

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

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

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## **Redhedge ICAV**

(an umbrella type Irish collective asset-management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C155838, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015)

# **P R O S P E C T U S**

**12 January, 2017**

**Investment Manager  
Triple AM LLP**

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## **IMPORTANT INFORMATION**

### **The Prospectus**

This Prospectus describes Redhedge ICAV (the "**ICAV**"), an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between Funds registered with and authorised by the Central Bank of Ireland with registration number C155838, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, as may be amended, supplemented or re-enacted from time to time. Each Fund will constitute a separate portfolio of assets maintained by the ICAV in accordance with its Instrument of Incorporation. Funds may be established as open-ended funds, limited liquidity or closed ended funds. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency of denomination of a particular Class, voting rights, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses, return of capital, the use of techniques and instruments for efficient portfolio management, subscription or redemption procedures or the minimum subscription, minimum transaction size or minimum holding applicable. A separate pool of assets shall not be maintained in respect of each Class save in specific circumstances permitted by the Central Bank. The Directors have power to issue further Classes of Shares upon prior notification to and clearance by the Central Bank.

This Prospectus will 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 Fund Supplement. 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.

### **Limited Liquidity Funds**

Investors that wish to purchase shares in any Fund with limited liquidity (identified as such in the relevant Supplement) should be aware that such Funds may offer subscription and redemption facilities on a less frequent basis than open-ended Funds. In addition, investors should be aware that the redemption process in respect of Funds with limited liquidity may involve substantial complications and delays and the ability of the Fund to honour redemption requests will be dependent upon circumstances relating to, inter alia, investment in underlying assets. Investors should read and consider the disclosures in the section entitled "THE SHARES" relevant to Funds with limited liquidity before investing in any such Fund.

### **Closed Ended Funds**

In respect of any Funds of the ICAV that are closed-ended (as highlighted in the relevant Supplement), investors that wish to purchase Shares in any such Fund should be aware they shall not be entitled to request the redemption of their Shares prior to the expiry of the term of the relevant Fund.

The latest published annual reports of the ICAV will be supplied to Shareholders free of charge on request and will be available to the public as further described under the heading "Report and Accounts" in the section entitled "GENERAL INFORMATION".

### **Authorisation by the Central Bank**

**The ICAV is both authorised and supervised by the Central Bank. The Central Bank shall not be liable by virtue of its authorisation of the ICAV or by reason 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 shall not constitute a warranty as to the credit worthiness or financial standing of the various parties to the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

**The ICAV has been authorised by the Central Bank to be marketed solely to Qualifying Investors pursuant to the Central Bank's Rulebook. The minimum initial subscription for each investor shall not be less than €100,000 or its equivalent in another currency except in the case of certain investors as described under the heading "Qualifying Investors and Knowledgeable Persons Exemption" in the section entitled "THE SHARES AND SUBSCRIPTIONS". 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 the degree of leverage which may be employed by the ICAV.**

#### **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. In particular, since 22 July 2013, subject to certain transitional arrangements, new rules will apply in relation to marketing (including private placement) of AIFs in the European Economic Area.

Prior to undertaking any "marketing" (as such term is defined in AIFMD) towards Qualified Investors domiciled in or with a registered office in the EEA, the AIFM will give written notification to the regulatory authorities of the relevant EEA member states pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

Within the EU, Qualifying Investor AIFs such as the ICAV may only be marketed to professional investors as defined in the AIFM Directive unless the Member State in question permits, under the laws of that Member State, the Qualifying Investor AIF to be sold to other categories of investors and this permission encompasses the following types of investors:

- (i) an investor who 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 ICAV; or
- (ii) an investor who certifies that they are an informed investor by providing the following: confirmation (in writing) 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 confirmation in writing 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.

This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is

the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the ICAV or result the ICAV incurring any legal, pecuniary, regulatory liability or disadvantage or material disadvantage which the ICAV or its Members or any of them might otherwise have incurred or suffered. Shares in the ICAV will not be available directly or indirectly to (1) any resident or citizen of the United States; (2) a partnership or corporation organised under the laws of the United States; (3) any entity not organised under the laws of the United States but that has its principal office or place of business in the United States or (4) any US Person as defined herein. Any restrictions applicable to Shares or a particular Class shall be specified in this Prospectus or relevant Supplement. Any person who is holding Shares in contravention of the restrictions set out in this Prospectus or relevant Supplement or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction shall indemnify the ICAV, the Directors, the AIFM, the Investment Manager, the Administrator, the Depositary and Shareholders for any claims, demands, proceedings, liabilities, damages, losses, costs, expense directly or indirectly suffered by any or all of them as a result of such person or persons acquiring or holding Shares in the ICAV.

Save where provided otherwise in a Supplement for a particular Fund, the Directors will not accept subscriptions from any person that is a Benefit Plan Investor the participation of which as a Shareholder in the ICAV would make the ICAV subject to Title I of ERISA or Section 4975 of the Code.

“Benefit Plan Investor” is used as defined in US Department of Labor Regulation 29 C.F.R. §2510.3-101 and Section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended (“ERISA”) (collectively, the “Plan Asset Rule”).

The Directors, have the power under the Instrument to compulsorily redeem and/or cancel any Shares or Management Shares held by a Member or beneficially owned in contravention of the restrictions imposed by them as described herein.

This Prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the ICAV, and should not be reproduced or used for any other purpose.

### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in Ireland at the date of the Prospectus or Supplement, as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the ICAV shall under any circumstances constitute a representation that the affairs of the ICAV have not changed since the date hereof. This Prospectus may be updated by the ICAV to take into account any material changes from time to time and any such amendments will be effected in accordance with the requirements of the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. **You should consult your stock broker, bank manager, solicitor, accountant, tax adviser or other independent financial adviser.**

### **Risk Factors**

The attention of investors is drawn to the potential for above average risk associated with an investment in the ICAV. Accordingly, such investment should only be undertaken by people in a position to take such a risk. **The price of the Shares as well as any income in the ICAV may fall as well as rise. The Directors are empowered under the Instrument to levy a Subscription Charge up to a maximum of 5% of the Net Asset Value of Shares being subscribed and have delegated this power to the AIFM. The Directors are empowered under the Instrument to levy a Redemption Charge up to a maximum of 5% of the Net Asset Value of Shares being redeemed and have delegated this power to the AIFM. The AIFM, in consultation with the Investment Manager, may in its discretion partly or wholly waive the application of any Subscription Charge or Redemption Charge and may distinguish between investors in this regard. The difference at any one time between the subscription and, in the event of a Fund being open-ended or open-ended with limited liquidity, repurchase price of Shares of a Fund means that Shareholders should view their investment as medium to long-term. Details of Subscription Charges and Redemption Charges (if applicable) are set out on in the Supplement of each Fund. Investors should read and consider the section entitled “RISK FACTORS” before investing in the ICAV.**

### **Translations**

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplements. To the extent that there is any inconsistency between the English language Prospectus and Supplements and the Prospectus and Supplements in another language, the English language Prospectus and Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus and/or Supplement on which such action is based shall prevail.

## **DIRECTORY**

### **Directors**

Philip Craig  
Stefano Caspani  
Stephen Finn

### **ICAV Registered Office**

Ground Floor  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

### **Alternative Investment Fund Manager**

KBA Consulting Management Limited  
Ground Floor  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

### **Investment Manager**

Triple AM LLP  
47 Castle Street  
Reading, Berkshire  
RG1 7SR  
United Kingdom

### **Auditors**

Deloitte  
Hardwicke House  
Hatch Street  
Dublin 2  
Ireland

### **Administrator**

CACEIS Ireland Limited  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

### **Depositary**

CACEIS Bank, Ireland Branch  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

### **Legal Advisors in Ireland**

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### **Secretary**

KB Associates  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

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## DEFINITIONS

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

- "Accounting Date"** means March 31 in each year or such other date as the Directors may from time to time decide. The Central Bank will be notified in advance of any change in the Accounting Date.
- "Accounting Period"** means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of the ICAV's registration and, in subsequent such periods, on the day following expiry of the last Accounting Period. The first Accounting Period for the ICAV shall end on March 31, 2017.
- "Act"** means the Irish Collective Asset-management Vehicle Act, 2015 as may be amended, supplemented or re-enacted from time to time.
- "Accumulation Shares"** means Shares where the income of a Fund relative to the Shareholders' holding of Accumulation Shares is accumulated and added to the capital property of the Fund.
- "Administrator"** means CACEIS Ireland Limited or any successor(s) thereto appointed by the ICAV to provide administration services to the ICAV and subject to the requirements of the Central Bank.
- "Administration Agreement"** means the administration agreement made between the ICAV, the AIFM and the Administrator dated 10 August, 2016 as may be amended and / or supplemented from time to time.
- "AIF"** has the meaning given in the AIFMD Regulations.
- "AIFM"** means KBA Consulting Management Limited or any successor(s) thereto appointed by the ICAV as alternative investment fund manager in accordance with AIFM Legislation.
- "AIFM Agreement"** means the alternative investment fund management agreement dated 10 August, 2016 made between the ICAV and the AIFM.
- "AIFM Directive"** means the European Union Directive on Alternative Investment Fund Managers 2011/61/EU.
- "AIFM Regulations"** means the European Union (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013), as amended, and as may be further amended, supplemented or re-enacted from time to time.
- "AIFM Legislation"** means the AIFM Regulations, the AIFM Directive, the Level 2 Regulation, the Act, the Rulebook and any applicable rules, or any of them, as the case may be.

<b>"Anti-Money Laundering and Countering Terrorist Financing Legislation"</b>	means the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 as amended by the Criminal Justice Act, 2013, as amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.
<b>"Application Form"</b>	means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time.
<b>"Auditors"</b>	means Deloitte or any alternative(s) or successor(s) thereto appointed by the ICAV to act as auditors of one or more Funds as detailed in the relevant Supplement.
<b>"Base Currency"</b>	means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.
<b>"Business Day"</b>	means any day on which banks are open for business in Ireland, and / or such additional or alternative days as may be determined by the Directors of the ICAV at their absolute discretion. If the Directors wish to have different Business Days for particular Funds such day or days shall be so specified in the relevant Supplement for that Fund.
<b>"Central Bank"</b>	means the Central Bank of Ireland.
<b>"Class"</b>	means a particular division of Shares of the ICAV.
<b>"Clear Days"</b>	means in relation to a period of notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>"Data Protection Legislation"</b>	means the Data Protection Act 1988 as amended by the Data Protection (Amendment) Act 2003, as may be amended from time to time.
<b>"Dealing Day"</b>	means a "Subscription Day" or a "Redemption Day" as the context so requires.
<b>"Depository"</b>	means CACEIS Bank, Ireland Branch or any alternative(s) or successor(s) thereto appointed by the ICAV and approved by the Central Bank to act as depository of the ICAV.
<b>"Depository Agreement"</b>	means the depository agreement dated 10 August, 2016 made between the ICAV, the AIFM and the Depository.
<b>"Directors"</b>	means the directors of the ICAV or any duly authorised committee or delegate thereof.
<b>"ERISA Investor"</b>	means (i) any plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") (e.g., U.S. corporate plans)

(ii) any plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (e.g., IRAs) and (iii) any passive investment fund whose underlying assets include “plan assets” (generally because plans (described in (i) or (ii) own 25% or more of a class of the ICAV’s equity interests).

