article 31 and 32 of AIFMD. Given that the Participating Shares of the Funds may be marketed within the European Union, the AIFM will be required to procure that the Funds comply with certain restrictions and/or meets certain conditions which may include, restrictions and/or conditions as to its liquidity profile and redemption policy and use of leverage, investments in securitisation positions, transparency, the appointment of a depositary and disclosure obligations concerning the acquisition of major holdings and control of unlisted companies.

6.9.2 Furthermore, the AIFM is required to meet with various organisational requirements and conduct of business rules, adopt and implement a programme of activities and various policies and procedures addressing areas such as risk management, liquidity management and remuneration, and comply with ongoing capital, reporting and transparency obligations. Such restrictions and/or conditions are likely to increase the ongoing costs borne, directly or indirectly, by the Funds.

6.9.3 Investment decisions may be made for the Funds by the AIFM or its delegate. The success of a Fund will depend on the ability of the AIFM or its delegate to identify suitable Investments and the ability of the AIFM or its delegate to dispose of such Investments at a profit for the Fund. Adverse events could affect one or more of the Fund's investments at the same time. There can be no assurance that the AIFM will be successful in this regard.

6.10 Competition for AIFM / Investment Management Services

The principals of the AIFM and the relevant Investment Manager will devote as much of their time to the business of the ICAV as is reasonably required in their judgment. They may potentially have conflicts of interest in allocating management time, services and functions among the ICAV and any other fund or ventures which they may organise although such conflicts will be managed by the AIFM and the relevant Investment Manager in line with their agreed best execution policy.

6.11 Dependence upon Certain Personnel

Each Investment Manager's ability to successfully manage the Funds depends on its employees and advisors. The relevant Investment Manager will be relying extensively on the experience, relationships and expertise of these persons. There can be no assurance that these persons will remain with the relevant Investment Manager or will continue to be able to carry on their current duties throughout the term of a Fund or that the relevant Investment Manager will be able to attract

and retain replacements or additional persons when needed. The loss of the services of one or more of these professionals could have an adverse impact on a Fund's ability to realise its investment objective. Furthermore, certain personnel within the relevant Investment Manager, in addition to their responsibilities on behalf of the relevant Investment Manager and the Funds, may be involved in the investment activities of other clients of the Investment Manager, in other business activities of the Investment Manager and in personal investment activities.

6.12 Dependence on Fund Administrator

The AIFM and each Investment Manager will rely on the Administrator for certain aspects of its business, including certain financial operations and trade reconciliation. Any interruption or deterioration in the performance of the Administrator could impair the quality of the AIFM or the relevant Investment Manager's operations, negatively impact its and the Fund's reputation and the Fund's investment strategies, and limit the Fund's potential to grow.

6.13 Limitations on Limited Liability of Members

The ICAV has been organised under the Act in Ireland. Generally, a Member should not be personally liable for the debts of the ICAV or any Fund; however, legal actions in other jurisdictions have resulted in investors being required to re-pay amounts deemed as having been distributed wrongly to them and there can be no guarantee that such legal actions could not occur in Ireland. In addition, any Participating Shareholder's capital is susceptible to risk of loss as a result of any liability of the relevant Fund.

6.14 Possible Indemnification Obligations

The ICAV has agreed, or may agree, to indemnify the Directors, Secretary and other officers or servants for the time being of the ICAV, the AIFM, the relevant Investment Manager, any Sub-Investment Manager, the Distributor, an Investment Advisor, the Administrator, the Depositary, any prime broker 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.

6.15 Investor Concentration Risk

A Fund may have a limited number of Participating Shareholders or investors and several of these Participating Shareholders may have contributed a substantial percentage of such Fund's capital. Should one or more of these Participating Shareholders or investors redeem capital from such Fund - which they may feel compelled to do for reasons entirely unrelated to the performance of such Fund - the effect on such Fund could be materially adverse.

6.16 Increased Competition in Alternative Asset Investments

The non-traditional or alternative investment industry is extremely competitive. In recent years, there has been a marked increase in the number of, and flow of capital into, investment vehicles established in order to implement alternative asset investment strategies, including the strategies that may be implemented by a Fund. While the precise effect cannot be determined, such increase may result in greater competition for investment opportunities, or may result under certain circumstances in increased price volatility or decreased liquidity with respect to certain positions.

6.17 Restrictions on Transfers and Redemptions

An investment in the ICAV provides limited liquidity since an active secondary market is not expected to develop in the Participating Shares and Participating Shares will not be transferable without the ICAV's consent, which consent may be withheld in certain circumstances, as specified in the Prospectus and/or the relevant Supplement. In addition, the Funds pursue defined investment programs. Consequently, Participating Shareholders may not be able to liquidate their investment readily in the event of emergency. The Funds also may require mandatory redemption of Participating Shares in certain circumstances. Participating Shares in a Closed-Ended Fund may not be redeemed before the expiration of the Closed-Ended Period as defined in the Supplement.

Participating Shares in an Open-Ended Fund may only be redeemed on specific Dealing Days provided due notice has been received by the Administrator. Participating Shares may not be redeemed in Open-Ended Funds when the calculation of the Net Asset Value is suspended. Investors should consider the information on suspension of redemptions set out in **TEMPORARY SUSPENSION OF NET ASSET VALUE** and review the Instrument accordingly.

6.18 Late or non-payment of subscriptions

Any loss incurred by the ICAV or a Fund due to late or non-payment of subscription proceeds in respect of subscription applications received shall be borne by the relevant investor or, if not practical to recover such losses from the relevant investor, by the relevant Fund.

6.19 Substantial Redemptions

6.19.1 If there are substantial redemptions, it may be more difficult for the AIFM or an Investment Manager to ensure that sufficient funds are available without liquidating positions either at an inappropriate time or on unfavourable terms. The ICAV may therefore include a policy limiting redemptions (or in the case of a Closed-Ended Fund prohibiting redemptions for a finite period) in the Supplement of a Fund.

6.19.2 In view of the anticipated differences in investment strategy between Funds limits on redemptions may also differ. Details of circumstances and provisions are set out in the **REDEMPTIONS, TRANSFER AND EXCHANGE OF PARTICIPATING SHARES** section of the Prospectus.

6.19.3 Where a Fund is an Open-Ended Fund and does not limit redemptions, it is recognised that this policy may disadvantage remaining Participating Shareholders, especially if substantial redemption requests are received at a time of increased market turmoil and / or reduced liquidity. If, in the sole opinion of the ICAV, whether or not based on the advice from the AIFM or an Investment Manager, such a situation may occur as a result of redemptions, the AIFM or an Investment Manager may be instructed to liquidate all collateral in the Fund as if 100% of Participating Shareholders had made a redemption request or to apply in-specie or gating provisions, subject to Applicable Law.

6.19.4 A Participating Shareholder making a substantial redemption request may well therefore receive a redemption amount below the last stated Net Asset Value of the relevant Fund.

6.20 Side Pocket Classes

6.21 The Directors may create and issue Side Pocket Classes to which will be attributed interests in investments or any particular investment determined by the Directors as having become after their acquisition of Illiquid Investments. Participating Shares in Side Pocket Classes will be redeemable by the ICAV and/or by the holders thereof only when so determined by the Directors. This may involve the Directors effecting a pro-rata reduction in the number of Participating Shares held by a Participating Shareholder attributable to the relevant Fund excluding the assets and liabilities attributable to the Side Pocket Class and creating for the benefit of such Participating Shareholder a corresponding pro-rata interest in the Side Pocket Class.

6.22 Participating Shareholders may be required to maintain their Participating Shares in Side Pocket Class for a significant period of time as they are only likely to be able to redeem their Participating Shares when the assets attributable to the relevant Shares are capable of being properly valued or realised. Valuations of Participating Shares in Side Pocket Class from time to time may not reflect the actual amount that would be realised by the ICAV upon the disposition of such investments. A Side Pocket Classes may contain cash for the purposes of any proposed hedging transactions. The ICAV may be unable to increase the amount of cash contained in a side pocket following the creation of that Side Pocket Class, and accordingly the cash contained in that Side Pocket Class may in certain circumstances be insufficient to allow the relevant Investment Manager to appropriately implement hedging transactions in respect of that Side Pocket Class.

6.23 Contingency Reserves and Holdbacks

The ICAV may, at any time or times, establish such reserves for estimated or accrued expenses, liabilities or contingencies in relation to one or more Funds as the Directors deem reasonable. The establishment of such reserves will not insulate any portion of the relevant Fund assets from being at risk. In addition to the power to establish reserves, the ICAV may hold back such portion of the redemption proceeds payable to a Participating Shareholder in respect of the Participating Shares being redeemed (whether such redemption is voluntary or compulsory) to satisfy contingent or expected liabilities as the relevant ICAV deems reasonable. The amount of the redemption proceeds held back will be determined by the Fund in its reasonable discretion, taking into account such factors as it considers relevant with respect to any contingent or expected liability to which the amount being held back relates. Such holdbacks will reduce the redemption proceeds paid to a redeeming Participating Shareholder. The unused portion of any holdback, without interest, will be distributed to the Participating Shareholders to whom the holdback applied after the Directors have determined that the need for such holdback has ceased. It is possible that the Directors may not hold back a sufficient amount to satisfy contingent or expected liabilities, which may have an adverse effect on the relevant Fund, including its ability to satisfy subsequent redemption requests.

6.24 Satisfaction of Redemptions

There can be no assurance that the operations of a Fund will be profitable, that a Fund will be able to avoid losses or that cash from its investments will be available to satisfy redemptions by the Participating Shareholders. A Fund will have no source of funds from which to satisfy redemptions requests and periodic distributions to the Participating Shareholders other than income and gain received on its investments and the return of capital. In addition, periodic distributions may reduce the amount of cash available to satisfy other redemptions.

6.25 Payment of Redemption Proceeds Based on Unaudited Data

The calculation and payment of redemption proceeds upon the redemption of Participating Shares by a Participating Shareholder will be based on estimated and unaudited data. Accordingly, adjustments and revisions may be made to the Net Asset Value of a Fund following the year-end audit of the relevant Fund. Since no additional adjustment will be made to the proceeds paid to a redeeming Participating Shareholder, such adjustments and revisions to the Net Asset Value of a Fund may either increase or decrease the Net Asset Value of a Fund, which will affect the value of Participating Shares at the time that such adjustment or revision is made.

6.26 Substantial Fees Payable Regardless of Profit

Each Fund may incur transaction costs and expenses fees and commissions to brokers and agents, and fees of service providers to the ICAV or the relevant Fund and their delegates, and other operating, legal, accounting, auditing, marketing, travel, Directors' and other fees and expenses including the costs of the offering of the Participating Shares, all of which will be payable from the assets of the relevant Fund in the relevant Supplement. These costs, fees and expenses will be payable from the assets of the relevant Fund regardless of whether that Fund makes a profit.

6.27 Effect of early termination of a Fund or Class

- 6.27.1 Subject to the provisions of the Instrument, Participating Shareholders in a Fund and/or Class may require the early termination of the relevant Fund and/or Class which could require the Fund to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the performance of the Investments of that Fund or Class.
- 6.27.2 the event of the early termination a Fund, the Fund would have to distribute to the Participating Shareholders their pro-rata interest in the assets of the Fund. The securities and other investments would have to be sold by the Fund or distributed to the Participating Shareholders. It is possible that at the time of such sale or distribution certain investments held by the Fund may be worth less than the initial cost of the investment, resulting in a loss to the Fund and to its Participating Shareholders. Moreover, in the event the Fund or Fund terminates prior to the complete amortisation of organisational expenses, any unamortised portion of such expenses will be accelerated

and will be debited (and thereby reduce) amounts otherwise available for distribution to Participating Shareholders.

6.28 No Action by Investors

The Participating Shareholders have no right to enforce any of the rights associated with investments held by the Fund. No Participating Shareholder will have any right to act directly with respect to such investments or to proceed directly against the issuer of any of the equity securities held by a Fund. Most likely, any dispute relating to the performance, interpretation or construction of the terms and conditions governing any of the investments will be subject to the jurisdiction of courts in the country to which such instrument is related or subject and will be governed by the laws of such country.

6.29 Conflicts of Interest

The Directors, the AIFM, an Investment Manager, any Sub-Investment Manager, any Investment Advisor, a Distributor, the Administrator, the Depositary, their respective delegates, affiliates, officers and Participating Shareholders may be subject to certain conflicts of interest. See the section of this Prospectus entitled **CONFLICTS OF INTEREST**.

6.30 Permanent Establishment Risks

There can be no assurance that a particular country will not assert that the ICAV or a Fund has a permanent establishment in such country, and if such assertion were upheld, it can potentially result in adverse tax consequences to ICAV or the relevant Fund.

6.31 Collection Account Risk

6.31.1 The ICAV has established the Collection Account, which may be designated in a particular currency, opened in the name of the ICAV into which (i) subscription monies received from investors who have subscribed for Participating Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and/or (ii) redemption monies due to investors who have redeemed Participating Shares are deposited and held until paid to the relevant investors; and/or (iii) dividend payments owing to Participating Shareholders are deposited and held until paid to such Participating Shareholders. All subscriptions, redemptions and dividends payable to or from the relevant Fund will be channelled and managed through the Collection Accounts.

6.31.2 Investors should note that in the event of the insolvency of another Fund of the ICAV, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Collection Account will be subject to the principles of Irish trust and insolvency law and the terms of the operational procedures for the Collection Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund.

6.31.3 In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Participating Shares has been, or expected to be, received and are held in the Collection Accounts, any such investor shall rank as a general creditor of the Fund until such time as the Participating Shares are issued as of the relevant Dealing Day. Therefore, in the event that such monies are lost prior to the issue of Participating Shares as of the relevant Dealing Day to the relevant investor, the ICAV on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and, therefore, will represent a diminution in the Net Asset Value per Share for existing Participating Shareholders of the relevant Fund. Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Participating Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are

held in the Collection Accounts, any such investor / Participating Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/dividend monies are paid to the investor / Participating Shareholder. Therefore, in the event that such monies are lost prior to payment to the relevant investor / Participating Shareholder, the ICAV on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor / Participating Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and, therefore, will represent a diminution in the Net Asset Value per Share for existing Participating Shareholders of the relevant Fund.

6.32 Cyber Security and Information Technology Risk

- 6.32.1 The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security and information technology incidents. In general, cyber security and information technology incidents can result from deliberate attacks or unintentional events. Information technology incidents include but are not limited to, extensive disruption of a service provider's information services due to system malfunctions. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security and information technology incidents affecting the AIFM, Investment Managers, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Fund's ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Participating Shareholders to transact business with the relevant Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the ICAV on behalf of a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security and information technology, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

6.33 EU Data Protection Legislation

- 6.33.1 The GDPR was published in the Official Journal of the EU on 4 May 2016 and applies from 25 May 2018. The GDPR increased the territorial scope of the existing EU data protection framework and imposed stronger sanctions on those who breach it, amongst other things. It also changed the ways in which personal data is collected and used, requiring data subjects to give unambiguous or explicit consent in some cases and introduce increased enforcement powers, empowering national data protection authorities to impose fines of up to 4% of annual turnover, or 20 million euros, whichever is greater.
- 6.33.2 The ICAV will continue to review and develop existing processes to ensure that customer personal data is processed, by it or its delegates, in compliance with the GDPR's requirements, to the extent that they are applicable. Some or all of the delegates of the ICAV may be required to expend significant capital or other resources and/or modify their respective operations to meet such requirements, any or a combination of which could have a material adverse effect on that delegate's business, financial condition and financial results.

6.34 **Accounting, Auditing and Financial Reporting Standards**

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

6.36 **Valuation**

Because of the overall size and concentrations in particular markets and maturities of positions that may be held by a Fund from time to time, the liquidation values of the securities and other investments held for the related Classes may differ significantly from the interim valuations of such investments derived from the valuation methods described herein. Such differences may be further affected by the time frame within which such liquidation occurs. Third party pricing information may at times not be available regarding securities and other investments held by a Fund, which will affect the amount of the portfolio management fees and performance fees, may involve uncertainties and determinations based upon judgment and if such valuation should prove to be incorrect, the related Net Asset Value could be adversely affected.

6.37 **Disclosure of Information**

Upon enquiry, Participating Shareholders may obtain specific information about the ICAV and a Fund at the registered office of the ICAV, without prejudice to the principle of fair treatment of Participating Shareholders. Having provided any requested information, the ICAV is not required to provide, at its own initiative, all other Participating Shareholders with the same information. Accordingly, certain Participating Shareholders may invest on terms that provide access to information that is not generally available to the other Participating Shareholders and, as a result, may be able to act on such additional information.

6.38 **No Separate Counsel**

6.38.1 The ICAV and the AIFM are represented by the law firm(s) listed in the Directory. No separate counsel has been retained by the ICAV or the AIFM to represent the Participating Shareholders.

6.38.2 Pinsent Masons serves as legal counsel, solely as to Irish legal matters to the ICAV acting in respect of the ICAV in connection with the organisation of each Fund and the preparation of the Prospectus and Supplements. Pinsent Masons may continue to advise the AIFM and the ICAV in matters relating to operation of the ICAV and the Funds – including, without limitation, on matters relating to its fiduciary obligations – on an on-going basis. Pinsent Masons does not represent and has not represented the prospective investors in the course of the organisation of the ICAV or the Funds, the negotiation of its business terms, the offering of Participating Shares or in respect of its on-going representation. Pinsent Masons has no responsibility, duty or liability to any investor or prospective investor in any Fund. Pinsent Masons engagement by the ICAV in respect of the ICAV is limited to the specific matters as to which it is consulted by the ICAV and, therefore, there may exist facts or circumstances which could have a bearing on the ICAV's or a Fund's (or a service provider's) financial condition or operations with respect to which Pinsent Masons have not been consulted and for which Pinsent Masons expressly disclaims any responsibility.

6.39 **Change of Law**

The ICAV must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions applicable to a Fund, which might require a change in the investment policy and objectives followed by a Fund. In the future, there may be significant new regulations that could limit the ICAV's activities and investment opportunities or change the functioning of capital markets. Consequently, the ICAV may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing its risks.

6.40 **Suspension of Trading**

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

6.41 **Intellectual Property Risks**

The relevant Investment Manager will own (or otherwise have rights to) the intellectual property to be used to implement the Funds' investment strategies. The ICAV has no ownership or claim to such intellectual property. If such intellectual property were unavailable to be used on behalf of the Funds, the Funds would be adversely affected.

6.42 **Investments That Cannot be Disposed of Prior to Dissolution of a Fund**

A Fund may make portfolio investments that may not be advantageously disposed of prior to the date a Fund is dissolved, either by expiration of a Fund's term or otherwise. Although the Investment Manager expects that investments will be disposed of prior to dissolution or be suitable for in-specie distribution at termination, the relevant Fund may have to sell, distribute or otherwise dispose of portfolio investments at a disadvantageous time as a result of dissolution. There can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the Participating Shareholders will occur.

6.43 **Compulsory Redemption of Shares /Deduction of Tax/Indemnity**

The attention of prospective investors is drawn to the sections of this Prospectus entitled **COMPULSORY REDEMPTION AND TRANSFER OF PARTICIPATING SHARES** and **TAXATION** which details circumstances in which the Participating Shares of Participating Shareholders' may be compulsorily redeemed, the treatment of and use of the proceeds of such compulsory redemptions and certain indemnities which Participating Shareholders are required to give the Fund in certain circumstances.

6.44 **Benchmark Regulation**

Subject to certain transitional and grandfathering arrangements, Regulation (EU) 2016/1011 of the European Parliament and of the Council (the "**Benchmark Regulation**") which governs the provision of, contribution to and use of benchmarks took effect from 1 January 2018. Subject to the applicable transitional arrangements, a Fund will no longer be able to "use" a benchmark within the meaning of the Benchmark Regulation which is provided by an EU index provider which is not registered or authorised pursuant to Article 34 of the Benchmark Regulation. In the event that the relevant EU index provider does not comply with the Benchmark Regulation in line with the transitional arrangements set down in the Benchmark Regulation or if the benchmark materially changes or ceases to exist, a Fund will be required to identify a suitable alternative benchmark if available which may prove difficult or impossible. Failure to identify a suitable replacement benchmark may have an adverse impact on the relevant Fund, including in certain circumstances the ability of the Investment Manager to implement the investment strategy of the relevant Fund. Compliance with the Benchmark Regulation may also result in additional costs being borne by the relevant Fund.

SETTLEMENT AND CUSTODIAL RISKS

6.45 **Depository Risks**

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

Depository 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. Increased risks are associated with such investments. In particular, investors should be aware that there is a heightened depository risk for Funds which may invest in certain countries 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 AIFMD. 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 Depository may delegate its custody duties under the Depository 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 and the Depository may discharge itself of liability for the loss of such financial instruments. Such discharge of liability is subject to the conditions of Article 21(14) of AIFMD being met and the provisions of the Depository Agreement.

6.46 Custodial Risk

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of a Fund, which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of such sub-depositaries is necessary, may be exposed to risk in circumstances where the Depository would have no liability. Such risks include: a non-true delivery versus payment settlement, poor information in relation to corporate actions, poor registration procedures that impact upon the availability of securities, lack of appropriate legal/fiscal regulation, lack of safeguards in respect of central depositories, a physical market and the circulation of poor securities.

6.47 Paying Agent Risk

Participating Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to or from the Depository (e.g. a paying agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Collection Accounts or to the Depository for the account of the Fund and (b) redemption monies payable by such intermediate entity to the relevant Participating Shareholder.

GENERAL INVESTMENT RISKS

6.48 Risk Associated with Unspecified Transactions; No Assurance of Investment Return

Participating Shareholders will rely on the ability of each Fund to choose, make and realise investments and there is no assurance that the each Fund will find a sufficient number of attractive opportunities to meet its applicable investment objectives or that each Fund will be able to make and realise returns on its investments. Furthermore, to the extent the investment strategy of a Fund relies upon a certain set of market and economic conditions and such conditions do not materialise for an extended period of time, the relevant Fund may not be able to invest a significant portion of assets for extended periods of time. There can be no assurance that a Fund will be able to generate returns or that the returns will be commensurate with the risks of investing in the type of securities and transactions described herein. Even if a Fund's investments are consummated successfully, they may not produce a realised return for a number of years after the investment is made. Further, a Fund may make (or commit to make) an investment with a view to selling a portion of such investment to other persons prior to or within a reasonable time after the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, it may hold a larger than expected piece in such investment or may realise lower than expected returns from such investment.

6.49 **Flexible Investment Approach**

While each Fund has a specific investment policy as set out in its Supplement, the relevant Investment Manager has broad and unfettered investment authority within those policies and may trade in any type of security, issuer or group of related issuers, country, region and sector that it believes will help the relevant Fund achieve its investment objective within the eligible asset classes and investment policies of the specific Fund. Additionally, the strategies that the relevant Investment Manager may pursue for a Fund are not limited to the strategies described herein; furthermore, such strategies may change and evolve materially over time. The relevant Investment Manager has broad latitude with respect to the management of the relevant Funds' risk parameters. Although each Investment Manager will maintain internal risk guidelines, such guidelines may be subject to change over time and a Fund may pursue investment strategies not described herein or may make investment decisions that fall outside such guidelines. Each Investment Manager will opportunistically implement whatever strategies, techniques and discretionary approaches, as well as such other investment tactics, as it believes from time to time may be suited to prevailing market conditions and in accordance with the relevant Fund's investment policies. The relevant Investment Manager may utilise such position size, duration (if any), leverage (if any) and other portfolio management techniques as it believes are appropriate for the relevant Fund within the parameters of the investment policies of the relevant Fund. Prospective investors must recognise that in investing in a Fund, they are placing their capital under the full discretionary management of the relevant Investment Manager and authorising such Investment Manager to trade for the relevant Fund using whatever strategies in such manner as the relevant Investment Manager may determine within the investment policies. Any of these new investment strategies, techniques, discretionary approaches and investment tactics may not be thoroughly tested before being employed and may have operational or other shortcomings that could result in unsuccessful investments and, ultimately, losses to the relevant Fund. In addition, any new investment strategy, technique and tactic developed by a Fund may be more speculative than earlier investment strategies, techniques and tactics and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the relevant Fund. Unless such changes proposed go outside of the investment policies or objectives of a Fund, Shareholders will not generally be informed of any changes in the relevant Investment Manager's strategies, techniques, discretionary approach and tactics. There can be no assurance that the relevant Investment Manager will be successful in applying its approach and there is material risk that an investor may suffer significant impairment or total loss of its capital.

6.50 **Political and/or Regulatory Risks**

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investments may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

6.51 **Risks of Global Investing**

The ICAV invests in various capital markets throughout the world. As a result, the Funds are subject to risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the Base Currency and the various other currencies in which a Fund's investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another and (ii) the possible imposition of withholding taxes on income received from the issuer of, or gains with respect to, such securities. In addition, investing in certain of these capital markets involve certain factors not typically associated with investing in established securities markets, including risks relating to (i) differences between markets, (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, and less governmental supervision and regulation and (iii) certain economic and political risks, including potential exchange control regulations and potential restrictions on investment and repatriation of capital.

6.52 **Catastrophe Risk**

A Fund may have exposure to losses resulting from natural and man-made disasters and other catastrophic events. Catastrophes can be caused by various events, including hurricanes, earthquakes, hailstorms, explosions, severe winter weather and fires. The incidence and severity of such catastrophes are inherently unpredictable and a Fund's losses from catastrophes could be substantial. The occurrence of claims from catastrophic events is likely to result in substantial volatility in the relevant Fund's financial condition or results of operations for any fiscal quarter or year and could have a material adverse effect on the relevant Fund or a portfolio company's ability to write new business. Each Investment Manager expects that increases in the values and concentrations of insured property will increase the severity of such occurrences in the future. Although the relevant Investment Manager will attempt to manage a Fund's exposure to such events, a single catastrophic event could affect multiple geographic regions and lines of business or the frequency or severity of catastrophic events could exceed the relevant Investment Manager's estimates, either of which could have a material adverse effect on the relevant Fund's financial condition or results of operations.

6.53 **Fund's Income**

6.53.1 A Fund's income may at times be variable. For example, there may be times when a Fund holds instruments that are junior to other instruments and as a result of limited cash flow, the relevant Fund receives little or no income. A wide range of factors may adversely affect an obligor's ability to make repayments, which would in turn affect cash flow to the relevant Fund.

6.53.2 Any defaults will have a negative impact on the value of a Fund's investments and may reduce the return that the relevant Fund receives from its investments in certain circumstances. While some amount of annual defaults is expected to occur in a Fund's portfolio, defaults in or declines in the value of the relevant Fund's investments in excess of these expected amounts may result in breaches of covenants under the relevant Fund's financing arrangements, triggering credit enhancement requirements or accelerated repayment provisions and, if not cured within the relevant grace periods, permitting the finance provider to enforce its security over all the assets of the relevant Fund.

6.54 **Dependence on the relevant Investment Manager Relationship**

The performance of a Fund will, to a large extent, be dependent on the abilities of the relevant Investment Manager. If for any reason a Fund was to lose the services of the relevant Investment Manager, the Fund could suffer significant losses as a result and consideration may have to be given to liquidating such Fund. The success of each Fund will depend upon the ability of the relevant Investment Manager to develop and implement investment strategies that achieve each Fund's investment objective. Subjective decisions made by the relevant Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it could otherwise have capitalised.

6.55 **Reliance on Corporate Management and Financial Reporting**

Many of the strategies implemented by a Fund rely on the financial information made available by the issuers in which the relevant Fund invests. The relevant Investment Manager has no ability to independently verify the financial information disseminated by the issuer in which a Fund invests and is dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

6.56 **Due Diligence**

Each Investment Manager will conduct, and will use third parties to conduct, due diligence on prospective investments. In conducting such due diligence, the relevant Investment Manager's investment professionals will use publicly available information, as well as information from their relationships with former and current management teams, consultants, competitors and investment

bankers. Such level of due diligence may not, however, reveal all matters and issues, material or otherwise, relating to prospective investments.

6.57 Expedited Transactions

Investment analyses and decisions by an Investment Manager will often be undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. For example, a Fund may seek to purchase entire portfolios or substantial portions of portfolios from market participants in need of liquidity or suffering from adverse valuations, and the relevant Fund may be required to bid on such portfolios in a very short time frame. In such cases, the information available to the relevant Investment Manager at the time of an investment decision may be limited, and the relevant Investment Manager may not have access to the detailed information necessary for a full evaluation of the investment opportunity. As a consequence, there is substantial risk that the relevant Investment Manager will not be able to adequately evaluate particular risks or that market movements or other adverse developments will cause the relevant Fund to incur substantial losses on such transactions. In addition, the relevant Investment Manager may rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

6.58 Ratings Generally

A Fund may invest in instruments that are unrated or in instruments that are in fact rated. In general, the ratings of nationally recognised rating organisations represent the opinions of these agencies as to the quality of securities that they rate. These ratings may be used by the relevant Investment Manager as initial criteria for the selection of portfolio securities. Such ratings, however, are relative and subjective; they are not absolute standards of quality and do not evaluate the market value risk of the securities. It is also possible that a rating agency might not change its rating of a particular issue on a timely basis to reflect subsequent events. Further, with respect to mortgage-backed securities, such ratings do not represent any assessment of the likelihood that future prepayment experience will differ from prepayment assumptions or historical prepayment rates. Hence, such ratings will not address the possibility that prepayment rates higher or lower than anticipated by an investor may cause such investor to experience a lower than anticipated yield.

6.59 Fraud

Of concern in investments in loans is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of a Fund to perfect or effectuate a lien on any collateral securing the loan. A Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

6.60 Investments in Less Established Issuers

6.60.1 A Fund may invest in securities or loans of less established issuers, or early stage issuers. Investments in such early stage issuers may involve greater risks than those generally associated with investments in more established issuers. For instance, less established issuers tend to have smaller capitalisations and fewer resources and, therefore, are often more vulnerable to financial failure. Such issuers also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such issuers may not have significant or any operating revenues. Early stage Issuers often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early stage issuer. There is no

assurance that the development efforts of any such early stage issuer will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including institutional private placements or the public markets. The percentage of early stage issuers that survive and prosper tends to be small. In addition, less mature issuers could be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by the relevant Fund, securities of less established issuers may be subject to more abrupt and erratic market price movements than those of larger, more established issuers.

- 6.60.2 In addition to investing in less established or early stage companies, a Fund may actively engage in forming new businesses. Unlike investing in an existing company where start-up risks are generally shared with third parties who also have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where the relevant Fund forms a new business, all such risks are generally borne by the relevant Fund. In addition, newly formed businesses face risks similar to those affecting less established or early stage companies as described above and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved, and there is no assurance that such new business ventures will become successful.
- 6.60.3 Some of the portfolio investments expected to be made by the relevant Fund should be considered highly speculative and may result in the loss of the relevant Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realised on the relevant Fund's other investments.

6.61 **Non-Controlling Investments**

A Fund may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. Further, the relevant Fund may have no right to appoint a director and, as a result, may have a limited ability to influence the management of such portfolio companies. In such cases, the relevant Fund will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other investors with whom the relevant Fund is not affiliated and whose interests may conflict with the relevant Fund's interests. Where practicable and appropriate, it is expected that shareholder rights generally will be sought to protect the relevant Fund's interests. There can be no assurance, however, that such minority investor rights will be available, or that such rights will provide sufficient protection of the relevant Fund's interests. In addition, the relevant Fund may hold investments in debt instruments or other investments that do not entitle the relevant Fund to voting rights and, therefore, the relevant Fund may have a limited ability to protect such investments.

6.62 **Contingent Liabilities on Disposition of Investments**

In connection with the disposition of an investment of a Fund, the relevant Fund may be required to make representations and warranties about such investments. A Fund may become involved in disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result of such disputes or litigation. Any such payments could adversely impact the relevant Fund's ability to make distributions. In addition, if a Fund does not have cash available to conduct such litigation or make such payments, it may be forced to sell investments to obtain funds. Such sales may be effected on unsatisfactory terms. A Fund may also establish reserves or escrow accounts for such contingent liabilities. In that regard, Shareholders may be required to return amounts distributed to them to fund the relevant Fund's indemnity obligations or other Fund obligations arising out of any legal proceeding against the relevant Fund, subject to certain limitations set forth in the Instrument.

6.63 **Borrowing and Leverage**

- 6.63.1 Under the terms of the Prospectus and the Instrument, the Directors and / or the AIFM are empowered to borrow monies to supplement a Fund's assets. Such borrowings may increase the risks attached to an investment in Participating Shares in a Fund. As the ICAV is a QIAIF for the purpose of the AIF Rulebook, the Central Bank has not imposed any limit on the degree to which its Funds may borrow or be leveraged and the potential leverage is therefore unlimited. The ability of a Fund to utilise borrowing and leverage will be set out in the Supplement which may also establish limits on such activities. An investment in the ICAV should therefore not be made without due reference to the Supplement.
- 6.63.2 A Fund, may borrow for any purpose, including to increase investment capacity, cover operating expenses, make redemption payments, or for clearance of transactions. The ICAV may extensively make use of borrowed funds to supplement its investment activities and is not subject to limits on such use of borrowed funds except as required by applicable law and as set out in the relevant Supplement, including margin requirements. Borrowing creates an opportunity for greater total return but also increases exposure to capital risk. Money borrowed by the ICAV to supplement a Fund's investment activities will be subject to an interest cost that may or may not exceed the income and gains from the investments made with the proceeds of such borrowing. The use of such technique will magnify declines as well as increases in the value of the portfolio investments held by a Fund. The rights of any lenders to the ICAV to receive payments of interest on and repayments of the principal amount of such borrowing will be senior to the rights of the Participating Shareholders to receive distributions and to redeem Participating Shares, and the terms of any borrowing may contain provisions which limit certain activities of a Fund, including, but not limited to, the payment of distributions to Participating Shareholders, and the ability of the ICAV to redeem Participating Shares. Interest payments and fees incurred in connection with borrowing will reduce the amount of net income available for payment to Participating Shareholders.
- 6.63.3 Subject to the requirements of the applicable regulations, amounts borrowed may be unsecured, secured by a pledge of portfolio securities or otherwise secured. For the avoidance of doubt, assets from one Fund may not be pledged or otherwise used as security for amounts borrowed by another Fund.
- 6.63.4 A Fund's use of short-term margin borrowings, as an investment strategy, subjects a Fund to additional risks, including the possibility of a "margin call", pursuant to which if portfolio securities collateralising a loan to a Fund decrease in value, the Fund must either deposit additional securities or cash with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden, precipitous drop in the value of its net assets, a Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

6.64 **Costs Associated with Leverage Payable Regardless of Profit**

A Fund may enter into a loan facility in order to leverage its Investments. In such circumstances, all principal and interest on indebtedness will be payable from the assets of the relevant Fund. These amounts will be payable from the assets of the relevant Fund regardless of whether that Fund makes a profit or recoups its investment.

6.65 **Valuation Risk and Use of Estimates**

- 6.65.1 A Fund may invest some of its assets in other forms of investments which are not quoted, listed or normally dealt in on a market and in investments which are so quoted, listed or normally dealt in on a market but in respect of which for any reason the closing price or quotation or, as the case may be, middle price or quotation is unavailable or in the opinion of the AIFM does not reflect fair market value. In such case, the value of such investments will be the probable realisation value calculated with care and in good faith

by the AIFM or External Valuer or a competent person appointed by the AIFM or by an External Valuer.

- 6.65.2 The AIFM may consult the relevant Investment Manager with respect to the valuation of such investments. There may be an inherent conflict of interest between the involvement of the AIFM and the relevant Investment Manager in determining the valuation price of such investments and the AIFM and the relevant Investment Manager's interest in its AIFM Fee and Investment Management Fee and Performance Fee (if any), respectively, which are based on the valuation price of such investments.

6.66 **Performance Fee Risk**

- 6.66.1 Any Performance Fee payable in respect of a particular Class or Fund will be based on net realised and net unrealised gains and losses at the end of the relevant calculation period as specified in the relevant Supplement and, as a result, performance fees may be paid on unrealised gains which may subsequently never be realised.
- 6.66.2 Any Performance Fee received by the relevant Investment Manager may create an incentive for the relevant Investment Manager to allocate a Fund's assets to investments that are riskier or more speculative than would be the case if the relevant Investment Manager were compensated solely based on a flat percentage of capital. The Investment Manager's compensation will be calculated on a basis that includes unrealised appreciation. Securities or investments for which market quotations are not available may be valued by the relevant Investment Manager at such value as the relevant Investment Manager may reasonably determine and may not be independently valued or verified by a third party.

6.67 **Change in Investment Strategies**

The investment strategies, approaches and techniques discussed herein may evolve over time due to, among other things, market developments and trends, the emergence of new or enhanced investment products, changing industry practice and/or technological innovation. As a result, these investment strategies, approaches and techniques may not reflect the investment strategies, approaches and techniques actually employed by a Fund. Nevertheless, the investments made on behalf of a Fund will be consistent with its investment objective.

6.68 **Portfolio Concentration Risk**

A Fund may have a significant (potentially up to 100%) exposure to a single issuer, CIS, counterparty or asset as explained in the relevant Supplements. Such concentrated exposures can cause significant movement in the value of a Fund's portfolio and can result in sudden and total loss of a Fund's value.

6.69 **Liquidity**

- 6.69.1 Each Fund will bear the risk of cessation of trading in the markets for securities and other instruments in which it invests. Any such cessation will affect the AIFM's or an Investment Manager's ability to initiate or close out positions. Poor liquidity for securities and other instruments may adversely affect the Net Asset Value of the Fund as the AIFM or the relevant Investment Manager may not be able to initiate or close out positions on the terms on which it may wish to do so. Poor liquidity may also affect a Fund's ability to effect redemptions.
- 6.69.2 The ICAV's activities may involve investment in, and trading of, asset backed securities and other structured finance products in line with the stated aims and objectives of each Fund as set out in the Supplement. Performance of each Fund will be heavily reliant on performance of the underlying investments which can be unduly influenced by the markets in which they trade. These markets are typically considered as "Over the Counter" markets which carry additional risks, including a heightened potential lack of liquidity, when compared to regulated exchanges.

6.70 **Settlement Risks**

Each Fund will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

6.71 **Illiquid Investments**

Certain Funds may acquire investments which are illiquid when purchased. Other Funds may experience liquidity difficulties where assets become illiquid or hard to value. Where the Fund acquires or values securities in the over-the-counter market there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market.

6.72 **Property Risk**

Subject to the investment policy of the Supplement, a Fund may invest in Property or property related assets as detailed in the Supplement which tend to be extremely illiquid in nature. Realising such investments or closing out positions in such investments at the valuation determined at the last Valuation Point may not be possible. An exit of a Fund will be dependent on market conditions and there is a risk that the market for the underlying investments may not support an opportunistic sale of the assets for some time.

6.73 **Credit and Counterparty Risk**

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the financing counterparties with whom they trade or place margin or collateral in respect of transactions in derivative instruments and may bear the risk of counterparty default.

6.74 **Risks Associated with Bankruptcy Cases**

6.74.1 Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interest of a Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and functional operating control of a debtor.

6.74.2 Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganisation of a corporate vehicle usually involves the development and negotiation of a plan of reorganisation, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the corporate vehicle and a Fund and is subject to unpredictable and lengthy delays. In addition, during the process the corporate vehicle's competitive position may erode, key management may depart, and the corporate vehicle may not be able to invest adequately. In some cases, the corporate vehicle may not be able to reorganise and may be required to liquidate assets. The debt of companies in financial reorganisation will in most cases not pay current interest, may not accrue interest during reorganisation, and may be adversely affected by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganisation timing, and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganisation remains highly uncertain.

6.75 **Insolvency Considerations**

ICAV investments and / or the underlying collateral supporting individual structured finance transactions may be subject to various laws enacted for the protection of creditors in the jurisdictions of incorporation of the issuer thereof and, if different, the jurisdiction from which the issuer conducts their business and in which they hold their assets. These insolvency considerations will differ depending on the country in which the issuer or assets is located and may materially affect the ability to recover value for investors following an insolvency event.

6.76 **Foreign Investment Risks**

The Funds will invest in securities of foreign companies and countries. Investing in the securities of such companies and countries involves certain considerations not usually associated with investing securities of developed countries or of companies located thereon, including political and economic considerations, such as greater risks of expropriation and nationalisation, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain or other income, the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in foreign countries generally are not equivalent to those used in industrialised nations, such as IFRS, and, consequently, different information is available to investors. Internationally, there are varying levels of less regulation, generally, of the securities markets which may not provide the same protections available in industrialised nations. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

6.77 **Foreign Currency Transaction Risks**

6.77.1 FX transactions involve a significant degree of risk and the markets in which FX transactions are effected are highly volatile, highly specialised, highly technical and subject to significant changes, including, with respect to the liquidity thereof and prices obtainable therein, within very short periods of time, often within minutes. FX trading risks include, but are not limited to, exchange-rate risk, maturity gaps, interest-rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. Investing in the Fund is a high-risk venture, suitable only for those who have knowledge and experience in financial matters in general and in the sophisticated FX trading markets in particular and who are capable of evaluating the risks of engaging in such markets and able to bear the economic risk thereof, including the economic risk of significant losses.

6.77.2 Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held. A Fund may enter into FX transactions to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions.

6.78 **Share Currency Designation Risk**

6.78.1 A Class of a Fund may be designated in a currency other than the Base Currency of such Fund. Accordingly, the value of a Participating Share may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. The AIFM or Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading **FOREIGN CURRENCY TRANSACTION RISKS** above, provided that such

instruments will not result in over-hedged positions exceeding 105% of the Net Asset Value attributable to the relevant Class. Over or under hedged positions are re-set monthly. Investors should be aware that this strategy may substantially limit Participating 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 a Fund are denominated. However, in the same manner, currency hedging will also limit the extent to which the Participating Shareholders of such Class would be disadvantaged if the currency of such Class appreciates against the Base Currency and the currencies in which the assets of the relevant Fund are denominated. In such circumstances, Participating Shareholders of the relevant Class may be exposed to fluctuations in the Net Asset Value per Participating Share reflecting the gains/losses on and the costs of the relevant financial instruments.

- 6.78.2 The AIFM or Investment Manager may choose not to enter into, or to terminate, any hedge against currency fluctuations if it determines that it is in the best interests of the Fund not to hedge. There can be no guarantee that such hedging transactions (if any) will be successful or beneficial or that such hedging transactions will not themselves generate losses, and the non-Base Currency-denominated Classes will remain subject to substantial exchange-rate risk. In addition, if the AIFM or Investment Manager chooses to engage in such currency hedging, the non-Base Currency-denominated Classes may be subject to material hedging costs.

6.79 Hedging

Although the ICAV may attempt to hedge its exposure to certain class and/or portfolio level risks including interest and exchange rate mismatches or specific arbitrage positions, it is under no obligation to do so. Further, it will not always be possible to fully or efficiently hedge risk from such positions or any other position. In addition, a Fund may actively take positions based on the expected future direction of the markets without hedging the market risks. In the case of hedging currency exposure at class level, the costs of such hedging will be attributable to the relevant Class. In the case of unhedged Classes a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates. The value of a Participating Share expressed in the relevant Class Currency will be subject to exchange rate risk in relation to the Base Currency.

6.80 Currency Risk

The Net Asset Value per Participating Share will be computed in the Base Currency of the relevant Fund whereas the investments held for the account of that Fund may be acquired in other currencies. The Base Currency value of the investments of the ICAV, which may be designated in any currency, may rise and fall due to exchange rate fluctuations in respect of the relevant currency. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. It may not be possible or practicable to successfully hedge against the consequent currency risk exposure in all circumstances.

6.81 Redenomination Risk

The ICAV may invest in assets denominated in Euro (€). Such investments carry potential redenomination risk in the event member states of the Eurozone seek to redenominate the common currency. Legal implications remain unclear and as such effective hedging against redenomination risk is not possible.

6.82 Execution Risks and Trade Errors

In order to seek positive returns in global markets, the relevant Investment Manager's trading and investment for a Fund may involve multiple instruments, multiple brokers and counterparties and multiple strategies. As a result, the execution of the trading and investment strategies employed by the relevant Investment Manager for a Fund may often require rapid execution of trades, high volume of trades, complex trades, difficult to execute trades, use of negotiated terms with counterparties such as in the use of derivatives and the execution of trades involving less common

or novel instruments. In each case, the relevant Investment Manager seeks best execution and has trained execution and operational staff devoted to executing, settling and clearing such trades. However, in light of the high volumes, complexity and global diversity involved, some slippage, errors and miscommunications with brokers and counterparties may occur, and could result in losses to a Fund. In such circumstances, the relevant Investment Manager will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault and, to the extent practicable, will seek to recover losses from those parties. In its sole discretion, the relevant Investment Manager may choose to forgo pursuing claims against brokers and counterparties on behalf of a Fund for any reason, including the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties.

MARKET RISKS

6.83 General Economic Conditions

- 6.83.1 The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of market prices and the extent and timing of investor participation in the markets for both equities and interest-sensitive instruments. Unexpected volatility or illiquidity in the markets in which a Fund holds positions could impair that Fund's ability to carry out its business or cause it to incur losses.
- 6.83.2 The prices of stocks, bonds, options on stocks, other securities, currencies, futures contracts and other commodities and the movements of interest rates can be highly volatile and may be influenced by, among other things, changing supply and demand relationships, interest rates, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and indirectly by regulation, in certain markets, particularly those in currencies, financial instruments, futures and options. Such intervention often is intended to influence, directly or indirectly, 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 and currency fluctuations.
- 6.83.3 From time to time, Funds may be adversely affected by deteriorations in the financial markets and economic conditions throughout the world, some of which may magnify the risks described herein and have other adverse effects. The duration of any such economic and financial market conditions cannot be anticipated and such conditions may continue for extended periods of time.

6.84 Market Disruptions; Governmental Intervention; Short Selling Ban

- 6.84.1 The global financial markets have recently undergone pervasive and fundamental disruptions which led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition - as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action - these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.
- 6.84.2 In such circumstances, a number of countries previously imposed bans on the short-selling of certain types of securities, typically on an "emergency" basis, making it impossible for numerous market participants either to continue to implement their strategies or to manage the risk of their open positions. Any regulatory limitations on short-selling could materially adversely affect the implementation of a Fund's investment strategy.

6.84.3 A Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which the AIFM or the relevant Investment Manager bases a number of its trading positions) become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to a Fund from its banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the Funds. Market disruptions may from time to time cause dramatic losses for the Funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

6.85 **Market Risk**

Some of the exchanges or markets in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements. Despite the heavy volume of trading in securities and futures, the markets for some securities and futures have limited liquidity and depth. This could be a disadvantage to a Fund, both in the realisation of the prices which are quoted and in the execution of orders at desired prices. Where the strategy deployed involves a directional market exposure, the Fund may suffer losses according to market trends.

6.86 **Eurozone Risks**

In addition to specific national concerns, certain countries within the Eurozone have received very substantial financial assistance from other EU Member States in recent years, and the question of additional funding is unclear. Investor confidence in other EU Member States, as well as European banks exposed to sovereign debt of Eurozone countries experiencing financial turmoil, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, there can be no assurance that the level of funds being committed to such facilities will be sufficient to resolve the crisis going forward. It is also unclear whether ultimately a political consensus will emerge in the Eurozone concerning whether and how to restructure sovereign debt. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the withdrawal of one or more EU Member States from the Eurozone, or even the abolition of the Euro. The withdrawal of one or more EU Member States from the Eurozone or the abolition of the Euro could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of the ICAV's investments.

6.87 **Britain's Exit from the European Union**

6.87.1 The ICAV, the AIFM and relevant Investment Managers may face potential risks associated with the referendum on the United Kingdom's continued membership of the European Union, which took place on June 23, 2016 and which resulted in a vote for the United Kingdom to leave the European Union. That decision to leave could materially and adversely affect the regulatory regime to which an Investment Manager is currently subject in the United Kingdom, particularly in respect of financial services regulation and taxation. Investors should note that the ICAV and/or the AIFM may be required to introduce changes to the way it is structured and introduce, replace or appoint additional service providers or agents and/or amend the terms of appointment of persons or entities engaged currently to provide services to the ICAV including but not limited to particular Investment Managers. Although the ICAV shall seek to minimize the costs and other implications of any such changes, investors should be aware that the costs of such changes may be borne by the ICAV.

6.87.2 Furthermore, the vote to leave the European Union may result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have a material adverse effect on the ICAV, the AIFM and an Investment Manager's

business, financial condition, results of operations and prospects. The vote for the United Kingdom to leave the European Union may set in train a sustained period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit. It may also destabilize some or all of the other members of the European Union (some of which are countries in which we conduct business) and/or the euro zone.

- 6.87.3 The exit of the United Kingdom from the European Union could have a material impact on its economy and the future growth of that economy, impacting adversely on an Investment Manager's U.K. businesses and the ICAV's investments in the United Kingdom. It could also result in prolonged uncertainty regarding aspects of the U.K. economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of an EU Member State other than the United Kingdom from the European Union, could have a material adverse effect on the financial condition, results of operations and prospects of the ICAV and an Investment Manager.