<b>“ESMA”</b>	means the European Securities and Markets Authority.
<b>“ESMA Guidelines on Remuneration”</b>	means the ESMA Guidelines on sound remuneration policies under the AIFMD, published 7 July, 2013.
<b>“External Valuer”</b>	means an external valuer appointed by the AIFM to value the assets of a Fund or Funds in accordance with the AIFM Regulations.
<b>"Fund"</b>	means a sub-fund of the ICAV which is established by the Directors from time to time with the prior approval of the Central Bank representing the designation by the Directors of a particular pool of assets separately invested in accordance with the investment objective and policies applicable to such sub-fund.
<b>“ICAV”</b>	means Redhedge ICAV.
<b>"Income Shares"</b>	means Shares where the income of a Fund relative to the Shareholders’ holding of the Income Shares may be distributed in respect of each Accounting Period.
<b>"Initial Offer Period"</b>	means the period, as specified in the relevant Supplement, during which Shares are offered at their Initial Issue Price.
<b>“Initial Issue Price”</b>	means the price, as specified in the relevant Supplement, at which Shares will be offered during the Initial Offer Period.
<b>“Instrument”</b>	means the Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank.
<b>"Investment Manager"</b>	means Triple AM LLP acting as investment manager or any one or more investment managers or any successor(s) thereto appointed by the AIFM and approved by the Central Bank to act as investment manager of one or more Funds as detailed in the relevant Supplement.
<b>"Investment Management Agreement"</b>	means the investment management agreement made between the AIFM, the ICAV and the Investment Manager dated 10 August, 2016 or such other investment management agreement made between the AIFM, the ICAV and the Investment Manager in respect of one or more Funds.
<b>"Ireland"</b>	means the Republic of Ireland.
<b>“Level 2 Regulation”</b>	means Commission Delegated Regulation No. 231/2013 of 19 December, 2012 as may be amended, supplemented or substituted from time to time.

<b>"Management Shares"</b>	means a management share in the capital of the ICAV which shall have the right to receive profits or income arising from the acquisition, holding, management or disposal of Investments of the ICAV in an amount not to exceed the consideration paid for such management share.
<b>"Member"</b>	means a person who is registered as the holder of Shares or Management Shares the prescribed particulars of which have been recorded in the Register.
<b>"Member State"</b>	means a member state of the European Union.
<b>"Minimum Holding"</b>	means the minimum number or value of Shares which must be held by each Shareholder as specified in the relevant Supplement.
<b>"Minimum Subscription"</b>	means the minimum initial amount which may be subscribed for Shares in any Fund or Class as specified in the relevant Supplement provided that the minimum initial amount of investment in the ICAV shall not be less than Euro 100,000 or its equivalent in another currency (subject to the exemption therefrom available to Knowledgeable Persons) and the aggregate of an investor's investments in one or more Funds or Classes may be taken into account for the purpose of satisfying the regulatory minimum subscription requirement.
<b>"Net Asset Value"</b>	means the Net Asset Value of a Fund or attributable to a Class (as appropriate), as described in the section of the Prospectus entitled "NET ASSET VALUE AND VALUATION OF ASSETS".
<b>"Net Asset Value per Share"</b>	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to four (4) decimal places.
<b>"Ordinary Resolution"</b>	a resolution of the Members or of the Shareholders of a particular Fund or Class of Shares in general meeting passed by a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class of Shares as the case may be.
<b>"Prime Broker"</b>	means any one or more prime brokers or any successor(s) thereto appointed to a prime broker of one or more Funds as detailed in the relevant Supplement.
<b>"Prospectus"</b>	the prospectus of the ICAV and any Supplements and addenda thereto issued in accordance with the requirements of the Central Bank.
<b>"Qualifying Investor"</b>	means: <ul style="list-style-type: none"> <li>(a) An investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) ("MiFID");</li> <li>or</li> </ul>

- (b) An investor who 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
- (c) An investor who certifies that they are an informed investor by providing the following:
  - (i) Confirmation (in writing) 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
  - (ii) Confirmation (in writing) 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.

Qualifying investors must certify in writing to the ICAV that they meet the minimum criteria listed above and are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested. The Minimum Subscription for Qualifying Investors is €100,000 (or its equivalent in other currencies) (except for "**Knowledgeable Persons**"). The aggregate of an investor's investments in different Funds or Classes can be taken into account for the purposes of determining this requirement. The Directors may also increase this amount to take into account legal or regulatory requirements of other jurisdictions and will notify investors subscribing for Shares of any changes in advance of each subscription. The Directors have full discretion to limit investment by an investor who would meet the above criteria, but their investment would result in the legal or beneficial ownership of such Shares by a person in contravention of any restrictions on ownership or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole.