6.88 Volatility Assessment Risk

The strategies pursued by a Fund often require the AIFM or the relevant Investment Manager to estimate future levels of the price volatility of given instruments. This means that a Fund could be exposed to the risk of actual levels of price volatility differing from those estimated by the AIFM or the relevant Investment Manager. Changes in the volatility of the price of an underlying security may make a large difference to the notional value of a derivative instrument.

6.89 Stagnant Markets

Although volatility is one indication of market risk, certain of the investment strategies employed by Funds may rely for their profitability on market volatility contributing to the mispricings which they are designed to identify. In the event of trendless, stagnant markets and/or deflation, these strategies may have materially diminished prospects for profitability.

6.90 Exchange Control and Repatriation Risk

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

6.91 Price Fluctuations

The performance of a Fund may be affected by changes in economic and market conditions and in legal, regulatory and tax requirements. A Fund will be responsible for paying its fees and expenses regardless of its level of profitability.

6.92 Private Offering Exemption

The Funds may offer Shares on a continuing basis without registration under securities laws in reliance on an exemption for "transactions by an issuer not involving any public offering" in certain jurisdictions. While the Directors believe reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations or interpretations will not cause the relevant Fund to fail to qualify for such exemptions under applicable securities laws. Failure to so qualify could result in the rescission of sales of Participating Shares at prices higher than the current value of those Participating Shares, potentially materially and adversely affecting a Fund's performance and business. Further, even non-meritorious claims that offers and sales of Participating Shares were not made in compliance with applicable securities laws could materially and adversely affect the ICAV's and the relevant Investment Manager's ability to conduct the Funds' business.

EMERGING MARKET RISKS

6.93 General

In the case of certain Funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant Funds. In particular, the following risks should be noted:

6.94 Emerging Market Countries

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 the relevant 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.

6.95 Settlement and Credit Risks

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by a relevant Investment Manager to settle transactions on a delivery free of payment basis where that Investment Manager believes and the Depositary agrees that this form of settlement is common market practice. Participating Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Fund or to the Participating Shareholders for such a loss.

6.96 Legal Risks, Regulatory Risks and Accounting Standards

6.96.1 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.

6.96.2 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 or about the issuers published. 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 company and there may be less independent verification of information. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

6.97 **Political Risks**

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

6.98 **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 Participating 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 Participating 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.

STRATEGY AND INVESTMENT ASSET RISKS

6.99 **Debt Instruments Generally**

Each Fund may invest, directly or indirectly, in, predominantly, debt and credit-related instruments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which a Fund may invest may have speculative characteristics. Certain Funds may have little or no restrictions on the credit quality of the investments of they may hold. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

6.100 **Interest Rate Risk**

Changes in interest rates can affect the value of the investments in debt / fixed income instruments. Increases in interest rates may cause the value of the investments to decline. A Fund may experience increased interest rate risk to the extent the relevant Fund invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments.

6.101 Investment Grade Debt Securities

6.101.1 Investment grade debt securities are investment grade rated obligations that have credit ratings that are intended to reflect (but will not necessarily reflect) relatively less credit and liquidity risk than high-yield debt securities, mezzanine debt securities or other debt instruments that are not rated investment grade. Risks of investment grade debt securities may include (among others): (i) market place volatility resulting from changes in prevailing interest rates, (ii) the absence, in many instances, of collateral security, (iii) the operation of mandatory sinking fund or call/redemption provisions during periods of declining interest rates that could cause a Fund to reinvest premature redemption proceeds in lower-yielding debt obligations and (iv) the declining creditworthiness and the greater potential for insolvency of the issuer of such investment debt securities during periods of rising credit spreads and/or interest rates and/or economic downturn.

- (i) *General Government/Municipal Bonds Risks.* Municipal bonds are subject to interest rate, credit and market risk. The ability of an issuer to make payments could be affected by litigation, legislation or other political events or the bankruptcy of the issuer. Lower-rated municipal bonds are subject to greater credit and market risk than higher quality municipal bonds. The market prices of residual interest bonds may be highly sensitive to changes in market rates and may decrease significantly when market rates increase. Also see **SOVEREIGN DEBT** below.
- (ii) *Other Municipal Securities Risks.* Municipal securities risks include the ability of the issuer to repay the obligation, the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities. These risks include:
 - (a) *General Obligation Bonds Risks.* The full faith, credit and taxing power of the municipality that issues a general obligation bond secures payment of interest and repayment of principal. Timely payments depend on the issuer's credit quality, ability to raise tax revenues and ability to maintain an adequate tax base.
 - (b) *Revenue Bonds Risks.* Payments of interest and principal on revenue bonds are made only from the revenues generated by a particular facility, class of facilities or the proceeds of a special tax or other revenue source. These payments depend on the money earned by the particular facility or class of facilities, or the amount of revenues derived from another source.
 - (c) *Private Activity Bonds Risks.* Municipalities and other public authorities issue private activity bonds to finance development of industrial facilities for use by a private enterprise. The private enterprise pays the principal and interest on the bond, and the issuer does not pledge its full faith, credit and taxing power for repayment. If the private enterprise defaults on its payments, a Fund invested in such bonds may not receive any income or get its money back from the Investment.
 - (d) *Moral Obligation Bonds Risks.* Moral obligation bonds are generally issued by special purpose public authorities of a state or municipality. If the issuer is unable to meet its obligations, repayment of these bonds becomes a moral commitment, but not a legal obligation, of the state or municipality.
 - (e) *Structured Settlement Securities Risks.* Structured settlement securities depend on settlement payments from non-municipal entities, including public and private companies and therefore bear risks associated with such settlement payments.
 - (f) *Municipal Notes Risks.* Municipal notes are shorter term municipal debt obligations. They may provide interim financing in anticipation of, and are secured by, tax collection, bond sales or revenue receipts. If there is a

shortfall in the anticipated proceeds, the notes may not be fully repaid and a Fund invested in such notes may lose money.

- (g) *Municipal Lease Obligations Risks.* In a municipal lease obligation, the issuer agrees to make payments when due on the lease obligation. The issuer will generally appropriate municipal funds for that purpose, but is not obligated to do so. Although the issuer does not pledge its unlimited taxing power for payment of the lease obligation, the lease obligation is secured by the leased property. However, if the Issuer does not fulfil its payment obligation it may be difficult to sell the property and the proceeds of a sale may not cover a Fund's losses.

6.102 Investment in High Yield / Sub-Investment Grade Corporate Debt Instruments

- 6.102.1 Where indicated in the relevant Supplement, a Fund's investments may be in sub-investment grade corporate debt instruments such as leveraged loans, mezzanine loans, unitranche debt, and senior secured bonds, which carry greater credit and liquidity risk than investment grade instruments. These instruments are often also referred to as high yield instruments. Sub-investment grade corporate debt instruments are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Sub-investment grade corporate instruments are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the financial markets generally and less secondary market liquidity. The Investment Manager will consider both credit risk and market risk in making investment decisions for a Fund.
- 6.102.2 Sub-investment grade corporate debt instruments are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.
- 6.102.3 The market value of sub-investment grade corporate debt instruments tends to reflect individual corporate developments to a greater extent than that of higher rated instruments which react primarily to fluctuations in the general level of interest rates. As a result, where the Fund invests in such high yield instruments its ability to achieve its investment objective may depend to a greater extent on the relevant Investment Manager's judgement concerning the creditworthiness of issuers than funds which invest in higher-rated instruments. Issuers of sub-investment grade corporate debt instruments may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated instruments by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the high yield markets and investor perceptions regarding lower rated instruments, whether or not based on fundamental analysis, may depress the prices for such instruments.
- 6.102.4 To the extent that a default occurs with respect to any sub-investment grade corporate debt instruments and a Fund sells or otherwise disposes of its exposure of such an instrument, it is likely that the proceeds will be less than the unpaid principal and interest. Even if such instruments are held to maturity, recovery by the Fund of its initial investment and any anticipated income or appreciation is uncertain.
- 6.102.5 The secondary market for sub-investment grade corporate debt instruments may be concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such instruments is not as liquid as, and is more volatile than, the secondary market for higher-rated instruments. In addition, market trading volume for

high yield instruments is generally lower and the secondary market for such instruments could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer.

6.102.6 Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated instruments. They do not, however, evaluate the market value risk of sub-investment grade corporate debt instruments and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the instruments. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in sub-investment grade and comparable un-rated obligations will be more dependent on the relevant Investment Manager's credit analysis than would be the case with investments in investment-grade instruments. The Investment Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings.

6.103 **Investment in Un-rated Securities**

Issuers of bonds may select not to have an issue rated by an external agency. Un-rated bonds may have the characteristics of either investment or sub-investment grade bonds. Market activity in these bonds may be low for a considerable period of time and this may impact on liquidity. A lack of rating tends to adversely affect marketability. Un-rated bonds may be secured on assets of the issuer.

6.104 **Investment in Unlisted Securities**

A Fund may invest in securities which are neither listed nor dealt on regulated markets. Due to the possible absence of any trading market for these investments, it may take longer to liquidate these positions than would be the case for securities traded on a public exchange, or it may not be possible to liquidate the positions at all. Although these securities may be resold in privately negotiated transactions, the prices realised on these sales could be less than those originally paid by the Fund.

6.105 **Investment in Convertible Securities**

A Fund may invest in convertible securities, which may include corporate notes or preferred stock but are ordinary long-term debt obligations of the issuer convertible at a stated exchange rate into common stock of the issuer. As with all debt securities, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the price of the convertible security tends to reflect the value of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis, and thus may not depreciate to the same extent as the underlying common stock. Convertible securities generally rank senior to common stocks in an issuer's capital structure and are consequently of higher quality and entail less risk than the issuer's common stock. However, the extent to which such risk is reduced depends in large measure upon the degree to which the convertible security sells above its value as a fixed income security.

6.106 **Debt Investments**

A Fund may make investments in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities or may make debt investments that have an expected return comparable to equity or equity-related securities. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no

minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions.

6.107 **Sovereign Debt**

Where provided for in the relevant Supplement, a Fund may invest in financial instruments issued by a government of an emerging markets country, its agencies, instrumentalities or its central bank ("**Sovereign Debt**"). Sovereign Debt may include securities that the relevant Investment Manager believes are likely to be included in restructurings of the external debt obligations of the issuer in question. The ability of an issuer to make payments on Sovereign Debt, the market value of such debt and the inclusion of Sovereign Debt in future restructurings may be affected by a number of other factors, including such issuer's (i) balance of trade and access to international financing, (ii) cost of servicing such obligations, which may be affected by changes in international interest rates, and (iii) level of international currency reserves, which may affect the amount of foreign exchange available for external debt payments. Significant ongoing uncertainties and exposure to adverse conditions may undermine the issuer's ability to make timely payment of interest and principal, and issuers may default on their Sovereign Debt.

6.108 **Credit Linked Notes**

A Fund may utilise notes the performance of which are linked to the credit performance of a reference portfolio of certain loan-related claims on corporate and similar entities that are specified from time to time ("**CLNs**"). CLNs may be speculative, may not be principal protected, and note holders may lose some or all of their initial investments. CLNs may not be rated by any credit agency and are subject not only to note holders' credit risk exposure, but also to the credit risk of the issuer, whose credit ratings and credit spreads may adversely affect the market value of such CLNs.

6.109 **Investment in Money Market and Other Liquid Instruments**

A Fund may invest, for defensive purposes or otherwise, some or all of their assets in fixed-income securities, money market instruments, and money market mutual funds, or hold cash or cash equivalents in such amounts as may be deemed appropriate under the circumstances. Money market instruments are short-term fixed-income obligations, which generally have remaining maturities of one (1) year or less, and may include government securities, commercial paper, certificates of deposit and repurchase (and reverse repurchase) agreements. The Funds may be prevented from achieving their objectives during any period in which the assets of the Funds are not substantially invested in accordance with their principal investment strategies.

6.110 **Use of Repurchase agreements and Reverse repurchase agreements**

6.110.1 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.

6.110.2 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.

6.111 Stock-lending risk

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However, a Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The collateral will typically be maintained at a value of at least equal to the market value of any securities loaned. However in the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

6.112 Equity Risk

6.112.1 A Fund may hold equity and equity like interests in entities. Equity is subordinate to all other claims into an underlying investment and therefore can experience a low or zero recovery in the event of an insolvency or winding up of the underlying business or entity.

6.112.2 As with other investments that a Fund makes, the value of equity securities held by a Fund will generally be adversely affected by actual or perceived negative events relating to the issuer of such securities, the industry or geographic areas in which such issuer operates or the financial markets generally. However, equity securities are typically even more susceptible to such events given their subordinate position in the issuer's capital structure. As such, equity securities generally have greater price volatility than fixed income securities, and the market price of equity securities owned by a Fund is more susceptible to moving up or down in a rapid or unpredictable manner.

6.113 Investments in Public Companies

A Fund may invest in public companies or take private portfolio companies public. Investments in public companies may subject the relevant Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include movements in the stock market and trends in the overall economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the relevant Fund to dispose of such securities at certain times (including due to the possession by the relevant Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, regulatory action by a regulatory authority and increased costs associated with each of the aforementioned risks.

6.114 Financing Arrangements

To the extent that a Fund enters into financing arrangements, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for the relevant Fund. Also, a Fund may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If a Fund were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and the relevant Fund might be forced to sell some of its assets to fund such costs. A Fund might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of the relevant Investment Manager to adopt the financial structure (e.g., by reducing levels of borrowing) which it would have adopted in the absence of such covenants.

6.115 Structured Finance Obligations

Structured finance obligations may be subject to prepayment risk, credit risk, liquidity risk, market risk, structural risk, legal risk and interest rate risk (which may be exacerbated if the interest rate payable on a structured finance obligation changes based on multiples of changes in interest rates or inversely to changes in interest rates). In addition, certain structured finance obligations

(particularly subordinated collateralised bond obligations) may provide that non-payment of interest is not an event of default in certain circumstances and the holders of the securities will therefore not have available to them any associated default remedies. The price of a structured finance obligation, if required to be sold, may be subject to certain market and liquidity risks for securities of its type at the time of sale.

6.116 Participation Interests

6.116.1 A Fund may purchase participation interests in debt instruments which do not entitle the holder thereof to direct rights against the obligor. Participations held by a Fund in a seller's portion of a debt instrument typically result in a contractual relationship only with such seller, not with the obligor. A Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the seller and only upon receipt by such seller of such payments from the obligor. In connection with purchasing participations, a Fund generally will have no right to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor and a Fund may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation.

6.116.2 As a result, the relevant Fund will assume the credit risk of both the obligor and the seller selling the participation. In the event of the insolvency of such seller, the relevant Fund may be treated as a general creditor of such seller, and may not benefit from any set-off between such seller and the obligor. When a Fund holds a participation in a debt instrument it may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if a Fund does not vote as requested by the seller, it may be subject to repurchase of the participation at par. Sellers voting in connection with a potential waiver of a restrictive covenant may have interests different from those of a Fund, and such selling Institutions may not consider the interests of the relevant Fund in connection with their votes.

6.117 Assignments

A Fund may also purchase assignments, which are arrangements whereby a creditor assigns an interest in a loan to the relevant Fund. The purchaser of an assignment typically succeeds to all the rights and obligations of the assignor of the loan and becomes a lender under the loan agreement and other operative agreements relating to the investment. Assignments are, however, arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assignor of the loan. In contrast to the rights of a Fund as an owner of a participation, the relevant Fund, as an assignee, will generally have the right to receive directly from the obligor all payments of principal, interest and any fees to which it is entitled. In some assignments, the obligor may have the right to continue to make payments to the assignor with respect to the assigned portion of the loan. In such a case, the assignor would be obligated to receive such payments as agent for the relevant Fund and to promptly pay over to the relevant Fund such amounts as are received. As a purchaser of an assignment, a Fund typically will have the same voting rights as other lenders under the applicable loan agreement and will have the right to vote to waive enforcement of breaches of covenants. A Fund will also have the same rights as other lenders to enforce compliance by the obligor with the terms of the loan agreement, to set-off claims against the obligor and to have recourse to collateral supporting the investment. As a result, the relevant Fund may not bear the credit risk of the assignor and the insolvency of an assignor of a loan should have little effect on the ability of the relevant Fund to continue to receive payments of principal, interest or fees from the obligor. The relevant Fund will, however, assume the credit risk of the obligor.

6.118 Security Risk

Certain investments such as trade claims or consumer receivables may not be secured over underlying assets. Investments may be secured by mortgages, charges, pledges, liens or other security interests. Depending on the jurisdiction in which such security interests are created, enforcement of such securities can be a complicated and difficult process. For example,

enforcement of security interests in certain jurisdictions can require a court order and a sale of the secured property through public bidding or auction. In addition, some courts may delay, upon the obligor's application, the enforcement of a security if the obligor can show that it has a valid reason for requesting such delay, such as showing that the default was caused by temporary hardships. For example, some jurisdictions grant courts the power to declare security interest arrangements to be void if they deem the security interest to be excessive.

6.119 Prepayment Risk

6.119.1 The frequency at which prepayments (including voluntary prepayments by obligors and accelerations due to defaults) occur on bonds and loans will be affected by a variety of factors including the prevailing level of interest rates and spreads, as well as economic, demographic, tax, social, legal and other factors. Generally, obligors tend to prepay their fixed-rate obligations when prevailing interest rates fall below the coupon rates on their obligations. Similarly, floating rate issuers and borrowers tend to prepay their obligations when spreads narrow.

6.119.2 In general, "premium" securities (securities whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments. Since many fixed-rate obligations will be premium instruments when interest rates and/or spreads are low, such debt instruments and asset-backed instruments may be adversely affected by changes in prepayments in any interest rate environment.

6.119.3 The adverse effects of prepayments may impact a Fund's portfolio in two ways. First, particular investments may experience outright losses, as in the case of an interest-only instrument in an environment of faster actual or anticipated prepayments. Second, particular investments may underperform relative to hedges that the relevant Investment Manager may have constructed for these investments, resulting in a loss to a Fund's overall portfolio. In particular, prepayments (at par) may limit the potential upside of many instruments to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss.

6.120 Risks of Investments in Special Situations

A Fund may invest in "event-driven" and other special situations, such as recapitalisations, spin-offs, restructurings, reorganisation, bankruptcy, litigation, corporate control transactions, corporate events and other catalyst-oriented strategies. Each Investment Manager believes these types of Investments often have limited downside risk relative to their current valuations. The relevant Fund could, however, be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to the relevant Fund. Investments in such securities often are difficult to analyse or may have limited trading histories or in-depth research coverage. Although the relevant Fund intends to utilise appropriate risk management strategies, such strategies cannot fully insulate the relevant Fund from the risks inherent in its planned activities. Moreover, in certain situations the relevant Fund may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

6.121 Investments in Event-Oriented Situations

6.121.1 The price offered for securities of a company involved in an announced deal can generally represent a significant premium above the market price prior to the announcement. Therefore, the value of such securities held by a Fund may decline if the proposed transaction is not consummated and if the market price of the securities returns to a level comparable to the price prior to the announcement of the deal. Furthermore, the difference between the price paid by the relevant Fund for securities of a company involved in an announced deal and the anticipated value to be received for such securities upon consummation of the proposed transaction will often be very small. If the proposed transaction appears likely not to be consummated or, in fact, is not consummated or is delayed, the market price of the securities will usually decline, perhaps by more than anticipated profit. In addition, when a Fund has sold short the securities it anticipates receiving in an exchange or merger, and the proposed transaction

is not consummated, the relevant Fund may be forced to cover its short position in the market at a higher price than its short sale, with a resulting loss. If the relevant Fund has sold short securities that are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, such Fund also may be forced to cover the short position at a loss.

- 6.121.2 Where a Fund purchases put options with respect to the securities it anticipates receiving in an exchange or merger, if the proposed transaction is not consummated, the exercise price of such put options may be lower than the market price of the underlying securities, with the result that the cost of the options will not be recovered. If a Fund has purchased put options with respect to securities which are the subject of a proposed cash tender offer or cash merger and the transaction is consummated, the relevant Fund also may not exercise the options and may lose the premiums paid therefor. In addition, premiums paid for put options increase the transaction costs and, in certain situations, may result in a sufficient reduction in the spread between the acquisition price and the anticipated price to be received to make the arbitrage investment so unattractive based upon a return on capital/risk-reward analysis that the relevant Investment Manager may determine not to take a portfolio position. Since options expire on defined dates, in the event consummation of a transaction is delayed beyond the expiration of a put option held by the relevant Fund, such Fund may lose the anticipated benefit of the option.
- 6.121.3 The relevant Investment Manager may determine that the offer price for a security which is the subject of a tender offer is likely to be increased, either by the original bidder or by another party. In those circumstances, the relevant Fund may purchase securities above the offer price, and such purchases are subject to the added risk that the offer price will not be increased or that the offer will be withdrawn.
- 6.121.4 The consummation of refinancings, restructurings, mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a regulatory agency; (iii) efforts by the involved company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable securities laws; and (vii) inability to obtain adequate financing.
- 6.121.5 Often a tender or exchange offer will be made for less than all of the outstanding securities of an issuer or a higher price will be offered for a limited amount of the securities, with the provision that, if a greater number is tendered, securities will be accepted pro rata. Thus, a portion of the securities tendered by a Fund may not be accepted and may be returned to the relevant Fund. Since, after completion of the tender offer, the market price of the securities may have declined below the relevant Fund's cost, a sale of any returned securities may result in a loss.

6.122 Index-related Risks

- 6.122.1 **A Fund may utilise a variety of indices, index-related products or other broad market** indicators to make investments or pursue hedging strategies. Several economic and market factors, many of which are beyond the control of the relevant Fund, will influence the value of the underlying credit products comprising the various indices, including: (i) the value of any indices at any time; (ii) the volatility (frequency and magnitude of changes in value) of any indices; (iii) interest and yield rates in the particular credit markets; (iv) geopolitical conditions and economic, financial, political and regulatory or judicial events that affect the credit products underlying the indices, or credit markets generally, and that may affect the final value of the indices; (v) the time remaining to the maturity of the underlying credit products comprising the various indices; (vi) a variety of economic, financial, political, regulatory or judicial events; and (vii) the creditworthiness of the underlying credit products comprising the various indices.

- 6.122.2 Some or all of these factors will influence the price fluctuations of the underlying credit products in such indices. For example, the relevant Fund may sell its interests coupled to any such indices at a substantial discount from the original purchase price. If at the time of sale, the value of any such index is at or below its initial value or if market conditions result in a divergence of such interests and indices.
- 6.122.3 The publishers of the indices can add, delete or substitute the credit products underlying each of the indices, and can make other methodological changes required by certain events relating to the underlying credit products that could change the value of the indices. Any such changes could adversely affect the value of the underlying credit products. The publishers of the indices may discontinue or suspend calculation or publication of any index at any time. In these circumstances, the relevant Fund will have the sole discretion to substitute a successor index that is comparable to the discontinued index. In addition, the publishers of the indices have limited operating histories upon which an evaluation of likely performance may be based, and past performance may not be indicative of the future performance of the publishers of the indices.
- 6.122.4 As an investor, a Participating Shareholder will not have voting or similar rights to receive any distributions or any other rights with respect to the credit products that underlie the indices.
- 6.122.5 The relevant Fund may carry out hedging activities related to the credit products linked to the indices or their components, including trading in indices and their tranches and trading in the credit products underlying the indices and options contracts on the indices. The relevant Fund may also trade in the credit products underlying the indices and other financial instruments related to the indices on a regular basis as part of its general business.

6.123 **Stripped Debt Securities Risk**

The Funds may purchase stripped bonds, which are securities created by separating bonds into their principal and interest components and selling each piece separately. The yield to maturity on a stripped debt security is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on the Funds' yields to maturity to the extent it invests in bonds that pay interest only. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Funds may fail to recoup fully their initial investments in these securities. Conversely, bonds which pay principal only tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped securities may be more volatile and less liquid than that for other debt securities, potentially limiting the Funds' ability to buy or sell those securities at any particular time.

6.124 **Zero Coupon Bonds Risk**

A Fund may invest in zero coupon bonds. The market prices of these bonds generally are more volatile than the market prices of securities that pay interest on a regular basis. Since the relevant Fund will not receive cash payments earned on these securities on a current basis, the relevant Fund may be required to make distributions from other sources. This may result in higher portfolio turnover rates and the sale of securities at a time that is less favourable.