Within the EU, the ICAV may only be marketed to professional investors as defined in the AIFM Directive unless the Member State in question permits, under the laws of that Member State, the ICAV to be sold to other categories of investors and that such investors encompass Qualifying Investors as set out in (b) and (c) above.

**"Redemption Charge"**

means the charge, if any, to be paid out of the Redemption Price which Shares may be subject to, as specified in the relevant Supplement.

means such day or days in each year as the Directors may from time to time

<b>"Redemption Day"</b>	determine in respect of a particular Class of Shares or for each Fund and specified in this Prospectus or relevant Supplement to this Prospectus in respect of each Fund.
<b>"Redemption Deadline"</b>	means the deadline by which completed Redemption Requests must be received by the Administrator, as described in the relevant Supplement or such other date as the Directors may determine upon prior notification to the Shareholders.
<b>"Redemption Price per Share"</b>	means the price at which a Share may be redeemed as specified in the section entitled "REDEMPTIONS AND CONVERSIONS".
<b>"Redemption Request"</b>	means any redemption request to be completed by Shareholders as prescribed by the ICAV from time to time.
<b>"Reference Currency"</b>	means the currency of account of a Class of Shares as specified in the relevant Supplement relating to that Fund where applicable.
<b>"Rulebook"</b>	means any rulebook issued by the Central Bank in accordance with the Act.
<b>"Secretary"</b>	means KB Associates or any successor thereto appointed to act as secretary to the ICAV.
<b>"Share"</b>	means a redeemable participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the ICAV. Shares are intangible personal property which give the holders thereof certain legal rights.
<b>"Shareholder"</b>	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.
<b>"Special Resolution"</b>	means a special resolution of the Members or the Shareholders of a particular Fund or Class in general meeting passed by a majority of 75 (seventy five) % of votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class as the case may be.
<b>"Specified US Person"</b>	means (i) a US citizen or resident individual, (ii) a partnership or corporation organised in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any

political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

**"Sub-Investment Manager"**

means any one or more entities or individuals which may be selected and appointed by the 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, the identity of which will be made available to investors upon request and shall be set out in the relevant Fund's periodic reports..

**"Sub-Investment Management Agreement"**

means any one or more sub-investment management agreements made between the Investment Manager and one or more Sub-Investment Managers to which the AIFM may join as party.

**"Subscription Charge"**

means the charge, if any, to be levied on investors subscribing for Shares, as described in the relevant Supplement.

**"Subscription Day"**

means such day or days in each year as the Directors may from time-to-time determine for each Fund and specified in the Supplement to this Prospectus in respect of each Fund.

**"Subscription Deadline"**

means the deadline by which Subscription Requests must be received by the Administrator, as described in the relevant Supplement, or such other date as the Directors may determine upon prior notification to the Shareholders.

**"Subscription Price per Share"**

means the price at which a Share will be available for subscription subsequent to the Initial Offer Period as specified in the section of this Prospectus titled "THE SHARES AND SUBSCRIPTIONS".

**"Subscription Request"**

means any potential investor or Shareholder subscription request completed as prescribed by the ICAV from time to time.

**"Supplement"**

means a supplement to this Prospectus specifying certain information in respect

of a Fund.

**"US Person"**

means a US Person (i) as defined in Regulation S under the U.S. Securities and Exchanges Act 1933, (ii) within the meaning of CFTC Regulation 4.7 and (iii) as detailed in CFTC Interpretative Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations of July 26, 2013.

**"Valuation Point"**

means such time as shall be specified in the relevant Supplement for each Fund.

## THE ICAV

### Establishment

The ICAV is an umbrella type Irish collective asset-management vehicle with variable capital and segregated liability between Funds registered in Ireland with the Central Bank on July 17, 2016 with registration number C155838 and authorised by the Central Bank, pursuant to Part 2 of the Act, as a Qualifying Investor Alternative Investment Fund on the 10 August, 2016.

Although the ICAV has an unlimited life, unless otherwise specified in the Supplement for the relevant Fund the Directors may, by giving not less than two nor more than twelve weeks' notice to the Shareholders, expiring on a Redemption Day, redeem at the Redemption Price per Share prevailing on such Redemption Day all the Shares in any or all Classes then outstanding.

### Structure

The ICAV is structured as an umbrella type Irish collective asset-management vehicle consisting of different Funds each comprising one or more Classes of Shares.

Each Fund may be established and shall be identified as either an open-ended Fund, a Fund with limited liquidity or a closed-ended Fund, in the relevant Supplement. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes may be established by the Directors and notified to and cleared in advance with the Central Bank. Where disclosed in the relevant Supplement, series of Shares in respect of a Class of Shares of a Fund may be created by the Directors. In such cases, references to "Class" herein shall, where the context requires it, be deemed to include reference to "series" save where otherwise disclosed in the relevant Supplement.

The Shares issued in each Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, voting rights, return of capital, the use of techniques and instruments for efficient portfolio management, subscription or redemption procedures, the level of fees and expenses to be charged to a Fund or Class or the Minimum Subscription and Minimum Holding applicable or otherwise in accordance with the requirements of the Central Bank.

### Subsequent Issue of Shares

Following the close of the Initial Offer Period for any Fund, Shares shall be issued at the Net Asset Value per Share.