6.125 **Borrower and Revolver Seller Fraud; Breach of Covenant**

A Fund may acquire funded and unfunded revolving credit facilities ("**Revolvers**") having structural, covenant and other contractual terms providing adequate downside protection, but there can be no assurance that such features and terms will achieve their desired effect and potential investors should regard an investment as being speculative and having a high degree of risk. Of paramount concern in acquiring a Revolver is the possibility of material misrepresentation or omission on the part of the Revolver seller, the borrowers thereunder (the "**Portfolio Borrower**") or other credit support providers, or breach of covenant by any such parties. Such inaccuracy or incompleteness

or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Revolver lenders to perfect or effectuate a lien on the collateral securing the loan or a Fund's ability to otherwise realise on or avoid losses in respect of the Investment and the Account. The relevant Investment Manager will rely upon the accuracy and completeness of representations made by any such parties to the extent reasonable, but cannot guarantee such accuracy or completeness.

RISK ASSOCIATED WITH FINANCIAL DERIVATIVE INSTRUMENTS

6.126 Derivative Instruments Generally

6.126.1 A Fund may make use of derivatives in its investment program. Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index, or interest rate. Examples of derivatives include, but are not limited to, swap agreements, futures contracts, options contracts, and options on futures contracts. A futures contract is an exchange-traded agreement between two parties, a buyer and a seller, to exchange a particular commodity or financial instrument at a specific price on a specific date in the future. An option transaction generally involves a right, which may or may not be exercised, to buy or sell a commodity or financial instrument at a particular price on a specified future date.

6.126.2 A Fund's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the overall portfolio of the Fund as a whole. Derivatives permit an investor to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as an investor can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

6.126.3 Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on a Fund's performance. If a Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss, which could be significant. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk and operations risk. In addition, a Fund could experience losses if derivatives are poorly correlated with its other investments, or if the Fund is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

6.126.4 Engaging in derivative transactions involves a risk of loss to a Fund that could materially adversely affect the Fund's Net Asset Value. No assurance can be given that a liquid market will exist for any particular contract at any particular time.

6.127 Over-The-Counter (OTC) Derivatives

6.127.1 There are additional risks involved with over-the-counter ("**OTC**") derivatives. Unlike exchange-traded instruments, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC derivatives, are generally established through negotiation with the other party to the instrument. While this type of arrangement allows a Fund greater flexibility to tailor the instrument to its needs, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if OTC derivatives are deemed not to be legally enforceable or are not documented correctly.

6.127.2 There also may be a legal or documentation risk that the parties to the OTC derivatives may disagree as to the proper interpretation of its terms. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its

contractual rights may lead the Fund to decide not to pursue its claims under the OTC derivatives. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under OTC arrangements, that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

- 6.127.3 In general, there is less government regulation and supervision of transactions in the over-the-counter markets than of transactions entered into on organised exchanges. In addition, many of the protections afforded to some participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with transactions in OTC derivatives. Therefore, although any counterparty with whom a Fund enters into an OTC derivatives transaction will be rated at or in excess of the requirements of the Central Bank by a recognised credit rating agency and the Fund may further reduce its exposure to the counterparty through the use of collateral, the Fund will be subject to the risk that the counterparty will not perform its obligations under the transactions.
- 6.127.4 In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a limited but detrimental impact on the Fund. 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 on behalf of the Fund, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights.
- 6.127.5 There is also a possibility that the above agreements and derivative techniques 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.
- 6.127.6 Derivative instruments and forward exchange contracts which are not dealt on a Recognised Market shall be valued by the AIFM. Investors should note that there is often no single market value for instruments such as OTC derivatives. The discrepancies between bid offer spread on OTC derivatives may be partly explained by various estimates on their pricing parameters.

6.128 Clearing and Reporting Requirements

- 6.128.1 Transactions in certain derivatives may be subject to clearing requirements under applicable law and to regulatory oversight, while other derivatives are subject to risks of trading in the over-the-counter markets. Certain proposed and final rules affecting derivative transactions may require material changes to the business and operations of, or have other adverse effects on, the Funds.
- 6.128.2 In addition to the clearing requirements, these rules also include other obligations such as reporting of transactions and other requirements for non-cleared derivatives. Consequently, the full impact that such legislation will ultimately have on the Funds and the markets in which they trade and invest is not fully known. Such uncertainty may itself be detrimental to the efficient functioning of the markets and the success of certain investment strategies. Any changes to current regulations or any new regulations applicable to the ICAV and the Funds could have a materially adverse effect on the Funds.

6.129 Currency Transactions

- 6.129.1 A Fund may engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations. Since a spot or forward contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Fund of unrealised profits, transaction costs and the hedging benefits of the contract or force a Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Fund is fully invested in securities while also

maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary fund securities transactions. If the relevant Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of the Fund would be less favourable than it would have been if this investment technique were not used.

- 6.129.2 A Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund sell to the dealer.

6.130 **Counterparty Risk**

- 6.130.1 A Fund will have a credit risk on the parties with which it trades including for example, counterparties to repo contracts, securities lending agreements and OTC contracts. In the event of the insolvency, bankruptcy or default of the seller under a repurchase agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities during the period while it seeks to enforce its rights thereto, possible sub-normal level of income, lack of access to income during the period and expenses in enforcing its rights. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.
- 6.130.2 A Fund's foreign exchange, futures and other transactions also involve counterparty credit risk and may expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations. With respect to futures contracts and options on futures, the risk is more complex in that it involves the potential default of the clearing house or the clearing broker.
- 6.130.3 A Fund may have contractual remedies upon any default pursuant to the agreements related to particular transactions. Such remedies could be inadequate however, to the extent that the collateral or other assets available are insufficient to satisfy the obligations of the counterparty to the Fund.
- 6.130.4 Participants in the OTC markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is expected that the ICAV will be able to establish the necessary counterparty business relationships to permit it to effect transactions in the OTC markets, including the swaps markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit its activities and could require it to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which it expects to establish such relationships will not be obligated to maintain the credit lines extended to it, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

6.131 **Collateral Management Risk**

- 6.131.1 In seeking to reduce credit risk through the posting or receiving of collateral in over-the-counter FDI transactions, and Securities Financing Transactions, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. 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 re-used by the collateral taker for its own purposes.
- 6.131.2 Collateral is also subject to other types of risks as set out below:

- (i) *Operational risks*: including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Fund to have an incorrect level of margin posted or received.
- (ii) *Legal risks*: including risks associated with contracts and change of regulations in the relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the relevant Fund from recovering collateral lost or from enforcing its rights in relation to collateral received.
- (iii) *Custody risk*: collateral received by the Funds on a title transfer basis will be safe-kept by the Depositary in accordance with the requirements of AIFMD; however, where the Depositary has contractually discharged itself of liability, such assets will be subject to the contractual arrangements and creditworthiness of the relevant sub-custodian.
- (iv) *Reinvestment of Cash Collateral*: Where cash collateral received from a counterparty is reinvested this could result in a reduction of the value of the collateral capital (in the event that the investment declines in value). This, in turn may cause losses to the relevant Fund because it is obliged to return collateral equivalent to the value of the collateral which it received. 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 to the counterparty.

6.131.3 While commercially reasonable efforts are utilised to ensure that collateral management is effective, such risks cannot be eliminated.

6.131.4 Unless provided for in the Supplement for a Fund, Funds are not subject to any restrictions on the re-use of collateral. Details of any additional collateral and asset re-use arrangements of a Fund will be detailed in the Supplement of that Fund. Any changes to any right of re-use of collateral or guarantee will be disclosed to Participating Shareholders in accordance with the AIFM Regulations.

6.132 **Securities Lending Arrangements**

6.132.1 A Fund will have a credit risk on a counterparty to any securities lending contract. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially. Also, voting rights with respect to the loaned securities may pass with the lending of the securities and efforts to call such securities promptly may be unsuccessful, especially for foreign securities or thinly traded securities such as small-cap stocks.

6.133 **Repo Contracts**

6.133.1 If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be sold to pay off the seller's debts. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal level of income and lack of access to income during the period and expenses in enforcing its rights.

6.133.2 Repo Contracts create the risk that the market value of the securities sold by the Fund may decline below the price at which the Fund is obliged to repurchase such securities

under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

6.134 **Options**

A Fund may buy and sell options on a variety of underlying securities and instruments. The writer of a covered call option assumes the risk of a decline in the market price of the underlying to a level below the purchase price of the underlying, less the premium received on the call option. The writer of a covered call option also gives up the opportunity for gain on the underlying above the exercise price of the call. In addition, the writer of an uncovered call option assumes the additional risk that it will be required to satisfy its obligation to the buyer of the call option by making an open-market purchase of the underlying on unfavorable terms. The buyer of a put or call option assumes the risk of losing the premium invested in the option.

6.135 **Futures**

Trading in commodity futures and forward contracts and related options involves a high degree of risk. The prices for such contracts and options tend to be very volatile, and may be influenced by changing supply and demand relationships, weather, governmental, agricultural, commercial and trade programs and policies, and world political and economic events. Due to the small amount of margin required, trading in futures may involve a high degree of leverage. A relatively small change in market prices, interest rates or other factors may produce a disproportionately large profit or loss. Additionally, futures contracts may become illiquid, and a Fund may be unable to liquidate a losing trade, due to "daily limits" in commodity futures contract prices imposed by futures exchanges. During a single trading day no trades may be executed at prices beyond the "daily limit". Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, no one may either take positions in the underlying instrument or liquidate such positions unless they are willing to effect trades at or within the limit.

6.136 **Forwards**

A Fund may enter into or trade forward contracts for hedging purposes. Forward contracts are not traded on exchanges; rather, banks and dealers act as principals in these markets. No limitation exists on the daily price movements of forward contracts. In its forward trading, a Fund will be subject to the risk of the failure of, or the inability or refusal to perform by, the counterparties with which they trade.

6.137 **Swap Agreements**

6.137.1 A Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease a Fund's exposure to strategies, equity securities, long term or short term interest rates, foreign currency values, corporate borrowing rates or other factors. Swap agreements can take many different forms and are known by a variety of names.

6.137.2 Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund. The most significant factor in the performance of swap agreements is the change in the individual equity values, a Fund net asset value, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap agreement calls for payments by a Fund, the relevant Fund must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to a Fund.

6.138 Credit FDI Transactions

- 6.138.1 As part of its investment program, a Fund (or its issuers) may enter into credit FDI transactions. Credit FDI are transactions between two parties which are designed to isolate and transfer the credit risk associated with a third party (the "**reference entity**"). Credit FDI transactions in their most common form consist of credit default swap transactions under which one party (the "**credit protection buyer**") agrees to make one or more fixed payments in exchange for the other party's (the "**credit protection seller**") obligation to assume the risk of loss if an agreed-upon "credit event" occurs with respect to the reference entity. Credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference entity (e.g., a default on a material portion of its outstanding obligations, or a bankruptcy, or, in some cases, a restructuring of its debt). Upon the occurrence of a credit event (and, in the case of auction-settled transactions, in connection with the auction process), credit default swaps may be cash settled (either directly or by way of an auction) or physically settled (either directly or by way of an auction). If the transaction is cash settled, the amount payable by the credit protection seller following a credit event will usually be determined by reference to the difference between the nominal value of a specified obligation of the reference entity and its market value after the occurrence of the credit event (which sometimes may be established in an industry-wide auction process). If the transaction is physically settled, the credit protection buyer will deliver an obligation of the reference entity that is either specified in the contract or the general characteristics are described therein to the credit protection seller in return for the payment of its nominal value.
- 6.138.2 Credit derivatives may be used to create an exposure to the underlying asset or reference entity, to reduce existing exposure or to create a profit through trading differences in their buying and selling prices. A Fund or its issuers may enter into credit derivatives transactions as protection buyer or seller.
- 6.138.3 Where a Fund (or its issuer) is a credit protection buyer, the relevant Fund (or issuer) will only receive a payment if a credit event occurs. If the credit default swap purchased by the relevant Fund (or issuer) expires without the occurrence of a credit event, such Fund (or issuer) will not receive any payment. From the perspective of the credit protection buyer, the value of such a credit default swap is most likely to improve if the market perceives that the credit risk associated with the reference obligor has increased. Each Investment Manager has significant experience in evaluating credit risk; however, such experience has been focused primarily on attempting to minimise credit risk that would adversely affect the value of obligations held in portfolios managed by the relevant Investment Manager. Where the relevant Fund (or issuer) is the purchaser of credit default protection, such Fund (or issuer) is exposed to the risk that the credit protection seller may fail to satisfy its payment obligation to the Fund (or issuer) following a credit event. The failure of such a counterparty to perform may cause the relevant Fund's (or issuer's) hedging strategies, to the extent that they involve the purchase of credit default protection, to be less effective or ineffective. As discussed above, with respect to certain credit index transactions, a central clearinghouse will serve as the relevant Fund's (or issuer's) counterparty.
- 6.138.4 Where a Fund (or an issuer) is a credit protection seller, it will have a contractual relationship only with the credit protection buyer, and not with the reference entity unless a termination (in whole or in part) of the contract prior to such contract's scheduled maturity date (in the event of a credit event) occurs with respect to any such reference entity, physical settlement applies and the credit protection seller delivers an asset referenced by the credit default swap (a "**reference asset**") to the relevant Fund (or issuer). Other than in the event of such delivery, the relevant Fund (or issuer) generally will have no right directly to enforce compliance by the reference entity with the terms of any reference asset and the relevant Fund (or issuer) will not have any rights of set-off against the reference entity. In addition, the relevant Fund (or issuer) generally will not have any voting or other consensual rights of ownership with respect to any reference asset. The relevant Fund or issuer also will not directly benefit from any collateral

supporting any referenced asset and will not have the benefit of the remedies that would normally be available to a holder of such reference asset.

6.138.5 In the event of the bankruptcy or insolvency of the credit protection seller, the relevant Fund (or issuer) will be treated as a general unsecured creditor of such seller, and will not have any claim of title with respect to the reference asset. Consequently, the relevant Fund (or issuer) will be subject to the credit risk of the credit protection seller, as well as that of the reference entity. As a result, concentrations of credit default swaps entered into with any one credit protection seller will subject the relevant Fund (or issuer) to an additional degree of risk with respect to defaults by such seller as well as by the respective reference entities.

6.138.6 Credit FDI transactions are an established feature of the financial markets and both the number of participants and range of products available have significantly increased over the years. Pricing of credit FDI transactions depend on many variables, including the pricing and volatility of the common stock of the reference entity, market value of the reference entity's obligations and potential loss upon default by the reference entity on any of its obligations, among other factors. As such, there are many factors upon which market participants may have divergent views.

6.139 **Short Sales**

Subject to the investment policy of the Supplement, a Fund may engage in short selling. Short selling or the sale of securities not owned by a Fund, necessarily involves certain additional risks. Such transactions expose a Fund to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and, in the case of equities, without effective limit. There is the risk that the securities borrowed by a Fund in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein a Fund might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

6.140 **Brokerage Arrangements**

6.140.1 In selecting brokers and dealers to effect portfolio transactions, the AIFM or the relevant Investment Manager has authority to and may consider such factors as price, the ability of the brokers and dealers to execute transactions efficiently, their facilities, reliability and financial responsibility and the financial products or services provided by such brokers and dealers. Such products and services generally may be of benefit to a Fund. If the AIFM or the relevant Investment Manager determines in good faith that the amount of transaction costs imposed by a broker or dealer is reasonable in relation to the value of the products or services provided by such broker or dealer, the AIFM or the relevant Investment Manager may incur transaction costs from such broker or dealer in an amount greater than the amount that might be incurred if another firm were used, provided that such broker or dealer has agreed to provide best execution with respect to such business.

6.140.2 Products or services provided to the AIFM or the relevant Investment Manager may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products or services (e.g., quotation equipment and computer-related costs and expenses). A report will be included in the Fund's annual and half-yearly reports describing the AIFM or the relevant Investment Manager's soft commission practices, as appropriate.

6.141 **European Market Infrastructure Regulation**

E.U. Regulation No 648/2012 on over-the-counter (OTC) derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR") which is now in force, introduces requirements in respect of derivative contracts by requiring certain

"eligible" OTC derivative contracts to be submitted for clearing to regulated central clearing counterparties (the clearing obligation) and by mandating the reporting of certain details of OTC and exchange-traded ("**ETD**") derivative contracts to registered trade repositories (the reporting obligation). In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty risk in respect of OTC derivative contracts which are not subject to mandatory clearing (the risk mitigation requirements) including the posting of collateral in respect of uncleared OTC trades. Each Fund will be a "Financial Counterparty" for the purposes of EMIR and will be subject to the clearing obligation, the reporting obligation and the risk mitigation requirements. The clearing obligation and the requirement to post collateral in respect of uncleared OTC trades are being phased in over a period of several years and, while it is difficult to predict their long term impact, may well result in an increase in the overall costs of entering into and maintaining OTC derivative contracts.

6.142 **Dodd-Frank Wall Street Reform and Consumer Protection Act**

- 6.142.1 With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") in the United States, there has been and may be further extensive rulemaking and regulatory changes that have affected and will continue to affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the relevant Investment Manager, the Funds and the issuers and increase the amount of time that the relevant Investment Manager spends on non-investment related activities. Until the SEC, the CFTC, and other U.S. federal regulators implement all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom the Funds and issuers interact or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the relevant Investment Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the relevant Investment Manager to execute the investment strategy of the Funds.
- 6.142.2 Dodd-Frank also provides for new regulation of the derivatives market, including clearing, margin, capital requirements, reporting and registration requirements. Certain of the rules are not yet final and/or effective, so their ultimate impact remains unclear. These and other new regulations could, among other things, restrict the Funds' and the issuers' ability to engage in, or increase the cost to the Funds and issuers of, derivatives transactions.
- 6.142.3 A Fund and its issuers may transact with U.S. counterparties which qualify as "swap dealers" or "major swap participants". Such counterparties may be subject to capital and other requirements which may increase their costs of doing business, a portion of which increase may be passed on to the relevant Fund or issuer or such investment. In addition, swap dealers and major swap participants are required to register with the CFTC as such and are subject to a number of regulatory requirements, such as specific recordkeeping, back-office and reporting requirements, margin collection requirements for swaps that are not cleared, capital requirements, disclosure obligations, specific compliance obligations and special obligations to governmental entities. These requirements will likely apply to many of the relevant Fund's or issuer's counterparties and, as a consequence, indirectly to the Funds and issuers, which may increase the cost of trading swaps through increased fees to offset the counterparties' trading and compliance costs. On the other hand, the relevant Fund and its issuers may trade in certain FDI, including swaps, with unregistered and unregulated entities, and therefore may not benefit from protections afforded to counterparties of registered and regulated swap entities.

6.143 Extraterritorial Effect of EMIR and Dodd-Frank

Both EMIR and Dodd-Frank apply extraterritorially by virtue of provisions in each that seek to impose certain requirements on entities located, or on transactions executed overseas. Given the global nature of the Funds' and their issuers' trading activities, and the potentially overlapping extraterritorial reach of EMIR and Dodd-Frank, there is potential for conflict and overlap between certain regulations adopted under EMIR and Dodd-Frank (subject to rules on substituted compliance and equivalence). Such conflict and overlap may result in increased compliance costs for the Funds, their issuers or their respective counterparties in complying with both regimes.

INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

6.144 Underlying Funds Risk

A Fund may invest in CIS ("**Underlying Funds**") including those which are unregulated and which may not provide a level of investor protection equivalent to schemes authorised by the Central Bank.

6.145 Use of Estimates

The Net Asset Value of a Fund may be determined on the basis of estimates received from Underlying Funds in which it invests. Such estimates may be subject to revision. The value of an investment represented by a CIS in which a Fund invests may be affected by fluctuations in the currency of the country where such scheme invests, by foreign exchange rules, or by the application of the various tax laws of the relevant countries including withholding taxes, government changes or variations of the monetary and economic policy of the relevant countries.

6.146 Liquidity of Underlying Funds

6.146.1 There can be no assurance that the liquidity of the investments of Underlying Funds will always be sufficient to meet redemption requests as, and when, made. Any lack of liquidity may affect the liquidity of the Participating Shares of the relevant Fund and the value of its investments. For such reasons, the treatment of redemption requests may be deferred in exceptional circumstances including in circumstances where a lack of liquidity may result in difficulties in determining the Net Asset Value and the Net Asset Value per Participating Share. In cases where the net asset values of one or more Underlying Funds are not available, the probable realisation valuations of the Underlying Fund(s) may be used until the net asset value of the Underlying Fund(s) is known.

6.146.2 Underlying Funds may be adversely affected by a decrease in market liquidity for the instruments in which they invest which may impair Underlying Funds' ability to adjust their positions. The size of Underlying Funds' positions may magnify the effect of a decrease in market liquidity for such instruments.

6.146.3 From time to time, a significant portion of an Underlying Fund's portfolio may be invested in illiquid securities. In some cases an Underlying Fund may be contractually prohibited from disposing of such investments for a specified period of time. Further, under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, an Underlying Fund may find it more difficult to sell such securities and/or instruments when it wishes to do so or may be able to sell such securities and/or instruments only at prices lower than if the securities and/or instruments were more widely held. In such circumstances, an Underlying Fund may find it more difficult to determine the fair market value of such securities for valuing the Underlying Fund's portfolio and therefore the relevant Investment Manager may have corresponding difficulty in valuing the relevant Fund's investment in the Underlying Fund. There may be no market for such securities and/or instruments or for a substantial percentage of such securities. To the extent there is a market for such securities, the market may be limited to a narrow range of potential counterparties, such as institutions and investment banks. These investments could prevent the Underlying Fund from liquidating unfavourable positions promptly and subject it to substantial losses. Further, such investments could

also impair the Underlying Fund's ability to distribute withdrawal proceeds to the relevant Fund in a timely manner and/or the Underlying Fund may distribute to the relevant Fund in-specie distributions. As a result, the relevant Fund's ability to distribute redemption proceeds to Participating Shareholders in a timely manner could be impaired or the relevant Fund may satisfy any such redemption requests, in whole or in part, with in-specie distributions.

6.147 Layering of Fees

As a Fund may invest in Underlying Funds, a Fund may be subject to additional fees due to 'layering' whereby both the relevant Fund and Underlying Fund each charge fees. In addition, investing in funds results in a lack of transparency of information concerning the underlying investments of such funds, which will not generally be available to the AIFM or the relevant Investment Manager (except to the extent that it invests in funds managed by itself or by an associated or related company).

6.148 Management of Underlying Funds

6.148.1 The operation of the Funds, and therefore the profitability of the Funds may, depends almost entirely upon the management of Underlying Funds. From time to time, however, the Funds may invest in one or more other funds with which (or with whose investment manager) the relevant Investment Manager has a close commercial affiliation. If a key member of the management team of such a fund dies, resigns, or becomes legally incompetent, bankrupt or insolvent, the profitability of the Fund may be adversely affected. While the relevant Investment Manager intends to closely monitor and review the performance activities of the investment managers of such funds, such managers may take undesirable tax positions, employ excessive leverage, or otherwise act in a manner not anticipated by, and beyond the control of, the relevant Investment Manager.

6.148.2 The investment managers of the Underlying Funds may also manage or advise other accounts that utilise investment strategies similar to those invested in by such funds. This may increase the level of competition for investments that are suitable for such funds. These factors could make it costly or impossible to take or liquidate a position in a particular security, and may otherwise adversely affect the profitability of the Fund.

6.149 Profit Sharing

In relation to certain of the Underlying Funds, in addition to receiving an investment management fee, the investment manager of those Underlying Funds may also receive a performance fee based on the appreciation in the net asset value of such Underlying Fund, and accordingly the performance fee will increase with regard to unrealised, as well as realised gains. Such performance fee may create an incentive for the investment manager of those Underlying Funds to make investments for such Underlying Funds which are riskier than would be the case in the absence of a fee based on the performance of the Underlying Funds.

6.150 Short Sales

Underlying Funds in which a Fund may invest may engage in short selling of securities which may expose a portion of an Underlying Fund's assets committed to such activities to unlimited risk due to the lack of an upper limit on the price to which a security may rise. However, to the extent that a Fund has exposure to short selling activities through an Underlying Fund, the Fund's losses should be limited to the amount invested in the particular Underlying Fund.

6.151 Leverage by Underlying Funds

Certain Underlying Funds in which one or more Funds may invest may operate with a substantial degree of leverage and may not be limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such Underlying Funds may in aggregate value be in excess of the Net Asset Value of the relevant Fund. This leverage presents the

potential for a higher rate of total return but will also increase the volatility of the Fund, including the risk of a total loss of the amount invested.

TAXATION

Potential investors' attention is drawn to the taxation risks associated with investing in the Fund. Further details are given under the section of this Prospectus entitled **TAXATION**.

6.152 Withholding tax

The income and gains of a Fund from its assets may suffer taxes (including withholding and capital gains taxes) which may or may not be reclaimable in the countries where such income and gains arise. If the position changes in the future and either the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Fund respectively, the Net Asset Value will not be re-stated and the benefit or the cost will be allocated to the existing Participating Shareholders of the relevant Fund rateably at the time of adjustment. Please refer to the section on **TAXATION** for further details.

6.153 Common Reporting Standard Risks

The requirements of the CRS as implemented in Ireland may impose additional due diligence procedures, systems and/or administrative burdens and costs on the ICAV and/ or its Participating Shareholders. Investors are reminded that their personal and account information may need to be reported to the relevant tax authorities. Where investors provide inaccurate or incomplete information, the Funds could become liable to withholding taxes and other penalties for non-compliance. The ICAV has the ability to compulsorily redeem recalcitrant investors and make withholdings from distributions/redemption proceeds to pass on any CRS related financial penalties and costs suffered by a Fund solely to any recalcitrant investors that have caused the liabilities rather than allowing such liabilities to be borne by the investors as a whole.

6.154 US Foreign Account Tax Compliance Act

Pursuant to FATCA, the ICAV (or each Fund) is required to comply (or be deemed compliant) with extensive reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the ICAV (or each Fund) to U.S. withholding taxes on certain U.S.-sourced income and gains. Pursuant to an intergovernmental agreement between the United States and Ireland, the ICAV (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. taxpayer information directly to the government of Ireland. Investors may be requested to provide additional information to the ICAV to enable the ICAV (or each Fund) to satisfy these obligations. Failure to provide requested information may subject an investor to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the investor's interest in its Participating Shares. Prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the ICAV.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF ALL THE RISKS INVOLVED IN THE OFFERING OF PARTICIPATING SHARES. POTENTIAL INVESTORS SHOULD READ THIS PROSPECTUS, THE RELEVANT SUPPLEMENT, THE INSTRUMENT AND THE MATERIAL CONTRACTS CAREFULLY AND IN THEIR ENTIRETY BEFORE DECIDING WHETHER OR NOT TO SUBSCRIBE FOR PARTICIPATING SHARES.

SECTION 7 — DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE

DETERMINATION AND PUBLICATION OF NET ASSET VALUE

- 7.1 Subject to general oversight by the Directors, the AIFM has established a valuation policy in accordance with the requirements of the AIFM Regulations to ensure that a proper, consistent and independent valuation of each Fund's assets can be performed, details of which are set out below.
- 7.2 The Net Asset Value of each Fund, the Net Asset Value per Class, if applicable, and the Net Asset Value per Participating Share shall be calculated by the Administrator (or as the AIFM may otherwise determine and agree with the Administrator, and set out in the Supplement) to the nearest three decimal points in the Base Currency as of the relevant Valuation Point in accordance with the provisions set out below.
- 7.3 The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund (which shall include all fees and expenses payable and/or accrued and/or estimated to be payable by the Fund to, the Depositary and the Administrator).
- 7.4 The Net Asset Value per Participating Share in each Fund shall be calculated by dividing the Net Asset Value of the Fund by the number of Participating Shares of the relevant Fund in issue, subject to such adjustments, if any, as may be necessary to reflect different fee arrangements, expenses, dividend policies (if any) or currency of denomination in respect of different classes of Participating Shares in the relevant Funds and shall be expressed in the denomination applicable to the relevant Share class.
- 7.5 Valuation will be carried out as often as each Fund deals and at least once a year for Open-Ended with Limited Liquidity Funds or Closed-Ended Funds. The value of the assets of a Fund shall be determined as set out below or according to such alternative method of valuation in relation to any particular asset as the AIFM considers appropriate if the AIFM considers that the method of valuation herein provided for does not provide a fair or appropriate valuation of that asset.
- 7.6 The AIFM or an External Valuer shall be entitled to value the assets of any Fund using the amortised cost method of valuation. Where an amortised cost valuation method is utilised, an Investment is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount rather than at current market value:
- 7.6.1 the amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-a-vis market valuation will be carried out in accordance with the Central Bank's guidelines;
- 7.6.2 money market instruments in a non-money market fund may be valued on an amortised basis in accordance with the Central Bank's requirements.

GENERAL CRITERIA IN DETERMINATION OF NET ASSET VALUE

- 7.7 The following pricing criteria set out the standard pricing methodology in respect of the ICAV, unless otherwise varied by the AIFM or an External Valuer:
- 7.7.1 In determining the value of the assets of any Fund, each Investment which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at the last traded price or (if bid and offer quotations are made) the latest available middle market quotation (mid-price) on the relevant Recognised Market at the relevant Valuation Point or such other price in accordance with the Central Bank's requirements as set out in the Supplement. If the Investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be the

Recognised Market from which the Investment was purchased unless the AIFM or External Valuer determines, on the date of purchase, an alternate Recognised Market provides the fairest criteria of value for the Investment and will notify the Administrator accordingly, in which case such alternate Recognised Market shall be treated as the relevant Recognised Market.

- 7.7.2 If prices for an Investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, such Investment will be valued in line with the pricing policy in respect of the ICAV approved by the AIFM from time to time and in accordance with the requirements of the Central Bank. The value of any such Investment will be its probable realisation value which must be estimated in good care and faith by the AIFM or the External Valuer or by any other means as determined by the AIFM, including, where necessary, the appointment of an External Valuer.
- 7.7.3 If a price or prices provided are considered to be unrepresentative in the opinion of the AIFM or the External Valuer, the AIFM or the External Valuer may look to obtain further third party pricing and submit such revised pricing to the Administrator for consideration provided that it complies with the requirements of the Central Bank. The value of any such Investment will be its probable realisation value which must be estimated in good care and faith by the AIFM or the External Valuer or by any other means as determined by the AIFM, including, where necessary, the appointment of an External Valuer.
- 7.7.4 None of the AIFM, the External Valuer, the Administrator or the Depositary shall be under any liability if a price reasonably believed by them to be the last traded price or, as the case may be, middle market quotation may be found not to be such.
- 7.7.5 The value of any Investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market shall be valued in line with the pricing policy adopted by the AIFM in respect of the ICAV which will comply with the requirements of the Central Bank. The value of any such Investment will be its probable realisation value which must be estimated in good care and faith by the AIFM or the External Valuer by any other means as determined by the AIFM, including, where necessary, the appointment of an External Valuer.
- 7.7.6 Participating Shares or units in CIS will be valued at the last available net asset value for such Participating Shares or units on the relevant Valuation Day provided that the AIFM or the External Valuer may rely on estimated values of underlying funds supplied by the authorised agents or fund managers of such funds (prepared with care and good faith by such persons) where the AIFM or the External Valuer considers that such estimated values are more reliable as an estimate of the probable realisation value of such Participating Shares or units at the relevant Valuation Point and provided further that reliance on such estimated values shall be final and conclusive notwithstanding any subsequent variation in the net asset value per share or unit of such fund. In addition if events have occurred which may have resulted in a material negative change in the net asset value of such Participating Shares or units since the date on which the last net asset value was calculated, the value of such Participating Shares or units may be adjusted in order to reflect, in the reasonable opinion of the AIFM or the External Valuer, such negative change.
- 7.7.7 Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the AIFM or the External Valuer any adjustment should be made to reflect the fair value thereof. The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.
- 7.7.8 Derivative instruments including interest rate futures contracts and other financial futures contracts which are dealt in on a Recognised Market shall be valued by reference to the

price appearing to the AIFM or the External Valuer to be the settlement price as of the relevant Valuation Point as determined by the relevant Recognised Market provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at such value as shall be certified with care and in good faith at their probable realisation value by a competent professional person, firm or corporation (appointed for such purpose by the AIFM) or at such other value as the AIFM or the External Valuer consider in the circumstances to be the probable realisation value.

- 7.7.9 The value of any OTC derivatives contracts shall be (a) a quotation from the counterparty or (b) an alternative valuation, such as model pricing, calculated by the AIFM or the External Valuer or an independent pricing vendor (which may be a party related to but independent of the counterparty which does not rely on the same pricing models employed by the counterparty) provided that (i) where a counterparty valuation is used, it must be provided on at least a monthly basis and approved or verified at least quarterly by a party independent of the counterparty, which may be the AIFM or the External Valuer; (ii) where an alternative valuation is used (i.e. a valuation that is provided by a competent professional appointed by the AIFM or the External Valuer or a valuation by any other means provided that the value is approved by the AIFM), it must be provided in line with the requirements set out in the Supplement but no less than on a monthly basis and the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such valuation shall be reconciled to that of the counterparty on a quarterly basis. Where significant differences arise these must be promptly investigated and explained.
- 7.7.10 The value of forward foreign exchange contracts which are dealt on a Recognised Market shall be calculated by reference to the price appearing to the AIFM or the External Valuer to be the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognised Market could be effected as at the relevant Valuation Point, provided that if such market price is not available for any reason such contracts shall be valued in accordance with the terms specified in the Supplement but no less regularly than on a monthly basis at the settlement price as provided by the counterparty and such valuation will be verified at least monthly by a third party bank, other credit institution or another appropriate professional person independent of the counterparty appointed by the AIFM or the External Valuer.
- 7.7.11 Any swap transactions will be valued on a monthly basis at the settlement price as provided by the counterparty and such valuation will be verified at least monthly by a third party bank, other credit institution or another appropriate professional person independent of the counterparty appointed by the AIFM or the External Valuer.
- 7.7.12 Certificates of Deposit shall be valued by reference to the best bid price for certificates of deposit of like maturity, amount and credit risk at the relevant Valuation Point or, if such price is not available, at probable realisation value. Treasury Bills and Bills of Exchange shall be valued with reference to bid prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at the relevant Valuation Point.
- 7.7.13 Illiquid Investments allocated to Side Pocket Shares will be valued at their cost or as otherwise may be determined by the ICAV and/or the AIFM or External Valuer, as appropriate, in their discretion.
- 7.7.14 Property will be valued on each Valuation Point (or the in case of Closed-Ended or Open-Ended with Limited Liquidity Funds, at least on an annual basis), or such other Valuation Point as the Directors may in their discretion decide taking account of market conditions, in the following manner:
 - (i) full valuations will be carried out on an annual basis as at a Valuation Point (with desktop valuations for each additional valuation within the relevant annual period where there is more than one Valuation Point per year) by one of the AIFM or the

External Valuer or the Independent Valuer in accordance with guidelines published by (in Ireland) the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards (application in Ireland), i.e. the Red Book, (in the Shereed Kingdom) the RICS Appraisal and Valuation Standards, i.e. the Red Book, (in all other countries) the RICS Appraisal and Valuation Standards with relevant applications in each country or if such standards do not exist in a given country, the valuation standards formulated and published by the International Valuation Standards Committee, all as may be amended from time to time;

- (ii) when a valuation is carried out, the AIFM, the External Valuer or the Independent Valuer must issue a signed and dated valuation identifying the Property and stating:
 - (a) market value of the Property;
 - (b) market rental value of the Property;
 - (c) aggregated rental income;
 - (d) extent to which it is occupied;
 - (e) for developing properties, the extent to which any allowance has been made in the valuation for any agreed sale or guaranteed rental when the development is completed;
- (iii) In addition to its valuation, the AIFM, the External Valuer or the Independent Valuer shall within four to six weeks of the acquisition date, issue a signed and dated valuation report in connection with the Property containing such supporting or supplementary documentation or information as the AIFM and the External Valuer or the Independent Valuer may from time to time agree.
- (iv) Where negotiations have been entered into to buy, sell or develop land or buildings, these will be disregarded unless there is a legally binding agreement;
- (v) Properties will be valued at open market value; and
- (vi) Included in the Net Asset Value are reasonable estimates of costs which would be incurred by the ICAV in disposing of a Property, such as commissions and legal fees which shall be at normal commercial rates.

- 7.8 Notwithstanding any of the foregoing paragraphs, the AIFM or the External Valuer may adjust the value of any Investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as it may deem relevant, it considers that such adjustment is required to reflect the fair value thereof. If in any case a particular value is not ascertainable as above provided or if the AIFM or the External Valuer shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the AIFM or the External Valuer shall decide.
- 7.9 Values of assets and liabilities expressed in a currency other than the Base Currency of the relevant Fund will be converted by the Administrator into the Base Currency of the relevant Fund at the latest available exchange rate at the Valuation Point.
- 7.10 Notwithstanding the foregoing, where at any time of any valuation any asset of the ICAV has been realised or contracted to be realised there shall be included in the assets of the ICAV in place of such asset the net amount receivable by the ICAV in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the AIFM or the External Valuer as receivable by the ICAV.

- 7.11 The AIFM or the External Valuer, may, in order to comply with any applicable accounting standards, present the value of any assets of the ICAV in financial statements to Participating Shareholders in a manner different to that set out in this Prospectus.
- 7.12 In determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made and there shall be deducted from the assets all liabilities accrued unless the Administrator has been notified by the AIFM that such interest or dividend is likely to be withheld or otherwise remain unpaid on the due date.
- 7.13 In the event that there is an error in the calculation of the Net Asset Value of any of the Funds or any Class which results in a Participating Shareholder receiving excess proceeds from the ICAV, the AIFM reserves the right to seek to recover from such Participating Shareholder any excess amounts received by them or to reissue a contract note at the correct Net Asset Value of the relevant Fund or Class.
- 7.14 In calculating the Net Asset Value and Net Asset Value per Participating Share, the Administrator shall not be responsible for the accuracy of financial data, opinions or advice furnished to it by the AIFM, the AIFM's agents and delegates including an External Valuer, Independent Valuer, prime broker(s), market makers and/or independent third party pricing services or an Investment Manager or its delegates. The Administrator may accept, use and rely on prices provided to it by the AIFM or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Participating Share and shall not be liable to the ICAV, the Depositary, the AIFM, an External Valuer any Participating Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the AIFM, its delegates, an External Valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the AIFM or an External Valuer in accordance with the AIFM's valuation policy in respect of the ICAV. The AIFM acknowledges that the Administrator has not been retained to act as its External Valuer or independent valuation agent.

TEMPORARY SUSPENSION OF NET ASSET VALUE

- 7.15 The Directors may at any time, temporarily suspend the determination of the Net Asset Value of any Fund and the issue, redemption or conversion of the Participating Shares of any Fund (other than Side Pocket Shares) during the whole or any part of the period:
- 7.15.1 when any of the principal markets, on which any significant portion of the Investments of a Fund are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend for ordinary holidays), or during which dealings in any such market are restricted or suspended; or
 - 7.15.2 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 interests of Participating Shareholders; or
 - 7.15.3 when any breakdown occurs 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 a Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
 - 7.15.4 when a Fund is unable to repatriate funds for the purposes of making redemption payments or when such payments cannot be effected at normal prices or normal rates of exchange or during which the realisation or acquisition of any Investments for the time being comprised in a 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

- 7.15.5 in which the redemption of the Participating Shares would, in the opinion of the Directors, result in a violation of applicable laws; or
 - 7.15.6 in which notice has been given to Participating Shareholders of a resolution to wind up a Fund; or
 - 7.15.7 when the Directors determine that it is in the best interests of the Participating Shareholders to do so.
- 7.16 Details of any such suspension will also be notified to all Participating Shareholders who have requested issue or redemption of Participating Shares of any Class or exchange of Participating Shares of one Class to another in such manner as may be directed by the Directors. Notice of any such suspension shall be notified to the Central Bank, Irish Stock Exchange (if applicable) and any other competent authority immediately and in any event within the Business Day on which such suspension took effect.
- 7.17 When possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Participating Shareholders who have requested issue or redemption of Participating 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 Participating Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Participating Share as of the most recent Valuation Day shall be made public at the office of the Administrator, at such intervals as are set out in the Prospectus, and will be notified by the Administrator without delay to the Irish Stock Exchange (if applicable).
- 7.18 Any such suspension shall take effect immediately and thereafter there shall be no determination of Net Asset Value and issue of Participating Shares until the earlier of the Directors declaring the suspension at an end or on the first Business Day on which: (i) the condition giving rise to the suspension shall have ceased to exist; and (ii) no other condition under which suspension is authorised shall exist.

SECTION 8 — SUBSCRIPTION FOR PARTICIPATING SHARES

ISSUANCE OF CLASSES OR SERIES OF PARTICIPATING SHARES

- 8.1 The Directors are given authority to effect the issue of any Classes or Series in respect of a Fund and to create new Classes or Series on such terms as they may from time to time determine in relation to any Fund. The creation of further Classes must be effected in accordance with the requirements of the Central Bank. The description of Classes established in a Fund will be specified in the Supplement.

APPLICATION FOR PARTICIPATING SHARES

- 8.2 Issues of Participating Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline for the relevant Fund. The Directors may at their sole discretion, nominate additional Dealing Days and Participating Shareholders in that Fund will be notified in advance.
- 8.3 An initial application for Shares may only be made by completion and submission of an Application Form and required anti money laundering documentation and such additional documentation as may be requested by the Administrator by fax to the Administrator. The original of the Application Form together with such supporting documentation requested by the Administrator to be delivered as an original shall be delivered to the Administrator promptly. Failure to provide the original Application Form shall result in applicants being unable to redeem Shares on request until the Administrator has received the original Application Form, the required anti money laundering documentation and all supporting documentation and all of the necessary anti-money laundering checks have been completed. Applicants who fail to follow this procedure may miss their preferred dealing date. The Administrator can take no responsibility for requests which are not appropriately transmitted, sent or acknowledged.
- 8.4 Subsequent applications may be made to the Administrator by fax or via electronic means as agreed with the Administrator. An original need not follow by post in respect of such applications for the additional issue of Participating Shares. Where it is proposed to make any change to a Participating Shareholder's registration details or payment instructions, the AIFM or Administrator may require that such request be received in original form and payment will only be made on receipt of the original where it has been requested. Applications for Shares should be made on the Application Form and must be sent so as to arrive, no later than the Dealing Deadline before the relevant Dealing Day, or such later time as the Directors may from time to time permit. Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Directors shall otherwise agree (in exceptional circumstances only) and provided they are received before the Valuation Point for the relevant Dealing Day, be deemed to have been received by the next Dealing Deadline.
- 8.5 The Minimum Initial Subscription amount for Shares of each Fund that may be subscribed for by each applicant on initial application and the Minimum Holding for Shares of each Fund is set out in the Supplement for the relevant Fund. The ICAV need not apply the Minimum Initial Subscription amount in respect of those categories of investors which may satisfy the conditions of a Knowledgeable Investor.
- 8.6 Fractions of Participating Shares may be issued and rounded mathematically to three decimal places or such other number of decimal places as may be determined by the Directors from time to time. Subscription monies representing smaller fractions of Participating Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.
- 8.7 In addition to the other information set out in the Application Form, applicants will be required to certify in writing that they meet the criteria for investors as either a Knowledgeable Investor or a Qualifying Investor.

- 8.8 The Application Form contains certain conditions regarding the application procedure for Shares and certain indemnities in favour of the ICAV, the AIFM, any Investment Manager, any Sub-Investment Manager, any Investment Advisor, any Distributor, the Administrator, the Depositary, other service providers and the other Participating Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Participating Shares. The ICAV or Administrator cannot accept responsibility for Application Forms submitted by email that are sent to any mailbox (including email accounts for Administrator employees) other than the official mailbox stated on the Application Form, as there is no guarantee that such emails will be noted and recorded for the correct Dealing Day. It is the responsibility of the sending party to ensure that they have the most up to date contact details for the Administrator as fax numbers and emails may change from time to time.
- 8.9 If an application is rejected, the Administrator at the cost and risk of the applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by electronic transfer to the account from which it was paid as soon as reasonably practicable.
- 8.10 Participating Shareholders in each Fund will make a contractually binding commitment to that Fund by their execution and delivery of the Application Form. Subscribers in each Fund will become Participating Shareholders in the Fund once admitted by the ICAV. The rights and obligations of Participating Shareholders in each Fund are summarised in this Prospectus, which must be read in conjunction with the latest audited annual reports and the Application Form, both governed by Irish law. Subscribers in the Fund will on their admission as Participating Shareholders in the Fund acquire Participating Shares in the Fund. Participating Shareholders will not acquire any direct legal interest in investments made by the Fund.
- 8.11 Participating Shares will be registered in fully registered, book-entry form only. Participating Shares represent a legal right to the assets of the relevant Fund and may be denominated in any number of currencies as provided for in the Supplement. Under this arrangement, the Administrator issues confirmation statements confirming ownership of Participating Shares, but physical certificates are not issued. The convenience of this facility is that certificates do not have to be surrendered to the ICAV on redemption or transfer of Participating Shares. Registration will only be accepted in the name of companies, trusts, partnerships or individuals. Participating Shares purchased for individuals under 18 years of age must be registered in the name of a parent or guardian, but may be designated with the minor's initials for identification.

ISSUE OFFER PRICE, INITIAL OFFER PERIOD AND SUBSCRIPTION PRICE

- 8.12 The Initial Offer Period for Fund or Class thereof shall be set out in the Supplement for the relevant Fund. During the Initial Offer Period, the Initial Offer Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.
- 8.13 The Subscription Price, following the Initial Offer Period, at which Participating Shares of any Fund, other than Side Pocket Shares, will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Participating Share on the relevant Dealing Day, adjusted for Duties and Charges, in accordance with the Instrument and as further described in the section entitled **DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE** above. The Directors shall, where relevant, determine the issue price of any Side Pocket Shares.
- 8.14 Subscription Prices are available promptly on request from the Administrator.

SUBSCRIPTION IN-SPECIE

- 8.15 Subject to the conditions imposed by the Central Bank and the Act, the Directors may in their discretion issue Participating Shares of any Fund or Class in consideration for, or on terms providing for settlement to be made by, the vesting in the Depositary of any Investments provided that the Directors are satisfied that:
- 8.15.1 the nature of assets to be transferred would qualify as Investments in accordance with the investment objective, policy and restrictions of the relevant Fund;

- 8.15.2 the number of Participating Shares to be issued will not be more than the number which would have been issued for settlement in cash having valued the Investments to be exchanged in accordance with the section entitled **DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE**.
- 8.15.3 all fiscal duties and charges arising in connection with the vesting of such Investments in the Depositary are paid by the person to whom the Participating Shares are to be issued or, at the discretion of the Directors, partly by such person and partly out of the assets of the Fund;
- 8.15.4 the Depositary is satisfied that the terms of such exchange will not be such as are likely to result in any material prejudice the existing Participating Shareholders;
- 8.15.5 (i) the Investments have been vested in the Depositary or its sub-custodian, nominee or agent; or (ii) arrangements are made to vest the assets with the Depositary.
- 8.16 No Participating Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an Application Form as required under this Prospectus and satisfied all the requirements of the ICAV as to such application.
- 8.17 The number of Participating Shares issued shall not exceed the number of Participating Shares that would have been issued for a cash subscription having valued the investments to be exchanged in accordance with the valuation provisions provided in the Instrument and this Prospectus; however that the Directors may make an appropriate adjustment for what it considers represents an appropriate provision for duties and charges in respect of costs which would have been incurred by the ICAV in the acquisition of the Investments. The Depositary must be satisfied that the terms of the subscription in-specie will not result in any material prejudice to Participating Shareholders and that the investments have been vested in the Depositary.

PAYMENT FOR PARTICIPATING SHARES

- 8.18 Payment in respect of the issue of Participating Shares must be made by the relevant Subscription Settlement Cut-Off by electronic transfer in the relevant Class Currency. However, the ICAV may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate available to the Administrator. The cost and risk of converting currency will be borne by the investor. Cheques are not accepted. If payment in full has not been received by the Subscription Settlement Cut-Off, or in the event of non-clearance of funds, all or part of any allotment of Participating Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Administrator on the instruction of the Directors or their delegates may treat the application as an application for such number of Participating Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the ICAV may charge the applicant for any resulting loss incurred by the relevant Fund. The Directors reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

OPERATION OF COLLECTION ACCOUNT IN RELATION TO SUBSCRIPTIONS

- 8.19 The ICAV has established a Collection Account through which subscription monies with respect to all Funds shall be lodged. All subscriptions payable to relevant Fund will be channelled and managed through such an umbrella Collection Account and no such accounts shall be operated at Fund level. The Collection Account will be opened and maintained by the ICAV and operated by the Administrator, 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. The ICAV will ensure that the amounts within the Collection Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement as set out in the Instrument that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.
- 8.20 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 Participating 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.

SUBSCRIPTION CHARGE OR DEFERRED SUBSCRIPTION CHARGE

- 8.21 A Subscription Charge or deferred sales charge may be applied where provided for in the Supplement.