Certain Funds may, after the close of the Initial Offer Period, limit or prohibit any subsequent issue of Shares. Details of any such limitation or prohibition shall be set out in the relevant Supplement.

## Segregated Liability of Funds

The ICAV is an umbrella investment vehicle with segregated liability between its Funds. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability. In addition, any contract entered into by the ICAV in respect of one Fund will, by operation of Irish law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any other Fund other than the Fund in respect of which the contract was entered into.

At the date of this Prospectus the ICAV has established two Funds: Redhedge Synergy Total Return and RV – Corporate Bonds Fund.

The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class save in specific circumstances as permitted by the Central Bank and as may be described in the Supplement for the relevant Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus. The Base Currency of each Fund is specified in the relevant Supplement.

## Closed-Ended Status/Term

While a Fund is closed-ended, Shareholders in such Fund of the ICAV shall not be entitled to request the repurchase of their Shares. During the period following the initial offer or placing of Shares a closed-ended Fund of the ICAV will be closed to redemptions at the request of Shareholders or may be subject to restriction on repurchases pursuant to the provisions of this Instrument (the “**Closed-Ended Period**”). On the expiry of the Closed Ended Period of the relevant Fund of the ICAV, the ICAV will:-

- (a) as the Directors consider appropriate, taking into account the interests of Shareholders as they deem appropriate, liquidate the Fund's portfolio of investments and return the net proceeds thereof to Shareholders as and when such proceeds become available through distributions or the compulsory repurchase of Shares, and, following such liquidation, terminate the Fund and apply to the Central Bank for revocation of the Fund's approval. Such liquidation shall commence immediately upon expiry of the Closed-Ended Period of the Fund unless extended pursuant to (d) below;
- (b) repurchase all outstanding Shares in the relevant Fund and will apply to the Central Bank for revocation of the relevant Fund's approval provided that, if the relevant Fund is the last Fund of the ICAV, the Directors will apply to the Central Bank for revocation of the ICAV's authorisation;
- (c) convert the relevant Fund into an open-ended Fund, the relevant subscription and redemption details of which shall be in accordance with the requirements of the Central Bank and specified in an addendum to the Prospectus or in a new Prospectus or Supplement to the Prospectus issued upon such conversion and as determined by a duly convened and held general meeting of Shareholders of that Fund; or

- (d) seek the approval of Shareholders by way of Special Resolution to extend the Closed-Ended Period of the Fund for a further finite period. However, where a redemption facility is available to those Shareholders who do not wish to extend the Closed-Ended Period, an Ordinary Resolution shall be sufficient to extend the Closed-Ended Period.

Unless terminated earlier in accordance with the provisions of the Prospectus or relevant Supplement, or extended as provided for herein, the term of a Fund will be set out in the Prospectus or relevant Supplement.

#### **Legal implications of an investment in the ICAV**

The main legal implications of the contractual relationship which an investor subscribing for Shares would enter into by investing in a Fund are as follows:

- (i) By completing and submitting the Application Form, an investor will have made an offer to subscribe for Shares which, once it is accepted by the ICAV and Shares are issued, has the effect of a binding contract.
- (ii) The applicant will be obliged to make representations, warranties, declarations and certifications in the Application Form relating to its eligibility to invest in the Fund and its compliance with the applicable anti-money laundering laws and regulations. For further details, refer to the section of the Prospectus entitled "RISK FACTORS - Limitation on Liability of Shareholders".
- (iii) Upon the issue of Shares, an investor will become a Shareholder in the relevant Fund and will be bound by the terms of the Instrument.
- (iv) The Instrument is governed by, and construed in accordance with, the laws of Ireland. The Application Form is governed by, and construed in accordance with, the laws of Ireland.
- (v) Any judgment for a definite sum obtained against the ICAV in the courts of a foreign (non-Irish) jurisdiction (a "**Foreign Judgment**") should generally be recognised and enforced by the courts of Ireland without a retrial or examination of the case where Council Regulation EC No.44/2001 on the Jurisdiction and the Recognition of Judgments in Civil and Commercial Matters (the "**2001 Brussels Regulation**") applies or where Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the Jurisdiction and the Recognition of Enforcement of Judgments in Civil and Commercial Matters ("Regulation EU No. 1215/2012") applies. Where the 2001 Brussels Regulation or Regulation EU No. 1215/2012 does not apply, the Foreign Judgment would not automatically be enforced in Ireland and it would be necessary to initiate legal proceedings before a court of competent jurisdiction in Ireland. In such circumstance, an Irish court would generally recognise and enforce such a Foreign Judgment without retrial or examination of the merits of the case provided certain common law principles are complied with.

#### **Investors' Rights Against the Service Providers**

Absent a direct contractual relationship between a Shareholder and a service provider to the ICAV, a

Shareholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Shareholder could potentially bring a claim against a service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the ICAV or the AIFM by the relevant service provider will generally be the ICAV or AIFM respectively.

### **Investment Objective and Policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors, upon consultation with the AIFM, at the time of creation of the relevant Fund.

### **Changes to the Investment Objective and Policies of a Fund**

#### *Open-Ended Funds and Funds with Limited Liquidity*

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

#### *Closed-Ended Funds*

In the case of a closed-ended Fund where there is no opportunity for Shareholders to redeem their Shares or otherwise exit the Fund, the investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the prior written approval of all Shareholders of the relevant Fund or on the basis of 75% of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held.