ANTI-MONEY LAUNDERING PROCEDURES

- 8.22 The Fund and Administrator may carry out electronic searches of publically available or paid information with regard to anti-money laundering and client identification requirements and may retain records on file from such electronic searches.
- 8.23 Measures aimed at the prevention of money laundering may require an applicant for Participating Shares to verify its identity and/or the source of funds to the Administrator. Depending on the circumstances of each application, verification of the source of funds may not be required where the application is made through a recognized intermediary. This exception will only apply if the financial institution or intermediary referred to above is within a country recognized by Ireland as having equivalent anti-money laundering regulations.
- 8.24 By way of example an individual will be required to produce a copy of a passport or identification card or photo licence with photo duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with two documents showing evidence of his address such as a utility bill, bank statement, social security documents, household/motor insurance certificates or a mobile phone bill. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name) and of the constitutional document (or equivalent), and of the names, occupations, dates of birth, residential and business addresses, a certified copy of a passport and utility bill of all directors and beneficial owners.
- 8.25 The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity or source of funds of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto, in which case the subscription monies will be returned without interest to the account from which the monies were originally debited, or may refuse to process a redemption request until proper information has been provided.
- 8.26 Each applicant for Participating Shares acknowledges that the Administrator shall be held harmless against any loss arising as a result of a failure to process its application for Participating Shares if such information and documentation as has been requested by the Administrator has not been provided by the applicant. Each applicant for Participating Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and the consolidated list of persons, groups and entities subject to EU financial sanctions, and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC or EU sanctions programmes. Each applicant for Participating Shares will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene international and/or European Union laws and regulations, including anti-money laundering laws and regulations.

SECTION 9 — REDEMPTION, TRANSFERS AND EXCHANGE OF PARTICIPATING SHARES

REDEMPTION OF PARTICIPATING SHARES

- 9.1 The Directors may set up Open-Ended Funds, Open-Ended with Limited Liquidity Funds and Closed-Ended Funds and will set out details of redemption mechanisms in the relevant Supplement. In respect of Open-Ended Funds with Limited Liquidity and Closed Ended-Funds, the frequency of redemptions and the minimum redemption quotas will be disclosed in the Supplement.
- 9.2 Requests for the redemption of Participating Shares should be made to the ICAV care of the Administrator and may be made by post or by fax. Requests for the redemption of Participating Shares by fax will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator without the consent of the ICAV. Whether requests for the redemption of Participating Shares are made in writing or via electronic methods as agreed with the Administrator from time to time, the Administrator must have received the original Application Form and the required anti money laundering documentation. Redemptions are also subject to all necessary anti-money laundering checks being completed before any redemption proceeds will be paid out. Redemption orders will be processed on receipt of faxed instructions only where payment is made to the account of record. The Administrator will not accept redemption requests, which are incomplete or unclear, until all the necessary information is obtained. Requests received on or prior to the relevant Dealing Deadline will, as mentioned in this section and subject as may be provided in the relevant Supplement for an Open-Ended with Limited Liquidity Funds or a Closed-Ended Fund normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Directors shall otherwise agree, in exceptional circumstances only, and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.
- 9.3 If requested, the Directors may, in their absolute discretion and in consultation with the Administrator, subject to the prior approval of the Depositary (and in accordance with the requirements of the Central Bank) and notification to all of the Participating Shareholders, agree to designate additional Dealing Days and Valuation Points for the redemption of Participating Shares relating to any Fund.
- 9.4 The Directors may decline to effect a redemption request which would have the effect of reducing the value of any holding of Participating Shares relating to any Fund below the Minimum Holding for that Class of that Fund. Any redemption request having such an effect may be treated by the ICAV as a request to redeem the Participating Shareholder's entire holding of that Class.

REDEMPTION PRICES

- 9.5 The price at which Participating Shares, other than Side Pocket Shares, will be redeemed on a Dealing Day is also calculated by ascertaining the Net Asset Value per Participating Share, less Duties and Charges, on the relevant Valuation Day. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Participating Share of any class of Participating Shares in a Fund is set out in the Instrument as described herein under the section entitled **DETERMINATION AND TEMPORARY SUSPENSION OF NET ASSET VALUE** above.
- 9.6 Redemption Prices are available promptly on request from the Administrator.
- 9.7 The Directors shall determine the price at which any Side Pocket Shares will be repurchased or by reference to which such Shares may be re-designated, which price will reflect the net proceeds received from the relevant Illiquid Investments.

PAYMENT OF REDEMPTION PROCEEDS

- 9.8 The Redemption Price (net of Redemption Charges and any Anti-Dilution Levy or Swing Pricing) will normally be paid by electronic transfer to an account in the name of the Participating

Shareholder in the Class Currency (or in such other currency as the Directors shall determine, provided that the cost of exchange, if any, shall be debited from the converted payment) by the Redemption Settlement Cut-Off.

- 9.9 For Open-Ended Funds, such period must not exceed 90 calendar days from deadline for receipt of redemption requests specified in the Supplement to the Redemption Settlement Cut-Off unless otherwise determined by the Directors in accordance with the requirements of the Central Bank. For an Open-Ended Fund which follows, in the determination of the Directors, a "feeder fund" or "fund of funds" strategy, such timeframe shall not exceed 95 calendar days from deadline for receipt of redemption requests specified in the Supplement for the relevant Fund to the Redemption Settlement Cut-Off unless otherwise determined by the Directors in accordance with the requirements of the Central Bank. Therefore, where such a Fund might deal, for example, on a monthly basis there may be times when redemption proceeds are paid by that Fund on a quarterly basis. For the avoidance of doubt, for Funds other than open-ended funds, this timeframe will be determined by the Directors in their sole discretion. Subject to the foregoing, the Directors or their delegate may, in their discretion, defer payment of any redemption proceeds for Funds other than open-ended Funds in the event that, in the opinion of the Investment Manager, the AIFM or the Directors, assets of the relevant Fund are not sufficiently liquid to realise such redemption proceeds. In the event of such deferral, payment will be made where, in the opinion of the Directors, the AIFM or the Investment Manager, assets of the relevant Fund are sufficiently liquid to merit disposal to realise redemption proceeds.
- 9.10 Payment of redemption proceeds will be made to the registered Participating Shareholder or in favour of the joint registered Participating Shareholders as appropriate.
- 9.11 The proceeds of the redemption of the Shares will only be paid on receipt by the Administrator of the original Application Form and the required anti money laundering documentation. Redemptions are also subject to all necessary anti-money laundering checks being completed before any redemption proceeds will be paid out. The Administrator will not remit redemption proceeds if an investor has not submitted an originally signed redemption request containing valid bank details nor will the Administrator remit any payment to a third party bank account.
- 9.12 All redemptions and dividends or cash distributions payable from a Fund will be channelled and managed through a Collection Account.
- 9.13 The ICAV may at its discretion decide to retain up to 10% of the redemption proceeds payable in respect of any particular Dealing Day related to a Fund where this reflects the redemption policy of an underlying CIS into which the Fund is invested, until such time as the full redemption proceeds are received from the Underlying Fund.

REDEMPTION IN-SPECIE

- 9.14 Redemption proceeds may be paid by in-specie transfer with the consent of the Participating Shareholder in question. The ICAV reserves the right in the absolute discretion of the Directors, following consultation with the AIFM, to effect part or all of any redemption payments in-specie where the redemption request for Participating Shares represents 5% or more of the Net Asset Value of the relevant Fund on any Dealing Day. In such event, redeeming investors will receive securities (or part securities, part cash) with a value (calculated on the same basis as the Net Asset Value of the Fund), when aggregated with any cash portion of the redemption payment, equal to the redemption payment to which they are otherwise entitled. Where the redemption in-specie is effected at the Directors' discretion the AIFM shall, if a Participating Shareholder so requests, sell the assets to be distributed to that Participating Shareholder (at the expense of the relevant Participating Shareholder) and distribute the cash proceeds to the Participating Shareholder. The Fund shall not be liable for any shortfall between the Net Asset Value of the redemption in question and the proceeds realised from the sale of the relevant assets. Where a redemption is made in-specie, the asset allocation is subject to approval by the Depositary and it is subject to the Depositary being satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to Participating Shareholders.

OPERATION OF COLLECTION ACCOUNT IN RELATION TO REDEMPTIONS

- 9.15 The Administrator on behalf of the ICAV operates a Collection Account, 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. Participating 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 Participating 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 Participating Shares are redeemed. Redemption proceeds and dividend payments shall be held in the Collection Account where the Participating 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.

TRANSFERS OF PARTICIPATING SHARES

- 9.16 Every Participating Shareholder entered in the register of the ICAV with respect to a Fund shall be entitled to transfer their Share or any of the Participating Shares held by that Participating Shareholder to any person by an instrument in writing in any common form approved by the ICAV or in such other form as the ICAV may, from time to time, approve provided that where the transferee is a new investor in the Fund no transfer of all or part of a holding of such Participating Shares shall be so registered if in consequence thereof the transferee would be the holder of Participating Shares with an aggregate value less than €100,000 or its equivalent in other currencies and/or the transferee is not a Qualifying Investor. Participating Shares may only be transferred to other Qualifying Investors.
- 9.17 The ICAV will be required to account for Irish tax on the value of the Participating Shares transferred at the applicable rate unless it has received from the Participating Shareholder an appropriate declaration in the prescribed form, confirming that the Participating Shareholder is not an Irish Resident and not an Ordinarily Resident in Ireland investor in respect of whom it is necessary to deduct tax. The ICAV reserves the right to redeem such numbers of Participating Shares held by a transferor as may be necessary to discharge the tax liability arising.
- 9.18 The Directors may decline to register any transfer of Participating Shares where such transfer may in the sole and conclusive opinion of the Directors: (i) prejudice the tax status or residence of the ICAV, the Funds or the Participating Shareholders; (ii) cause the ICAV, the Funds or the Participating Shareholders to suffer any legal, regulatory, pecuniary, taxation or material administrative disadvantage; or (iii) cause the ICAV to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply; or (iv) cause the assets of the ICAV to become "plan assets" for the purposes of ERISA; or (v) where the Directors believe, in their discretion that it is in the best interests of the ICAV or the Participating Shareholders to do so.
- 9.19 Further, in the event that 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, the Directors may either decline to register the relevant transfer or may register the relevant transfer and compulsorily redeem all of the remaining Participating Shares of that investor. (Please also see the section headed **COMPULSORY REDEMPTION AND TRANSFER OF PARTICIPATING SHARES** below.)
- 9.20 Every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the holder of the Participating Shares intended to be transferred until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer need not be a deed and must be accompanied by such evidence as to the qualification of the transferee as required by the ICAV. Furthermore, the ICAV reserves the right to request such information as is necessary to verify the identity of the transferee and to request such representations and warranties as may appear to ICAV as appropriate. Each transferee must also complete an

Application Form and such other declarations as may be prescribed, from time to time, which must be submitted to the AIFM or the Administrator prior to the process of the transfer.

- 9.21 If the Directors refuse to register a transfer of Participating Shares they shall within one month after the date on which the transfer was lodged send to the transferee notice of the refusal, provided that the Directors are not required to give notice to any person of a refusal to register a transfer where registering the transfer or giving the notice would result in a contravention of any provision of law.
- 9.22 Further terms, conditions and procedures applicable to the transfer of Participating Shares in respect of a Fund may be specified in the Supplement.

EXCHANGE OF PARTICIPATING SHARES

- 9.23 Except where dealings in the relevant Participating Shares have been temporarily suspended in the circumstances described below, (a) Participating Shareholders will be entitled on any Dealing Day to exchange any or all of their Participating Shares of any Fund ("**Original Fund**") into Participating Shares in any other Fund ("**New Fund**") on such terms and such Exchange Charge (if any) as are disclosed in this Prospectus; and (b) Participating Shareholders of any Class of Participating Shares ("**Original Class**") within a Fund may switch to another Class within that Fund or to the same or another Class of another Fund ("**New Class**") as the Directors may permit; provided that all the criteria for applying for Participating Shares in the New Fund or New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day.
- 9.24 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 on procedures for redemptions will apply equally to exchanges.
- 9.25 If the exchange would result in the Participating Shareholder holding a number of Participating Shares in the Original Class or Original Fund with a value of less than the Minimum Holding, the Directors may, in their discretion, convert the whole of the applicant's holding of Participating Shares in the Original Class or Original Fund or refuse to effect any exchange. No exchanges will be made during any period in which the rights of Participating Shareholders to require the redemption of their Participating Shares are suspended. Additional terms, conditions and procedures applicable to the exchange of Participating Shares in respect of a Fund for Participating Shares in another Fund may be specified in the Supplement.
- 9.26 The number of Participating Shares to be issued in the New Class or New Fund will be calculated in accordance with the following formula:

$$B \times C \times D$$

$$A = \frac{\quad}{E}$$

A = number of Participating Shares of the New Class or New Fund to be allocated

B = number of Participating Shares of the Original Class or Original Fund to be converted

C = redemption price per Participating Shares on the relevant Dealing Day for the Original Class or Original Fund

D = the currency conversion factor determined by the ICAV as representing the prevailing rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the Base Currencies of the relevant Funds are different) or where the Class Currencies of the relevant Classes or Funds are the same D = 1

E = Subscription Price per Participating Shares on the relevant Dealing Day for the New

Class and/or New Fund

- 9.27 Exchanges of Participating Shares between Funds or Classes which do not have the same Base Currency or Class Currency will be facilitated by the Administrator. The investor will bear the risks and costs of the foreign exchange transaction. The costs will be deducted from the subscription amount.
- 9.28 Exchange requests may not be withdrawn save with the written consent of the ICAV or its authorised agent. The Directors may, at their discretion, refuse to effect an exchange request without giving any reason for such refusal. In addition, restrictions may apply on making exchanges between certain classes as may be set out in the relevant Supplement.

LIMITATIONS ON REDEMPTIONS

- 9.29 For Open-Ended Funds redemption facilities must be provided for on at least a quarterly basis. Unless otherwise provided in the relevant Supplement, for Open-Ended Funds and Open-Ended Funds with Limited Liquidity (without prejudice to other restrictions that may be included in the relevant Supplement for Open-Ended Funds with Limited Liquidity), the Directors are entitled to limit the number of Participating Shares of any Fund redeemed on any Dealing Day to Participating Shares representing ten per cent (10%) or twenty five per cent (25%) in the case of quarterly or less frequent dealing Funds of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Participating Shareholders wishing to have Participating Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Participating Shares. Participating Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day and, in the case of Open-Ended Funds, will be dealt with in priority (on a rateable basis) to redemption requests received subsequently. If requests for redemption are so carried forward, the Administrator will inform the Participating Shareholders affected. Other limitations may be set out in the Supplement for the relevant Fund, in respect of an Open-Ended Fund with Limited Liquidity or a Closed-Ended Fund.
- 9.30 Participating Shareholders should note that unlike other Classes, Side Pocket Shares may not be repurchased other than at the sole and absolute discretion of the Directors. The Directors do not intend to permit the repurchase of any Side Pocket Shares until a particular Investment attributed to that class has been realised. At that time, the Directors, the AIFM or their delegate will give the holders of the relevant Side Pocket Shares advance written notice of (a) the intention to compulsorily repurchase all or part of the relevant Side Pocket Shares and simultaneously to issue Participating Shares in the relevant Fund of corresponding value to such holders, or (b) the Directors' intention to re-designate the relevant Side Pocket Shares as Shares in the relevant Fund; or (c) the declaration of a Dealing Day for such Side Pocket Shares and the ability of the holders of such Participating Shares to request the repurchase thereof on that day and the terms applicable thereto.

COMPULSORY REDEMPTION AND TRANSFER OF PARTICIPATING SHARES

- 9.31 The ICAV has the right to compulsorily redeem all or some of the Participating Shares held by a Participating Shareholder at the Net Asset Value per Participating Share less Duties and Charges as at the Valuation Point immediately prior to the date such redemption is to take effect if the Directors for any reason, determine in their absolute discretion, to do so.
- 9.32 The Directors may compulsorily redeem all or some of the Shares held by a Member or impose such restrictions on the application for Participating Shares, the transfer of Participating Shares or on a particular Member's Shares as they may think necessary in circumstances where:
- 9.32.1 the Directors consider that the continued investment by such Participating Shareholder would contravene the relevant criteria for eligibility for investing in the ICAV, described as Qualifying Investors, or where required to give effect to the terms upon which Participating Shares were issued to the Participating Shareholder as described in this Prospectus with respect to those Participating Shares (including for the avoidance of doubt, any equalisation policy);

- 9.32.2 their ownership gives rise to a breach of any applicable law or requirement in any jurisdiction (including where an investor is no longer a Qualifying Investor, as the same is defined herein), or may, in the sole and conclusive opinion of the Directors: (i) prejudice the tax status or residence of the ICAV or its Members; or (ii) cause the ICAV or its Members to suffer any legal, regulatory, pecuniary, tax, fiscal or material administrative disadvantage; or (iii) cause the ICAV to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply; or (iv) cause the assets of the ICAV to become "plan assets" for the purposes of ERISA;
 - 9.32.3 the Directors, or the Administrator acting on the ICAV's instructions, suspects 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;
 - 9.32.4 the investor holds Participating Shares with an aggregate Net Asset Value of less than the Minimum Holding for the relevant Class; 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;
 - 9.32.5 the Directors in their sole discretion consider it to be in the best interests of the ICAV and the Members to do so;
 - 9.32.6 in the event of any liability or charge to taxation arising in respect of Participating Shares or any Member, the ICAV is entitled to redeem, repurchase, appropriate or cancel such number of Participating Shares as is required to meet the appropriate liability or charge to taxation (including, but not limited to, any tax, levy, import, duty or other charge or withholding of a similar nature (including penalty of interest payable in connection with any failure to pay or any delay in paying any of the same)) of such Member and to account for such appropriate tax to the relevant tax authorities;
 - 9.32.7 the investor fails to comply with the terms and/or conditions of issue of its Participating Shares or any agreement with the ICAV to subscribe for further Participating Shares or the investor otherwise becomes classified by the Directors as a defaulting participating shareholder;
 - 9.32.8 the relevant Participating Shareholder's ownership of Participating 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.
- 9.33 The Directors may reject in their discretion any application for Shares or any transfer of Participating Shares to any persons who are so excluded from purchasing or holding Participating Shares and at any time redeem or require the transfer of Participating Shares held by Members who are so excluded from purchasing or holding Participating Shares in accordance with the Prospectus and/or the Instrument or take such other action as may be permissible to discontinue the business relationship with such persons.
- 9.34 In addition to the foregoing, in the event of any liability or charge to taxation arising in respect of Participating Shares or any Member, the Directors may redeem, repurchase, appropriate or cancel such number of Participating Shares as is required to meet the appropriate liability or charge to taxation of such Member and to account for such appropriate tax to the relevant tax authorities.
- 9.35 Participating Shareholders are required to notify the ICAV immediately in the event that:
- 9.35.1 they become Irish Residents;
 - 9.35.2 they cease to be Exempt Investors;
 - 9.35.3 the Declaration made by or on their behalf is no longer valid;

- 9.35.4 they hold Participating Shares for the account or benefit of (i) Irish Residents; or (ii) Irish Residents who cease to be Exempt Investors and in respect of which the Declaration made on their behalf is no longer valid; or
 - 9.35.5 they otherwise hold Participating Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for or be a material administrative burden to the ICAV or the Participating Shareholders.
- 9.36 The Directors may, in their sole and absolute discretion, at any time on a pro rata basis compulsorily repurchase Participating Shares and simultaneously issue Side Pocket Shares to the holders of such Participating Shares on a pro rata basis and use the proceeds of the aforementioned repurchase to pay the issue price for such Side Pocket Shares. The issue price for the initial issue of a new class of Side Pocket Shares will be determined by the Directors. The Directors will allocate Illiquid Investments to such Side Pocket Shares which will reflect any such investments. Once the Side Pocket Shares are issued, the Illiquid Investments relating to the Side Pocket Shares will not be considered as assets attributable to any other Shares and will not be taken into account in the calculation for the Net Asset Value of any other Shares. Each class of Side Pocket Shares in a Fund will not be available for issue after the initial issue or designation thereof. The terms on which such Side Pocket Shares shall be issued shall be determined by the Directors in accordance with the Instrument and the requirements of the Central Bank.

UNTRACED SHAREHOLDERS

- 9.37 The ICAV shall be entitled to repurchase any Share of a Member or any Share to which a person is entitled by transmission and to forfeit any dividend which is declared and remains unpaid for a period of six years if and provided that:
- 9.37.1 for a period of six years no cheque, confirmation of ownership of Shares sent by the ICAV through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the Share at his address on the Register or the last known address given by the Member or the person entitled by transmission to which cheques, confirmations of the ownership of Shares are to be sent, has been cashed or acknowledged and no communication has been received by the ICAV from the Member or the persons entitled by transmission;
 - 9.37.2 at the expiration of the said period of six years by notice sent by pre-paid letter addressed to the Member or to the person entitled by transmission to the Member at his address on the Register or to the last known address given by the Member or the person entitled by transmission or by advertisement in a national daily newspaper published in Ireland or in a newspaper circulating in the area in which the address referred to in Section 10.28.1 is located the ICAV has given notice of its intention to repurchase such Share(s);
 - 9.37.3 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 Member or person entitled by transmission; and
 - 9.37.4 if the Shares are quoted on a stock exchange the ICAV has first given notice in writing to the appropriate section of such stock exchange of its intention to repurchase such Share, if it is required to do so under the rules of such stock exchange.
- 9.38 The proceeds of such repurchase shall be held in a separate interest bearing account for one year after which period the monies shall form part of the assets of the ICAV.

TERMINATION OF THE ICAV, FUND OR CLASS

- 9.39 The ICAV and each Fund (unless otherwise provided for in the relevant Supplement) is established for an unlimited period of time. In accordance with the Instrument and without prejudice to section 9.40.1 and 9.40.2 below:

- 9.39.1 an Open-Ended Fund may be terminated by the ICAV if the holders of 75% of the issued Participating Shares of the Fund approve the termination at a meeting of the Participating Shareholders of the Fund of which not less than 21 days' notice has been given approving the termination of Participating Shares of the Open-Ended Fund; and
 - 9.39.2 a Closed-Ended Fund may be terminated at the end of the Closed-Ended Period.
- 9.40 The ICAV, any Fund or any Class may be terminated by the Directors in their sole and absolute discretion, in any of the following events and redeem all (but not some) of the Participating Shares of any Class or of any Fund then in issue:
- 9.40.1 in the context of an Open-Ended Fund (including Open-Ended Funds with Limited Liquidity) following a Special Resolution of the Participating Shareholders approving the termination of the Fund;
 - 9.40.2 in the context of a Closed-Ended Fund, at the end of the closed-ended period;
 - 9.40.3 in the case of a Fund that is a Loan Origination Fund, in the event that the diversification requirements imposed by the Central Bank and set out in the relevant Supplement are breached and Participating Shareholders do not approve the continuation of the relevant Loan Origination Fund at the level of diversification that has been achieved within the timeframe imposed by the Central Bank;
 - 9.40.4 the Participating Shareholders of the ICAV or the relevant Fund or the relevant Class (as the case may be) pass a Special Resolution to approve the redemption of all the Participating Shares in the ICAV or the relevant Fund or the relevant Class;
 - 9.40.5 on the sale of the last of a Fund's Investments;
 - 9.40.6 all of the Participating Shares of a Fund or a Class or the ICAV have been redeemed;
 - 9.40.7 at any time after the first anniversary of the close of the Initial Offer Period of the ICAV or the relevant Fund or Class, if the Net Asset Value of the ICAV or the relevant Fund or Class falls below €50 million or the Minimum Fund Size or Minimum Share Class Size or such other minimum amount specified in the Supplement with respect to each Fund;
 - 9.40.8 in the opinion of the Directors, the holding of such Participating Shares may result in regulatory, preliminary legal, taxation or material administrative disadvantage to the ICAV or the Participating Shareholder as may be more particularly set out in the Prospectus;
 - 9.40.9 the redemption of the Participating Shares in a Class is approved by a resolution in writing signed by all of the Participating Shareholders in that Class;
 - 9.40.10 at any time after the launch of the relevant Fund, the Directors consider, in their sole opinion, that the return profile or original investment objective of the Fund is no longer achievable and that amendment of such objectives would materially alter the risk profile and / or rationale of the Fund as presented by the ICAV when the Fund was launched;
 - 9.40.11 the ICAV receives written notification from the AIFM or an Investment Manager that, following a period of 90 days from the date of the last investment, the AIFM or the relevant Investment Manager (as applicable) has been unable to identify in the primary or secondary markets, collateral of the type or amount required to meet the investment objectives of the relevant Fund and that in the opinion of the AIFM and/or the relevant Investment Manager (as applicable) the situation is unlikely to change;
 - 9.40.12 the AIFM or an Investment Manager has served notice of its intention to retire under the terms of the AIFM Agreement or Investment Management Agreement (and has not revoked such notice) and no new AIFM or Investment Manager (as applicable) has been appointed by the ICAV within three months from the date of service of such notice;

- 9.40.13 the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the ICAV with the approval of Central Bank within six months from the date of service of such notice;
- 9.40.14 if the ICAV or a Fund shall cease to be authorised by the Central Bank under the AIFM Regulations or 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;
- 9.40.15 if any law shall be passed which renders it illegal or in the reasonable opinion of the Directors, in consultation with the AIFM, impracticable or inadvisable to continue the Fund or Class; and/or
- 9.40.16 if the Directors in their absolute discretion consider termination of a Class, a Fund or the ICAV appropriate and in the best interests of the relevant Participating Shareholders.