In the case of a closed-ended Fund where there is an opportunity for Shareholders to redeem their Shares or otherwise exit the Fund, the investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the prior written approval of all Shareholders of the relevant Fund or on the basis of 50% of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held.

Where non-material changes are made to the investment policy of a closed-ended Fund, Shareholders shall be notified via appropriate disclosure being included in the next annual report of the ICAV.

### **Investment Restrictions**

Each Fund must comply with the limits on investments contained in the Central Bank's Rulebook applicable to Qualifying Investor AIFs, this Prospectus and in the relevant Supplements.

The limits on investments contained in the Rulebook applicable to Qualifying Investor AIFs, this Prospectus and in the relevant Supplements apply at the time of purchase of the investments and continue to apply thereafter. If those limits are subsequently exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the ICAV must adopt as a priority objective the remedying of that situation, taking due account of the interests of the Fund and its Shareholders.

The AIFM may impose further investment restrictions in respect of any Fund. Any specific investment and borrowing restrictions applicable to each Fund (over and above the generic investment restrictions imposed by the Central Bank as detailed below) will be set out in the relevant Supplement and will be formulated by the ICAV at the time of establishment of the relevant Fund.

- 1 The ICAV or the AIFM (or of its duly appointed delegates or sub-delegates) in connection with all of the collective investment schemes it manages, may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. This requirement does not apply to investments in other investment funds. It may also be disapplied where a Fund is a venture capital, development capital or private equity fund provided its Supplement indicates its intentions regarding the exercise of legal and management control over underlying instruments.
- 2 The ICAV on behalf of any Fund may not raise capital from the public through the issue of debt securities. That does not preclude the issue of notes by the ICAV, on a private basis, to lending institutions to facilitate financing arrangements.
3. Save where otherwise disclosed in the relevant Supplement in the case of a loan originating Fund complying with the requirements of the Rulebook in respect of such Funds, the ICAV is not permitted to grant loans or act as a guarantor on behalf of third parties. This is without prejudice to the right of a Fund to acquire debt securities. It will also not prevent Funds from acquiring 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 at least simultaneous triggering of obligations on Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into.

#### *Funds investing in other funds*

The Central Bank imposes restrictions on Funds which invest in other funds as summarised below.

#### *General*

4. Where the ICAV invests in a collective investment scheme which is managed by the AIFM (or of its duly appointed delegates or sub-delegates), or by an associated or related company of the AIFM (or of its duly appointed delegates or sub-delegates), the manager of the scheme, in which the investment is being made, must waive any preliminary/initial/redemption charge which it would normally charge.

5. Where a Fund (the “Investing Fund”) invests in the units of other Funds (each a “Receiving Fund”), the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund’s assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) may not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund’s assets, such that there shall be no double charging of annual management fee to the Investing Fund as a result of its investments in the Receiving Fund.

This provision also applies to an annual fee charged by the Investment Manager (and any of its duly appointed delegates) where such fee is paid directly out of the assets of the ICAV (if applicable).

#### *Fund of Funds*

6. A Fund may invest up to 100% of its assets in other funds, subject to a maximum of 50% of net assets in any one underlying unregulated fund. A Fund must not make investments which circumvent this restriction, for example, by investing more than 50% of net assets in two or more unregulated investment funds which have identical investment strategies.

#### *Funds investing more than 50% of net assets in one other investment fund*

7. Where a Fund invests more than 50% of its net assets in one other investment fund, the underlying investment fund must be authorised in Ireland or in another jurisdiction by a supervisory authority established in order to ensure the protection of Shareholders and which, in the opinion of the Central Bank, provides an equivalent level of investor protection to that provided under Irish laws, regulations and conditions governing Qualifying Investor AIFs. A Fund may not invest in an investment fund which itself invests more than 50% of net assets in another investment fund and the annual report of the ICAV must have the annual report of the underlying investment fund attached.

#### *Funds with €500,000 minimum subscription requirement*

8. The preceding requirements do not apply where a Fund has a minimum initial subscription requirement of €500,000 or its equivalent in other currencies. However, the aggregate of an investor’s investments in the Funds cannot be taken into account for the purposes of determining this requirement.

#### *Use of Subsidiaries*

9. The ICAV may, subject to the prior approval of and in accordance with the requirements of the Central Bank, establish and invest through wholly owned companies where the AIFM considers it necessary or desirable to do so for the purpose of entering into transactions or contracts and/or holding certain of the investments or other property of a Fund. None of the investment restrictions set out in the Prospectus or relevant Supplement shall apply to investment in or deposits with or loans to any such subsidiary company and the investments or other property

held by or through any such entity shall be deemed for such purposes to be held directly for the relevant Fund. The names of any such subsidiary companies shall be disclosed in the Annual Report.

#### *OTC counterparties*

10. When selecting counterparties in an OTC derivatives transaction, in a securities lending or in a repurchase agreement, the AIFM is required ensure that those counterparties fulfil all of the following conditions:
  - (a) they are subject to ongoing supervision by a public authority;
  - (b) they are financially sound; and
  - (c) they have the necessary organisational structure and resources for performing the services which are to be provided by them in respect of the relevant Fund.

#### **Borrowing and Leverage**

Where specified in the relevant Supplement, a Fund may borrow from brokers, banks and others on a secured or unsecured basis, and may employ leverage to the extent deemed appropriate by the AIFM. Leverage may take the form of loans (including trading on margin), and investments in derivative instruments that are inherently leveraged, in addition to other forms of direct or indirect borrowings.