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

SECTION 10 — CONFLICTS OF INTEREST

- 10.1 The AIFM, the Depositary, the Administrator, the Auditors, any Independent Valuer, any External Valuer, any Investment Manager, any Investment Advisor, any sub-Investment Advisor, any Distributor, any sub-distributor and any property manager may from time to time act as alternative investment fund manager, depositary, trustee, registrar, administrator, auditor, independent valuer, external valuer, investment manager, investment adviser, distributor or property manager in relation to, or be otherwise involved in, other funds or CIS which have similar investment objectives to those of the ICAV.
- 10.2 In particular:
- 10.2.1 the Directors may act as directors to other funds;
 - 10.2.2 the AIFM or an Investment Manager or an Investment Advisor or property manager may act in the same capacity for other entities; key individuals of the AIFM and/or an Investment Manager may be involved in other businesses not involving the ICAV; the Administrator and Depositary may act in the same capacity for other entities; and
 - 10.2.3 the AIFM or an Investment Manager or an Investment Advisor or a property manager may invest directly or indirectly in a Fund or may hold interests in a vehicle or arrangement which delivers a similar or equivalent return to an investment in a Fund.
- 10.3 It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the ICAV. Each will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, each shall endeavour to ensure that it is resolved fairly and in the best interests of Participating Shareholders. In particular the AIFM has agreed to act in a manner which the AIFM, in good faith, considers fair and equitable in allocating investment opportunities to the ICAV. Where determined appropriate by the Directors and approved for the purpose by the Depositary, a valuation committee of the AIFM may be established to value unlisted securities. In this regard, the valuation of the valuation committee will be accepted and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated value of the unlisted securities the higher the fees payable to the AIFM.
- 10.4 There is no prohibition on dealing in assets of the ICAV by entities related to the AIFM or the Depositary or an Investment Manager or an Investment Advisor or a property manager or delegates or group companies of these provided that such transactions are negotiated at arm's length and in the best interests of the Participating Shareholders. A certified valuation of a transaction by (i) a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent or (ii) the execution of transactions on best terms on organised investment exchanges under their rules and, where (i) and (ii) are not practical, transactions executed on terms the Depositary (or the Directors in the case of a transaction involving the Depositary) is satisfied are negotiated on normal commercial terms at arm's length and in the best interests of the Participating Shareholders.
- 10.5 In particular, but without limitation, the Depositary may hold funds for the ICAV subject to the provisions of the Central Bank Acts 1942 to 2015, as may be amended from time to time. Employees or officers of the AIFM, any Investment Manager, any Investment Advisor or any property manager or their affiliates may directly or indirectly acquire Participating Shares. Any acquisition or divestment of Participating Shares by such individuals shall be on terms which are no more favourable than those applying to all Participating Shareholders. The AIFM and the relevant Investment Manager, Investment Advisor or property manager (as applicable) will maintain internal procedures to ensure that the size and timing of any subscriptions or redemptions of Participating Shares by such individuals shall not conflict with any duties owed to Participating Shareholders and the ICAV by the AIFM, the relevant Investment Manager, the Investment Advisor or the property manager (if applicable) or their affiliates or any employees or officers thereof.

- 10.6 The AIFM or the relevant Investment Manager (if applicable) may manage other portfolios and the AIFM expects that the Funds and other portfolios it manages will, from time to time, purchase or sell the same securities. The AIFM or an Investment Manager may aggregate orders for the purchase or sale of securities on behalf of the Funds with orders on behalf of other portfolios the AIFM or the relevant Investment Manager manages. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio managed by the AIFM or the relevant Investment Manager that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will generally be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders.
- 10.7 The Administrator and the Depositary are affiliates. The Depositary may also appoint its affiliates as its sub-custodians. Although each of the Administrator and Depositary and any affiliated sub-custodians are managed independently and are operationally distinct and segregated from each other, there is potential for a conflict of interest to arise as a result of each party being a member of the same corporate group. Each will, at all times, have regard in such event to its obligations to the ICAV, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly.
- 10.8 In selecting brokers to make purchases and sales for the ICAV, the AIFM or an Investment Manager will choose those brokers who provide best execution to the ICAV, in their opinion and in accordance with the requirements of the AIFM Regulations. In determining what constitutes best execution, the AIFM and/or the relevant Investment Manager will consider the overall economic result to the ICAV (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.
- 10.9 The benefits provided under any soft commission arrangements must assist in the provision of investment services to the ICAV.
- 10.10 **Soft Commissions**
- 10.10.1 **Non-MiFID Regulated Investment Managers**
- 10.10.2 An Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and that any benefits should be those which assist in the provision of investment services to the Fund.
- 10.10.3 Where an Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or financial derivative instruments for a Fund, the rebated commission shall be paid to the relevant Fund. An Investment Manager, or any of its delegates, may be paid or reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.
- 10.10.4 A report will be included in the Fund's annual report describing the relevant Investment Manager's soft commission practices.
- 10.10.5 **MiFID Regulated Investment Managers**
- 10.10.6 In accordance with its obligations under MiFID, each Investment Manager which is subject to the requirements of MiFID, shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the relevant Investment Manager to the

relevant Fund as soon as reasonably possible after receipt. In particular, where the Investment Manager 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, permitted derivative instruments or techniques and instruments for a Fund, the rebated commission shall be paid to the relevant Fund as the case may be. The Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the Investment Manager from complying with its obligation to act in the best interests of the relevant Fund, provided they are disclosed to the Fund prior to the provisions of investment management services by that entity and are permitted to be accepted by the relevant Investment Manager by its home competent authority. A list of acceptable “minor non-monetary” benefits is set out in the Commission Delegated Directive (EU) 2017/593.

- 10.10.7 The relevant Investment Manager may only receive third-party investment research, provided it is received on such basis that it does not contravene MiFID. Investment research will not constitute an inducement under MiFID where it is paid for by the Investment Manager itself out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund. In this regard, the Investment Manager may discharge the charges relating to investment research which is or may be used by the Investment Manager in managing the assets of the Fund out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund, as set out above under the heading **OPERATION OF RESEARCH PAYMENT ACCOUNTS**.
- 10.11 **Directors' Interests**
- 10.12 A Director may be a party to, or otherwise interested in, any transaction or arrangement with the ICAV or in which the ICAV 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. Unless the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. There is no prohibition on the Directors or any person connected with them, holding Participating Shares in the Fund. The nature of any such interests/transactions will be declared by the relevant Director to the Board at the next Board meeting. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.
- 10.13 At the date of this Prospectus, the following Directors have conflicts of interest with the ICAV:
- Mr Dennis Murray is a Director of the ICAV and a Director of the AIFM.
 - Ms Elizabeth Beazley is a Director of the ICAV and a Director of the AIFM.
 - Ms Sarah Murphy is a Director of the ICAV and an employee of an affiliate of the AIFM.
- 10.14 **No Separate Counsel**
- 10.15 The ICAV and the AIFM are represented by the law firm listed in the Directory. No separate counsel has been retained by the AIFM to represent the Participating Shareholders.

SECTION 11 — TAXATION

11.1 IRISH TAX INFORMATION

11.2 **The following statements are by way of a general guide to potential investors and Participating Shareholders only and do not constitute legal or taxation advice. Participating Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Participating Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

11.3 Participating Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Prospectus and proposed regulations and legislation in draft form and are not exhaustive. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely, as the basis for and rates of taxation can fluctuate.

11.4 Irish Taxation

The Directors have been advised that on the basis that the ICAV is resident in Ireland for taxation purposes, and the ICAV, or any Fund of the ICAV, is not regarded as an Irish Real Estate Fund “IREF” (within the meaning of Section 739K TCA), the taxation position of the ICAV and the Participating Shareholders is as set out below. Please refer the Irish Tax Definitions outlined at the end of this section.

11.5 The ICAV

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

11.7 The Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B TCA. Under current Irish law and practice, the ICAV is not chargeable to Irish tax on its relevant income and relevant gains.

11.8 However, a charge to tax can arise on the happening of a “chargeable event” in the ICAV. A chargeable event includes any payments to Participating Shareholders or any distribution, encashment, redemption, cancellation, transfer and also includes a Deemed Disposal (as defined below) of Participating Shares.

11.9 A chargeable event does not include:

11.9.1 An exchange by a Participating Shareholder, effected by way of an arm's length bargain where no payment is made to the Participating Shareholder, of Participating Shares in the ICAV for other Participating Shares in the ICAV;

11.9.2 Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System (as defined below) as designated by order of the Irish Revenue Commissioners;

11.9.3 A transfer by a Participating Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or former civil partners, subject to certain conditions;

11.9.4 An exchange of Participating Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H TCA) of the ICAV with another investment undertaking; or

- 11.9.5 An exchange of Participating Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) TCA), subject to certain conditions.
- 11.10 If the ICAV becomes liable to account for tax on the happening of a chargeable event, the ICAV shall be entitled to deduct from the payment arising on such chargeable event an amount equal to the tax and/or where applicable, to appropriate or cancel such number of Participating Shares held by the Participating Shareholder or the beneficial owner of the Participating Shares as are required to meet the amount of tax. The relevant Participating Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.
- 11.11 Where the chargeable event is a Deemed Disposal and the percentage value of Participating Shares held by Irish Residents is less than 10% of the total value of the Participating Shares in the ICAV, and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for each Irish Resident Participating Shareholder, the ICAV will not be obliged to deduct tax. The Participating Shareholder must instead pay tax on the Deemed Disposal on a self-assessment basis. Irish Resident Participating Shareholders should contact the ICAV to ascertain whether the ICAV has made such an election in order to establish their responsibilities to account for Irish tax. Credit is available against tax relating to a chargeable event for tax paid by the ICAV or the Participating Shareholder on any previous Deemed Disposal. On the eventual disposal by the Participating Shareholder of their Participating Shares, a refund of any unutilised credit will be payable. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent redemption, cancellation or transfer of the relevant Participating Shares. In the case of Participating Shares held in a Recognised Clearing System, the Participating Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.
- 11.12 No chargeable event will arise in relation to a Participating Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Participating Shareholder which is an Exempt Investor provided in each case that a Relevant Declaration (as defined below) has been provided to the ICAV by the Participating Shareholder.
- 11.13 **Taxation of Participating Shareholders**
- 11.14 *Non-Irish Residents*
- 11.14.1 Non-Irish Resident Participating Shareholders will not generally be chargeable to Irish tax in respect of their Participating Shares. No tax will be deducted by the ICAV provided that either:
- (i) the ICAV is in possession of a signed and completed Relevant Declaration from such Participating Shareholder to the effect that the Participating Shareholder is not an Irish Resident; or
 - (ii) 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 Participating Shareholder and the written notice of approval has not been withdrawn (the "Equivalent Measures Regime").
- 11.14.2 If the ICAV is not in possession of a Relevant Declaration or under the Equivalent Measures Regime, or the ICAV is in possession of information which would reasonably suggest that the information contained in the Relevant Declaration or Equivalent Measures Regime is not or is no longer materially correct, the ICAV must deduct tax on the happening of a chargeable event in relation to such Participating Shareholders. The tax deducted will generally not be refunded.
- 11.14.3 In the absence of such a Relevant Declaration or Equivalent Measures Regime, the ICAV must presume that the Participating Shareholder is Irish Resident and the ICAV will

deduct tax (at the rates set out below) on the happening of a chargeable event in relation to such Participating Shareholder. It is the obligation of a non-Irish Resident Participating Shareholder to notify the ICAV if it ceases to be non-Irish Resident.

- 11.14.4 Intermediaries acting on behalf of non-Irish Resident Participating Shareholders can claim the same exemption (as above) on behalf of the Participating Shareholders for whom they are acting provided that the ICAV is not in possession of any information which would reasonably suggest that the information provided by an Intermediary is incorrect. The Intermediary must state in the Relevant Declaration that to the best of its knowledge the Participating Shareholders on whose behalf it acts are not Irish Resident.
 - 11.14.5 A non-Irish Resident corporate Participating Shareholder which holds Participating Shares directly or indirectly by or for a trading branch or agency of the Participating Shareholder in Ireland will be liable to Irish corporation tax on income from the Participating Shares or gains made on the disposal of the Participating Shares.
- 11.15 *Exempt Investors*
- 11.15.1 Tax will not be deducted on the happening of a chargeable event in respect of Participating Shares held by Exempt Investors where the ICAV is in possession of a Relevant Declaration in relation to such Participating Shares. It is the Exempt 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 Investor's obligation to notify the ICAV if it ceases to be an Exempt Investor.
 - 11.15.2 Irish Resident Exempt 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 Investors (see below).
 - 11.15.3 Exempt Investors may be liable, under the self-assessment system, to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Participating Shares or dividends or distributions or other payments in respect of their Participating Shares.
 - 11.15.4 Refunds of tax where a Relevant Declaration could have been made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Participating Shareholders within the charge to Irish corporation tax.
- 11.16 *Taxable Irish Residents*
- 11.16.1 An Irish Resident Participating Shareholder who is not an Exempt Investor will have 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 to the 10% threshold outlined above), redemption, repurchase or cancellation of Participating Shares. Any gain will be computed on the difference between the value of the Participating 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 tax from payments or redeem and cancel such number of Participating Shares as are required to meet the tax in respect of the relevant Participating Shareholder and will pay the tax to the Irish Revenue Commissioners.
 - 11.16.2 Where the Participating Shareholder is an Irish Resident company, and the ICAV is in possession of a declaration from the Participating Shareholder confirming 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 Participating Shareholder and from any gains arising on a redemption, repurchase, cancellation or other disposal of shares by the Participating Shareholder at the rate of 25%.
 - 11.16.3 An Irish Resident Participating Shareholder who is not a company and who is not an Exempt Investor (and has therefore had tax deducted), will not be liable to any further

income or capital gains tax in respect of any sale, transfer, Deemed Disposal, redemption, repurchase, cancellation of Participating Shares or the making of any other payment in respect of their Participating Shares.

- 11.16.4 Where an Irish Resident Participating Shareholder is not a company and tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Participating Shareholder will be liable to account for 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 Participating Shareholder in respect of that payment or gain.
- 11.16.5 Where an Irish Resident Participating Shareholder is a company which is not an Exempt Investor (and has therefore had tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Participating 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 Participating Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available:
- (i) where an Irish Resident Participating Shareholder is a company which is not an Exempt Investor (and has therefore had tax deducted), and the payment is taxable as trading income under Schedule D Case I, therefore the amount received by the Participating Shareholder is increased by any amount of tax deducted and will be treated as income of the Participating Shareholder for the chargeable period in which the payment is made;
 - (ii) where the payment is made on the sale, transfer, Deemed Disposal, redemption, repurchase or cancellation of Participating Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Participating Shareholder for the acquisition of those Participating Shares; and
 - (iii) the amount of tax deducted will be set off against the Irish corporation tax assessable on the Participating Shareholder in respect of the chargeable period in which the payment is made.
- 11.16.6 Where an Irish Resident Participating Shareholder is a company and tax has not been deducted, the amount of the payment will be treated as income arising which is chargeable to Irish tax. Where the payment is in respect of the sale, transfer, cancellation, redemption, repurchase or transfer of Participating Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Participating Shareholder on the acquisition of the Participating 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 at the standard rate of 12.5% under Schedule D Case I.
- 11.16.7 Should an excess payment of tax arise on the redemption of Participating Shares as a result of tax paid on an earlier Deemed Disposal in respect of the Participating Shareholder, the ICAV, on election in writing to the Revenue Commissioners and notification in writing to the Participating Shareholder, is not obliged to process the refund arising on behalf of the Participating Shareholder provided the value of the Participating Shares held by the Participating Shareholder does not exceed 15% of the total value of the Participating Shares in the ICAV. Instead the Participating 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 Participating Shares 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.

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

11.17 **Reporting**

11.17.1 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 Participating Shares held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Participating Shares held by, a Participating Shareholder. In addition, the tax reference number of the Participating Shareholder must be provided (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.

11.17.2 However, no details are required to be reported to the Irish Revenue Commissioners in respect of Participating Shareholders who are:

- (i) Exempt Investors;
- (ii) Participating Shareholders who are non-Irish Resident (provided a Relevant Declaration has been made); or
- (iii) Participating Shareholders in respect of whom their Participating Shares are held in a Recognised Clearing System.

11.18 **Other Taxes**

11.19 *Foreign Taxes*

Dividends and interest which the ICAV may receive with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding or capital gains taxes, in the countries in which the issuers of the investments are located. It is not known whether the ICAV will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Participating Shareholders rateably at the time of such repayment.

11.20 *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 non-corporate Irish Resident Participating Shareholder where that Participating Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those individuals who can influence the selection. The 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 property which may or has been selected was acquired on arm's length terms as part of a general offering to the public.

11.21 *Currency Gains*

Where a currency gain is made by an Irish Resident Participating Shareholder on the disposal of Participating Shares denominated in a currency other than Euro, such Participating Shareholder may be liable to capital gains tax, currently at the rate of 33%, in respect of such gain in the year of assessment in which the Participating Shares are disposed of.

11.22 *Stamp Duty*

Generally no Irish stamp, documentary, transfer or registration tax is payable in Ireland on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Participating 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 Participating Shareholder of any Irish situate assets, a charge to Irish stamp duty may arise.

11.23 *Capital Acquisitions Tax*

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B TCA, any Participating 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 Participating 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 Day;
- (ii) at the date of the disposition, the Participating 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 not domiciled or ordinarily resident in Ireland.

11.24 **OECD Common Reporting Standard**

11.24.1 The common reporting standard ("CRS") framework was first released by the OECD as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. The Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD in 2014 and this includes the Standard. The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions ("FIs") relating to account holders who are tax resident in other participating countries.

11.24.2 Ireland is a signatory to the Multilateral Competent Authority on Automatic Exchange of Financial Account Information which adopts and implements CRS. Enabling legislation providing the legal basis for the operation of the CRS is effective and involves the collection and reporting of financial account information by Irish FIs. Ireland has elected to adopt the "wider approach" to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all account holders rather than just account holders who are resident in a jurisdiction that has adopted the Standard. The Irish Revenue Commissioners will then disseminate this information to the jurisdictions with whom they need to exchange information.

11.24.3 The ICAV is classified as an Irish FI and will be obliged to report to the Irish Revenue Commissioners in respect of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year with respect to the previous calendar year.

11.24.4 Participating Shareholders should note that the ICAV is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Participating Shareholder's investment (including but not limited to the value of and any payments in respect of the Participating Shares) to the Irish Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the ICAV may require additional information and documentation from Participating Shareholders.

11.24.5 Each Participating Shareholder and prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

11.25 **FATCA**

- 11.25.1 The governments of Ireland and the United States have signed an intergovernmental agreement (the "IGA") that significantly increases the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish FIs by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The ICAV is classified as an Irish FI and will be subject to these rules.
- 11.25.2 The IGA provides that Irish FIs will report to the Irish Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.
- 11.25.3 The ICAV (and / or the Administrator or the AIFM) shall be entitled to require investors to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or the Irish implementing legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Participating Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.
- 11.25.4 There can be no assurance that payments to the ICAV in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly Participating Shareholders and prospective investors should consult its own tax advisors as to the potential implication of the U.S. withholding taxes on the Participating Shares before investing.

11.26 **Payment Deductions, Redemptions and Cancellation of Shares**

- 11.27 In the event of any chargeable event pursuant to section 739D TCA, in respect of Participating Shares held by an Irish Resident who is not an Exempt Investor or any Participating Shareholder whether an Irish Resident or not in respect of which a Relevant Declaration is not in place or in the event any other taxation becomes payable or any other chargeable event occurs pursuant to any other provision of taxation law applicable to the ICAV or the Participating Shareholders, including FATCA and/or CRS, the ICAV shall be entitled to:
- 11.27.1 deduct from any payment to be made to such Participating Shareholder an amount equal to the tax chargeable pursuant to section 739E TCA, FATCA,, CRS or any other provision of Taxation law applicable to the ICAV or the Participating Shareholders (hereinafter the "**appropriate tax**"); or
- 11.27.2 redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of such Members and to account for such appropriate tax to the relevant tax authority. In the event that the ICAV is not required to pay such appropriate tax to the relevant tax authority immediately the ICAV shall arrange for the appropriate tax to be lodged to an account in the name of the Depositary for the account of the ICAV pending payment to the relevant tax authority.

11.28 **Irish Tax Definitions:**

"Deemed Disposal" means the deemed chargeable event that will occur at the expiration of the eighth anniversary of an Irish Resident Participating Shareholder acquiring their shareholding and on every subsequent eighth anniversary thereafter;

"Irish Resident" means any person Resident in Ireland or Ordinarily Resident in Ireland other than an Exempt Investor;

Resident in Ireland means in the case of a:

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:-

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

A company incorporated in Ireland and coming within either (a) or (b) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, provided however, a company coming within (a) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (i) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (ii) is managed and controlled in that relevant territory, and (ii) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (a) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property. These rules are relatively complex and any Irish incorporated company that considers it is not Irish tax resident should seek professional advice before asserting this in any declaration given to the ICAV.

Individual

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

- (b) Spends 183 or more days in Ireland in that tax year;
- or
- (c) 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 if the

individual is present in Ireland at any time during that day. If an individual is not resident in Ireland in a particular year, the individual may, in certain circumstances, elect to be treated as resident in Ireland for tax purposes;

Trust

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.

“Intermediary”

means a person who:

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

“Ordinarily Resident”

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 year in which that individual is not resident in Ireland. Thus an individual who is resident and ordinarily resident in Ireland in 2018 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the year in 2021.

“Recognised Clearing System”

means 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 Inter-settle 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;

“Relevant Declaration”

means the declaration relevant to the Participating Shareholder as set out in Schedule 2B of TCA; and

SECTION 12 — GENERAL

THE SHARE CAPITAL

- 12.1 The share capital of the ICAV shall be at all times equal to the value for the time being of the issued share capital of the ICAV. The actual value of the paid up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities. The share capital of the ICAV shall be divided into a specified number of Shares without assigning any nominal value to them.
- 12.2 The maximum authorised share capital of the ICAV as may be amended by the Directors from time to time and notified to the Shareholders is 500,000,000,004 (five hundred billion and four) Shares of no par value, represented by 500,000,000,000 (five hundred billion) ordinary Participating Shares of no par value, 2 (two) ordinary non-participating Subscriber Shares of no par value and 300,000 (three hundred thousand) ordinary non-participating Capitalisation Shares of no par value. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value designated as Participating Shares of any Class on such terms as they think fit.
- 12.3 The ICAV may issue Shares as fully paid up, or subscribed and partly paid up, in accordance with the Instrument, the requirements of the Central Bank and the Act. The share capital of the ICAV shall at all times be equal to the value for the time being of the issued share capital of the ICAV.
- 12.4 The liability of the Members is limited to the amount, if any, unpaid on the Shares respectively held by them subject and without prejudice to any other liability to which a Member may be subject as provided for under the Act.
- 12.5 The Subscriber Shares and the Capitalisation Shares entitle the holders to attend and vote at general meetings of the ICAV in accordance with the provisions of the Instrument 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, which amount shall not exceed the consideration paid for such Subscriber Shares and/or Capitalisation Shares. The Participating 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, subject always to the requirements of the Central Bank, the AIFM Regulations and the Act. There are no pre-emption rights attaching to the Participating Shares.

VARIATION OF SHAREHOLDER RIGHTS

- 12.6 The rights attached to each Class (and for these purposes, reference to any Class shall include reference to any class of that Class) unless otherwise provided by the terms of issue of the Participating Shares of that Class or unless otherwise provided in the Instrument may, whether or not the ICAV is being wound up be varied, amended or abrogated with the consent in writing of the holders of three-fourths of the issued Participating Shares of that Class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Participating 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 Participating Shares of the Class in question or, at an adjourned meeting, one person holding Participating Shares of the Class in question or his proxy. Any holder of Participating Shares representing one-tenth of the Participating 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 Participating Shares of that Class ranking *pari passu* with Participating Shares already in issue, unless otherwise expressly provided by the terms of issue of those Participating Shares.