A Fund also may borrow for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. A Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The borrowing and leverage limit for each Fund (if applicable) will be set out in the relevant Supplement for each Fund.

Further details in relation to any restrictions on the use of leverage and the provision of collateral and / or asset re-use arrangements applicable to each Fund will be set out in the relevant Supplement.

Information on changes to the maximum level of leverage calculated in accordance with the gross and commitment methods and any right of re-use of collateral or any guarantee under the leveraging arrangements shall be disclosed without undue delay and shall include:

- (a) the original and revised maximum level of leverage calculated in accordance with the relevant provisions of the AIF Legislation, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of a Fund;
- (b) the nature of the rights granted for the reuse of collateral;
- (c) the nature of guarantees granted; and

(d) details of changes in any service providers relating to one of the items above.

Such information relating to the above if applicable shall be disclosed in the annual reports of the ICAV.

The total amount of leverage employed by each Fund during the Accounting Period, calculated in accordance with the gross and commitment methods, shall be disclosed to investors in the annual reports of the ICAV.

### **Changes to Investment Restrictions**

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 restrictions imposed by the Central Bank pursuant to the Rulebook which would permit investment in a manner which is at the date of this Prospectus restricted or prohibited by the Rulebook. In the event of a change of the investment restrictions of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change.

### **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund or Class of Share will be specified in the relevant Supplement as the case may be. Whether Accumulating or Income Shares will be issued in relation to a particular Fund will be described in the relevant Supplement.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes, as described above, will result in a delay in the settlement of dividend payments. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the Administrator is satisfied that its anti-money laundering and client identification purposes have been fully complied with, following which such dividend will be paid. In the event of the insolvency of the relevant Fund or the ICAV before such monies are transferred to the Shareholder there is no guarantee that the Fund or the ICAV will have sufficient funds to pay its unsecured creditors in full.

### **Availability of the Subscription and Redemption Price Per Share**

Shareholders are advised that the Subscription Price Per Share and the Redemption Price Per Share will be available promptly on request from the AIFM and the Administrator.

### **Liquidity Management Policy and Redemption Rights**

Funds may be established as open-ended, limited liquidity or closed-ended funds. The Dealing Days and notice periods for each Fund will be set out in the relevant Supplement.

The AIFM has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the ICAV and each Fund and to ensure the liquidity profile of the investments of the ICAV is compliant with its underlying obligations. The liquidity management systems

and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the ICAV and its Funds.

In summary, the liquidity management policy monitors the profile of investments held by each Fund and ensures that such investments are appropriate to the redemption policy as stated herein or in the relevant Fund Supplement and will facilitate compliance with the ICAV's underlying obligations.

The AIFM seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are aligned. The investment strategy, liquidity profile and redemption policy will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the ICAV's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the AIFM shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of each Fund.

Details of the redemption rights of shareholders, including redemption rights of shareholders in normal and exceptional circumstances and existing redemption arrangements are set out in the relevant Supplement and /or the section of this Prospectus entitled "Redemptions".

### **Securities Financing Transactions Regulation**

As may be further specified in the Supplement for a Fund, a Fund may engage in securities financing transactions ("SFTs") within the meaning of EC Regulation 2015/2365 (the "SFT Regulation"). Information relating to the use of SFTs and total return swaps entered into by a Fund shall be reported pursuant to the SFT Regulation and any applicable guidelines.

Subject to what is set out in each Supplement, a Fund may be entitled to use total return swaps, engage in securities lending and enter into repurchase or reverse repurchase agreements as in the relevant Supplement. Under a total return swap, the Fund may exchange floating or fixed payments for payments based on the total return of a reference asset (such as equity or a fixed income instrument). Total return swaps allow the Fund to manage its exposure to certain securities or reference securities. Under a securities lending arrangement, the Fund may temporarily transfer one of its assets to a third party, under agreement by the third party to return an equivalent asset to the Fund at a pre-agreed time. In entering into such a transaction the Fund may increase the return on its asset by receiving a fee for making its asset available to the third party. Under a repurchase or reverse repurchase agreement one party sells another party an asset at a specified price with a commitment to buy the asset back at a later date for another specified price. A Fund may enter into these agreements for various purposes (not limited to treasury management, cash flow generation, to manage exposure to nominal and real interest rates or the credit market, or to obtain use of a particular security).

The maximum exposure of a Fund in respect of SFTs and total return swaps shall be specified in the Supplement for the Fund.

### **Collateral**

Subject to what is set out in the relevant Supplement, a Fund may be entitled to pass cash or other assets to its counterparties as margin or collateral and such assets may be therefore be passed

outside the custodial network of the Depositary to an unlimited extent in order to support the Fund's transactions.

Collateral received by a Fund shall be sufficiently liquid (as determined by the AIFM) so that it can be sold quickly at a price that is acceptable to the AIFM. Among other things, a Fund may receive as collateral cash, government bonds and liquid securities to the extent deemed acceptable by the AIFM in respect of the over-the-counter derivative transactions (including total return swaps, repurchase agreements and reverse repurchase agreements) and other relevant transactions of the Fund.

The AIFM will typically only accept collateral that is issued by an entity that is independent from the counterparty entering into a trade, such that there is no direct correlation between the collateral received and the performance of the counterparty.