VOTING RIGHTS

- 12.7 The Directors may create voting Non-Voting Participating Shares within a Fund or a particular Class thereof. Investors should refer to the relevant Supplement for the Fund to determine the voting rights applicable to a particular Class.

- 12.8 The Instrument provides that, subject to any special rights or restrictions for the time being attached to any Members' Shares, on a show of hands at a general meeting of the ICAV every Member present in person or by proxy shall have one vote and on a poll at a general meeting every Member shall have one vote in respect of each Share, held by that Member.
- 12.9 The Members shall, have one vote for each Share held. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. Where a separate written resolution or General Meeting of a particular class of Participating Shares is held, in such circumstances, the Participating Shareholders' votes shall be calculated by reference only to each Participating Shareholder's shareholding in that particular class, as appropriate. In relation to a resolution which in the opinion of the Directors affects more than one class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Participating Shareholders of such class, such resolution shall have been passed at a separate meeting of the Participating Shareholders of each such class.
- 12.10 In the case of joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of Members in respect of the Shares.
- 12.11 On a poll votes may be given either personally or by proxy. On a poll, a Member entitled to more than one vote need not, if he votes, cast all his votes or cast all the votes he is entitled to in the same way.
- 12.12 Fractions of Participating Shares do not carry voting rights.

THE INSTRUMENT

- 12.13 The sole object of the ICAV is the collective investment of its funds in property and giving Members the benefit of the results of the management of its funds. All holders of Participating 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 section entitled **DOCUMENTS FOR INSPECTION**. The provisions of the Instrument are binding on the ICAV and the Members and all persons claiming through them respectively as if all such Members and persons had been party to the Instrument

MEETINGS

- 12.14 The Directors have elected to dispense with the holding of the annual general meeting of the ICAV in the first and each subsequent year of its operation, and Members are hereby notified of this fact for all purposes of Section 89 of the Act, provided that one or more Members of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV or the Auditors may require the ICAV to hold an annual general meeting in that year by giving notice in writing to the ICAV in the previous year or at least one month before the end of the relevant year.
- 12.15 The Directors may call an extraordinary general meeting of the ICAV or any Fund (or Class thereof) whenever they think fit and if at any time in the case of the ICAV, there are not sufficient Members capable of forming a quorum any Director or Member of the ICAV may convene an extraordinary general meeting of the ICAV in the same manner as nearly as possible as that in which meetings may be convened by the Directors. One or more Members of the ICAV or any Fund holding, or together holding, at any time not less than 75% of the voting rights in the ICAV or any Fund may convene an extraordinary general meeting of the ICAV or any Fund. The Directors shall, at the request of one or more Members of the ICAV or any Fund holding, or together holding, at the date of making of the request, not less than 10% of the voting rights of the ICAV or any Fund, proceed to convene an extraordinary general meeting of the ICAV or any Fund. If the Directors do not within 21 days after the date of the deposit of the request proceed to convene a meeting to be held within 2 months after that date, those making the request, or any of them representing more than 50% of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held more than 3 months after the date the request was first made.

- 12.16 All business transacted at a meeting of Members duly convened and held shall be by way of an Ordinary or a Special Resolution, as required by the Act.
- 12.17 Not less than fourteen (14) calendar days' notice of every meeting of the ICAV or any Fund must be given to relevant Members. The notice shall specify the place, day and hour of the meeting and terms of the Resolution to be proposed. A copy of the notice shall be sent by post to the Depositary. The accidental omission to give notice to or the non-receipt of notice by, any of the Members shall not invalidate the proceedings at any meeting.
- 12.18 A quorum at any meeting of the ICAV, any Fund or any class within a Fund shall be two (2) Members present in person or by proxy (unless the ICAV or relevant Fund or relevant Class has only one Member in which case only one Member is required). No business shall be transacted at any meeting and no resolution voted shall be enforceable unless the requisite quorum is present at the commencement of business.
- 12.19 A proxy may attend on behalf of any Members. The voting rights attached to the Members are set out under the heading **VOTING RIGHTS**.

PROJECTIONS, FORECASTS AND ESTIMATES

- 12.20 This Prospectus contains forward-looking statements. These forward-looking statements reflect the AIFM or Investment Manager's view with respect to future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the AIFM or relevant Investment Manager's control. Investors are cautioned not to place reliance on such statements.
- 12.21 From time to time the Directors, the AIFM, Investment Manager or other authorised advisors may provide prospective investors with projections, forecasts and estimates which are forward looking statements. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, the projections are only an estimate. Actual results may vary from the projections, and the variation may be material. Some important factors that could cause actual results to differ materially from those in any forward looking statement include, but are not limited to, changes in interest rates, market conditions, financial or legal uncertainties, the timing of Fund investment, differences in actual allocation of investments from that assumed, mismatches between the timing of accrual and receipts of interest and / or principal proceeds from investments and the effectiveness of any hedging strategy.
- 12.22 None of the Directors, the AIFM, Investment Manager or other authorised advisors has any obligation to update or otherwise revise any projections, including any revision to reflect changes in economic conditions or other circumstances arising after the date any forward looking statement is made, even if the underlying assumptions do not come to fruition.

REPORTS AND ACCOUNTS

- 12.23 The Directors shall cause to be prepared an annual report and audited annual accounts for the ICAV for the period ending 31 March in each year. The first audited annual report will be prepared for the Accounting Period from the date of establishment to 31 March, 2020. Separate accounts may be prepared and presented in respect of a Fund.
- 12.24 In the case of the ICAV, a copy of the annual report and audited annual accounts shall be sent to all Members and in the case of a Fund, to the Fund's Participating Shareholders, at least once in every year but not later than six months after the end of the period to which it relates or such other period as may be determined by the Directors in accordance with the Central Bank's requirements.

WINDING UP

- 12.25 In accordance with the Instrument, the ICAV may be wound up if:

- 12.25.1 the Members resolve by Resolution passed by a simple majority of the votes cast in accordance with the Act that the ICAV by reason of its liabilities cannot continue its business and that it be wound up;
 - 12.25.2 if the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new Depositary has been appointed by the ICAV with the approval of Central Bank within six months from the date of service of such notice;
 - 12.25.3 if the appointment of the AIFM is terminated for any reason, or the AIFM ceases to be authorised to act as an AIFM by its competent authority, and no replacement AIFM has been appointed within a reasonable time;
 - 12.25.4 the Members resolve by special resolution of the ICAV passed in accordance with the Act that the ICAV be wound up;
 - 12.25.5 the ICAV ceases to be authorised or otherwise approved by the Central Bank; or
 - 12.25.6 the Directors have resolved that it is impracticable or inadvisable for the ICAV to continue to operate having regard to (i) the passing of any law, rule or regulation or (ii) the prevailing or reasonably anticipated market conditions and/or the best interests of the Members.
- 12.26 The ICAV may be wound up in accordance with the provisions of with the provisions of Part 11 of the Companies Act, 2014 relating to the winding up of companies subject to any necessary modifications and the specific modifications contained in the Act which apply as if the ICAV were an investment company.
- 12.27 The Instrument contains provisions to the following effect:
- 12.27.1 if the ICAV shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of the ICAV attributable to each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
 - 12.27.2 the assets available for distribution among the Members shall then be applied in the following priority:
 - (i) First, in the payment to the holders of the Participating Shares of each Fund or Class of a sum in the Base Currency or the Class Currency (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 Participating Shares of such Fund or Class held by such Participating Shareholders respectively as at the date of commencement to wind up provided that there are sufficient assets available to enable such payment to be made;
 - (ii) Secondly, in the payment to the holders of the Subscriber Shares and/or Capitalisation Shares of 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 above; and
 - (iii) Thirdly, in the payment to the holders of each Fund or Class of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Participating Shares held in that Fund or Class.
 - 12.27.3 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 Members 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 Members. If a Member so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Members. The costs of any such sale shall be borne by the relevant Member. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members 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 liability. Further the liquidator may with like authority transfer the whole or part of the assets of the ICAV to a company or collective investment scheme (the "**Transferee Company**") on terms that Members in the ICAV shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the ICAV.

- 12.27.4 A Fund may be wound up pursuant to the Act and in such event the provisions of 13.26 above in respect of the winding-up of the ICAV shall apply mutatis mutandis in respect of that Fund.

MATERIAL CONTRACTS

- 12.28 The following contracts, which are summarised in the Sections **MANAGEMENT AND ADMINISTRATION** and **FEES AND EXPENSES** above, have been entered into and are, or may be, material:

12.28.1 Administration Agreement;

12.28.2 Depositary Agreement; and

12.28.3 AIFM Agreement.

- 12.29 Details of additional material contracts may be set out in the Supplement.

DOCUMENTS FOR INSPECTION

- 12.30 Copies of the following documents may be inspected and obtained at the Registered Office of the ICAV during normal business hours on any Business Day:

12.30.1 the material contracts referred to above or set out in the relevant Supplement;

12.30.2 the Prospectus;

12.30.3 the Instrument; and

12.30.4 the annual reports of the ICAV.

ANNUAL REPORT AND PERIODIC DISCLOSURE TO PARTICIPATING SHAREHOLDERS

- 12.31 A report regarding the activity and the management of the Fund's assets is published annually, including a balance sheet and profit and loss account, the composition of each Fund's assets, the auditor's report, a report of the activities of the exercise, notification of all substantial material changes which occurred during the period to which the exercise refers, information regarding the level of remuneration paid by the AIFM to any identified staff in accordance with ESMA Remuneration Guidelines during the period.

- 12.32 The following will be disclosed to Participating Shareholders in the annual report:

12.32.1 the percentage, if any, of the assets of each Fund which are subject to special arrangements arising from their illiquid nature;

12.32.2 the current risk profile of each Fund and the risk management systems employed by the AIFM to manage those risks; and

- 12.32.3 where leverage is used, the total amount of leverage employed by each Fund.
- 12.33 The following will be notified to Participating Shareholders without undue delay by such means as the Directors may from time to time determine:
- 12.33.1 any new arrangements for managing the liquidity of each Fund;
- 12.33.2 any changes to the maximum level of leverage which may be employed; and
- 12.33.3 any changes to any right of the reuse of collateral or any guarantee granted under any leveraging arrangement.
- 12.34 In addition, the following information is available to Participating Shareholders promptly upon request from the Administrator:
- 12.34.1 the latest Net Asset Value of each Fund or Class;
- 12.34.2 the historical performance of each Fund, where available; and
- 12.34.3 Subscription Prices and Redemption Prices for Participating Shares.

NOTICE AND DELIVERY OF DOCUMENTS VIA EMAIL AND WEBSITE

- 12.35 Any notice or other document required to be served upon or sent to a Member may be served by the ICAV on a Member either personally or by sending it through the post in a pre-paid letter addressed to such Member at his address as appearing in the Register or such other means as may be determined by the Directors. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders. Any notice or other document, served by post, shall be deemed to have been served twenty four hours after the time that the letter containing the same is posted and in proving such service, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. Any notice or other document, served by delivery, shall be deemed to have been served at the time of delivery and in proving such service, it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly delivered. Notice may also be given by way of advertisement containing the full text of the notice in at least one leading international newspaper and one daily newspaper in Dublin, Ireland or such other publication as the Directors may from time to time determine circulating in any country where the Member of the ICAV are being issued and such notice shall be deemed to have been served at noon on the day on which such advertisement appears.
- 12.36 The ICAV or the Administrator on behalf of the ICAV is required to deliver to the investors of the relevant Fund certain notices and documents from time to time, including but not limited to, the 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 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.

DATA PROTECTION

- 12.37 From 25 May 2018, when the GDPR came into force, the concept of privacy by design was enshrined in Data Protection Legislation.

12.38 What Personal Data is used?

- 12.38.1 The ICAV and/or any of its delegates or service providers (including the Administrator, the Depositary, the AIFM, the relevant Investment Manager, Sub-Investment Managers, distributors, dealers and duly authorised agents) may hold some or all of the following types of Personal Data in relation to Members and prospective investors (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by Members and prospective investors when completing the application process for Shares in the ICAV, including the completion of the Application Form.
- 12.38.2 The ICAV and/or any of its delegates or service providers may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks.
- 12.38.3 The ICAV is obliged to verify the Personal Data and where necessary, the ICAV and/or any of its delegates or service providers may request additional information and/documents in relation to Members and prospective investors to ensure compliance with legal, tax and regulatory requirements and to ensure that information and documents previously received is kept up-to-date.
- 12.38.4 Where Members and prospective investors have furnished Personal Data in respect of their officers, employees and beneficial owners to the ICAV, those Members and prospective investors must furnish the information in this section on data protection to them and where necessary, ensure that they have obtained the necessary consent.

12.39 What is Personal Data used for?

- 12.39.1 The ICAV and/or any of its delegates or service providers (including, the AIFM, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents) may process prospective investor's and Member's Personal Data for any one or more of the following purposes and on the following legal bases:

- (i) to manage and administer the Member's holding in the ICAV and any related accounts on an ongoing basis as required for the performance of the contract between the ICAV and the Member and to comply with legal and regulatory requirements;
- (ii) for any other legitimate business interests' of the ICAV or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the Member, namely, statistical analysis, market research purposes and to perform financial, tax, legal and/or regulatory reporting or requirements;

Your right to object - you have a right to object to the processing of your Personal Data where that processing is carried out for our legitimate interests.

- (iii) for any other specific purposes where the Member has given specific consent. Such consent may be subsequently withdrawn by the Member at any time, without affecting the lawfulness of processing based on consent before its withdrawal by writing to the board of directors of the ICAV at its registered office; or
- (iv) to comply with legal and regulatory obligations applicable to the Member and/or the ICAV from time to time, including applicable anti-money laundering and counter terrorist legislation. In particular, in order to comply with the Common Reporting Standard (as implemented in Ireland by Section 891E, Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections), Members' Personal Data (including financial information) may be shared with the Irish tax authorities and the Revenue Commissioners. They in turn may exchange

information (including Personal Data and financial information) with foreign tax authorities (including foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

- (v) Members are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the ICAV being unable to permit, process, or release the Member's investment in the ICAV and this may result in the ICAV terminating its relationship with the Member.

12.40 **Where is Personal Data stored and sent?**

12.40.1 In the course of business, the ICAV will collect, record, store, adapt, transfer and otherwise process Personal Data of Members. The ICAV is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of Members in accordance with Data Protection Legislation.

12.40.2 Where processing is carried out on behalf of the ICAV, the ICAV shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of Members. These data processor's include the AIFM, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents. The ICAV will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including, to process Personal Data only in accordance with the documented instructions from the ICAV (or where appropriate, the AIFM).

12.40.3 In certain instances the AIFM, an Administrator, a Depositary, an Investment Manager, a Sub-Investment Manager, an Investment Advisor, a Distributor, a dealer or a duly authorised agent may be required to process the Personal Data of Members for its own purposes. It will do so as a data controller and in accordance with these terms, the terms a written agreement with the ICAV (or its applicable delegate or service provider) and in accordance with its obligations under Data Protection Legislation. These purposes will include one or all of the follow:

- (i) in order to comply with its own legal obligations including under relevant anti-money laundering/counter-terrorist financing laws or in order to report tax or regulatory related information to competent bodies or authorities;
- (ii) to monitor and record calls and electronic communications, which may contain Personal Data, for quality, business analysis, training, investigation and fraud prevention purposes, for crime and/or regulatory detection, prevention, investigation and prosecution, and to enforce or defend the its rights, itself or through third parties to whom it delegates such responsibilities or rights; and
- (iii) use the Personal Data to advise the ICAV of other products and services offered by the applicable party.

For a list of the AIFM, Administrators, Depositaries, Investment Managers, Sub-Investment Managers, Investment Advisors, Distributors, dealers or duly authorised agents we process Member's Personal Data and their associated contact details please contact the ICAV by email at the following email address dataprivacy@carnegroup.com or by writing to the ICAV at its registered office as set out in the Prospectus of the ICAV.

12.40.4 A Member's Personal Data may be disclosed or transferred by the ICAV and/or any of its delegates or service providers (including, the AIFM, Administrator, Depositary, any Investment Manager, any Sub-Investment Managers, any Investment Advisors, Distributors, dealers and duly authorised agents), whether in Ireland or elsewhere

(including to entities situated in countries outside of the EEA, to other delegates, duly appointed agents and service providers of the ICAV (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, third party cloud storage providers and other technology providers for the purposes specified above. Personal Data may be transferred or disclosed.

12.40.5 A Member's Personal Data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. The ICAV and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. These safeguards will be one of the following:

- (i) The ICAV and/or any of its delegates and service providers will send the data to a country that's been approved by the European authorities as having a suitably high standard of data protection law.
- (ii) The ICAV and/or any of its delegates and service providers will seek: (i) to put in place a contract with the recipient containing terms approved by the European authorities as providing a suitable level of protection; (ii) put in place binding corporate rules; or (iii) rely on one of the derogations provided for in Data Protection Legislation.
- (iii) Sending the data to an organisation which is a member of a scheme that's been approved by the European authorities as providing a suitable level of protection. One example is the "Privacy Shield" scheme agreed between the European and US authorities.
- (iv) More information on these safeguards can be found here: https://ec.europa.eu/info/law/law-topic/data-protection_en.

12.41 **How long is Personal Data kept for?**

12.41.1 The ICAV will retain a Member's Personal Data for the period necessary to fulfil the purpose(s) for which the information was collected. The retention period may vary depending on the purpose(s) for which the information was collected. The ICAV will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

12.41.2 Where a specific legal or regulatory requirement applies to your information (e.g. anti-money laundering, counter-terrorism, tax legislation) the ICAV will retain it for the period of time specified in such legal or regulatory requirement. In the absence of a specific legal or regulatory requirement, the ICAV will retain your information for the applicable statutory limitation period following the end of the matter to which it relates, typically up to seven years. The ICAV may be required to extend the retention period if the information is required in relation to a complaint, investigation, judicial review, a claim or litigation. Please also note that the ICAV is sometimes legally obliged to retain original legal documents indefinitely.

12.42 **What rights are available to Members?**

12.42.1 Pursuant to the Data Protection Legislation, Members have several rights which they may exercise in respect of their Personal Data, namely:

- (i) the right of access to Personal Data held by the ICAV;
- (ii) the right to amend and rectify any inaccuracies in the Personal Data held by the ICAV;
- (iii) the right to erase the Personal Data held by the ICAV;

- (iv) the right to data portability of the Personal Data held by the ICAV; and
- (v) the right to request restriction of the processing of the Personal Data held by the ICAV;
- (vi) the right to withdraw your consent where the ICAV and/or any of its delegates or service providers are relying upon it to process Personal Data.

12.42.2 In addition, Members have the right to object to processing of Personal Data by the ICAV.

12.42.3 The above rights will be exercisable by Members subject to limitations as provided for in the Data Protection Legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism or tax legislation.

12.42.4 A Member may make a request to the ICAV to exercise these rights by contacting the ICAV by email at the following email address dataprivacy@carnegroup.com or by writing to the ICAV at its registered office as set out in the Prospectus of the ICAV.

12.42.5 If you have any concerns regarding our processing of your Personal Data, or are not satisfied with our handling of any request by you in relation to your rights, you also have the right to make a complaint to the Data Protection Commissioner's Office.

FAIR TREATMENT OF PARTICIPATING SHAREHOLDERS

12.43 The ICAV will seek in its decision-making procedures and organisational structures to ensure fair treatment of all Participating Shareholders by adhering to applicable laws, the ICAV's policies and procedures and the Instrument.

PREFERENTIAL TREATMENT ARRANGEMENTS

12.44 The AIFM or an Investment Manager may from time to time determine to provide a Participating Shareholder in a particular Fund or Class thereof with preferential treatment (including but not limited to, capacity, provisions of additional information, most favoured investor commitments, individual investor approval requirements, redemption, dealing or transfer terms for Classes, transfer rights and confirmations of how expenses will be borne) and may enter into side letters with such a Participating Shareholder. Such information may provide the recipient with greater insights into the ICAV's activities that included in the standard reports to other Participating Shareholders.

12.45 The AIFM or an Investment Manager may choose to pay out certain rebates or retrocessions fees out of its fees to certain Participating Shareholders. Such Participating Shareholders shall include without limitation Participating Shareholders that are directors, officers, managers, members, partners, affiliates or employees of the AIFM or an Investment Manager, members of the families of such persons and trusts or other entities for their benefit (or that are charitable organisations established by any of the foregoing). Any such rebate or other arrangement will have the effect of reducing the alternative investment fund management fee/investment management otherwise payable to the AIFM/Investment Manager.

12.46 Additional terms related to preferential treatment shall be set out in the relevant Fund Supplement, which shall describe any instance where one or more Participating Shareholders receives preferential treatment, a description of that preferential treatment and the types of Participating Shareholders who will be permitted to subscribe for such Classes and, where relevant, their legal or economic links to the AIFM.

SEGREGATION OF ASSETS AND LIABILITIES

12.47 The Instrument requires the ICAV to establish separate Funds in the ICAV. The records and accounts of each Fund shall be maintained separately and the assets and liabilities of each Fund shall be allocated in the following manner:

- 12.47.1 the proceeds from the issue of Participating Shares representing a Fund shall be applied in the books and records of the ICAV to that Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund, subject to the provisions of this Section;
- 12.47.2 where any asset is derived from another asset, such derivative asset shall be applied in the books of the ICAV to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- 12.47.3 where the ICAV incurs a liability which relates to any asset of a particular Fund or to any action taken in conjunction with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund;
- 12.47.4 where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund or on such other basis approved by the Depositary having taken into account the nature of the assets and liabilities; and
- 12.47.5 subject as otherwise in this Instrument provided, the assets held in each Fund shall belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

provided that when issuing a Class of Participating Shares in regard to any Fund, the Directors may allocate commission, Duties and Charges and ongoing expenses on a basis which is different from that which applies in the case of Participating Shares in other Classes in the Fund. No Participating Shareholder shall have any interest in the assets of any Fund by virtue of his holding of Participating Shares in the Fund.

GOVERNING LAW AND LEGAL IMPLICATIONS

12.48 The main legal implications of the contractual relationship entered into for the purposes of investment in the ICAV are as follows:

- 12.48.1 Upon an investor becoming a Participating Shareholder, the Participating Shareholder will be bound by the terms of the Instrument which takes effect as a contract between the Participating Shareholders and the ICAV. Participating Shareholders will have the rights and obligations set out in the Instrument, the Act, this Prospectus, the relevant Supplement and the Application Form.
- 12.48.2 The Instrument can be amended by way of a Special Resolution of Members, as provided for under the Instrument or pursuant to a certification by the Depositary pursuant to the Act.
- 12.48.3 The Instrument is subject to the laws of Ireland and the Application Form is expressed to be governed by and construed in accordance with the laws of Ireland.
- 12.48.4 Purchase of Participating Shares in each Fund is generally governed by Irish law unless otherwise agreed in the Application Form. A contractual relationship is formed between the investor and the ICAV by way of the Application Form. The Application Form is governed by Irish law and is subject to the exclusive jurisdiction of the Irish courts. In Ireland, Council Regulation (EC) No 44/2001 on Jurisdiction and the Recognition and

Enforcement of Judgments in Civil and Commercial matters (the "Brussels I Regulation"), as implemented into Irish law by the European Communities (Civil and Commercial Judgments) Regulations 2002 provides for the recognition and enforcement of judgments within the European Union while the recognition and enforcement of judgments in any countries not provided for in the Brussels I Regulations is governed by treaties between Ireland and the relevant country or Ireland's common law rules of private international law in relation to this matter.

- 12.48.5 The ICAV is reliant upon the performance by certain third party service providers, including the AIFM, the Investment Manager(s), the Distributor(s), the Administrator, the Depositary and the Auditors. None of the contractual agreements appointing such service providers provide for any third party rights for investors. Absent a direct contractual relationship between an investor and such a service provider, investors general have no direct contractual rights against the relevant service providers. Any Participating Shareholder who believes that they may have a claim against a service provider in connection with their investment in the ICAV should consult their legal advisor to obtain information regarding any potential right to such derivative action or other remedy.
- 12.49 For additional information on the main legal implications of the contractual relationship entered into for the purposes of investment, prospective investors must also review the Instrument and the Application Form.

APPENDIX 1 - DEFINITION OF U.S. PERSON

U.S. Person means: (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a non-United States entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit of a U.S. Person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction, and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. Person" shall not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person, if (A) an executor or administrator of the estate who is not a U.S. Person has sole or Shares investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or Shares investment discretion with respect to the trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. Person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act.