The AIFM intends that collateral received should be valued on a periodic basis as deemed appropriate in light of the terms of the associated over-the-counter contract, which may involve daily mark-to-market valuation and daily margin calls. Where considered appropriate by the AIFM, depending on the over-the-counter contract involved, such valuations and margin calls may be effected by the AIFM on a less frequent basis.

The AIFM intends to only accept collateral on a title-transfer basis. Collateral received on a title transfer basis should be held by the Depositary or its agent on behalf of the Fund.

The Supplement for a Fund shall provide further information on any collateral reuse arrangements applicable to the Fund.

### **Side Pockets**

In accordance with Article 5.06 (b) of the Instrument of Incorporation and the requirements of the Central Bank and where disclosed in the relevant Supplement, the ICAV may avail of certain protective measures when a Fund faces liquidity constraints or other market disruption events. These include the power to create side pockets in accordance with the terms of the Instrument of Incorporation.

The Instrument of Incorporation outline the provisions whereby, in certain circumstances, the Directors upon consultation with the AIFM, taking into account the interests of all Shareholders and acting in accordance with the requirements of the Central Bank may create and issue at their discretion from time to time, a new Class or Classes of Shares ("Side Pocket Class") to which assets and liabilities of a Fund which become illiquid or otherwise difficult to value or realise are allocated at the discretion of the Directors. Shares in such Side Pocket Class ("Side Pocket Shares") shall be redeemable by the ICAV and/or by the holders thereof only when so determined by the Directors.

The Directors may also upon consultation with the AIFM, at their discretion create and issue a Side Pocket Class to which assets and liabilities of a Fund which are illiquid at the time of purchase are allocated.

The creation of a Side Pocket Class within any Fund shall be subject to compliance with the requirements of the Central Bank and shall be disclosed in the Supplement of the relevant Fund.

## MANAGEMENT AND ADMINISTRATION

The powers of management of the ICAV and the ICAV's assets are vested in the Directors pursuant to the Instrument. The Directors have delegated the day to day management and running of the ICAV to the AIFM. The address of the Directors is the registered office of the ICAV.

### **Directors of the ICAV**

The Directors of the ICAV are Philip Craig, Stefano Caspani and Stephen Finn.

Details on the experience and backgrounds of each of the Directors is outlined below.

#### *Philip Craig (Irish national, Irish resident)*

Mr. Craig has worked in the alternative investment industry since 1991 and is an independent certified investment fund director and fund consultant. Mr. Craig is authorised by the Central Bank of Ireland for Pre-Approval Controlled Functions PCF-2 Non-Executive Director and PCF-3 Chairman on a broad range of both UCITS and alternative investment funds. Mr. Craig is currently the Chairman of Quayside Fund Management Ltd, an Irish regulated Alternative Investment Fund Manager (AIFM). Mr. Craig was a director with HSBC Securities Services in Geneva from 2011 to 2012. Between 2008 and 2011 Mr. Craig held the positions of regional director for Continental Europe, managing director of the Geneva office of Fortis/ABN AMRO Prime Fund Solutions and interim country manager for Fortis Bank in Switzerland. Between 1995 and 2008, Mr. Craig held the positions of commercial director and head of investor services at Fortis/ABN AMRO Prime Fund Solutions Ireland. Mr. Craig also worked at Ulster Bank Investment Services in Dublin from 1993 to 1995 and with Global Asset Management (GAM) in their Isle of Man and Dublin offices from 1991 to 1992.

Mr. Craig received a Bachelor of Arts Degree (History and Economics) from University College Dublin in 1990. Mr. Craig is a member of the Certified Investment Fund Director Institute, the Institute of Directors in Ireland, the Irish Fund Directors Association and the Institute of Banking in Ireland. Mr. Craig was also granted the designation of Certified Investment Fund Director (CIFD) by the Institute of Banking in Ireland (a recognised college of University College Dublin) and Irish Funds.

#### *Stefano Caspani (Italian national, Italian resident)*

Mr. Caspani is the Branch Manager of Triple AM ITALIAN BRANCH, the Italian subsidiary of Triple AM LLP, an investment management company based in UK and focused on Alternative Fund management. Prior to joining Triple AM LLP, Mr Caspani spent four years, from 2012 to January 2016, at Equa AM SIM Spa where he covered different positions including Head of Back Office, Anti Money Laundering Officer, Head of Suspicious Transactions and Reporting, Risk Manager and Compliance Officer. Mr Caspani has been active in the investment funds industry since 2007. He has extensive experience in alternative investment funds and in assisting funds address their set-up and on-going operations. Mr Caspani served as director in GDP AM (Malta) Ltd, an asset management company based in Malta, from 2009 to 2010, as director on Alphabetos Funds Sicav Plc (Malta) from 2008 to 2010 and on GDP Sungear Sicav (Luxembourg) from 2007 to 2010. Mr Caspani is also a director of Redhedge SICAV PLC (MALTA).

Mr Caspani holds a Bachelor in Economics from Università Bocconi in Milan. He also attended a Course of Corporate Finance at SDA Bocconi, Milan, in 2009.

*Stephen Finn (Irish national, Irish resident)*

Mr. Finn is a Senior Consultant with KBA Consulting Management Limited, a firm which provides of fund management services to collective investment schemes. Mr Finn has been active in the investment funds industry since 2000. He has extensive experience of both UCITS and alternative investment funds and in assisting funds address their on-going operations and compliance requirements. He has particular experience in the relevant tax reporting requirements to support the distribution of funds in various countries both within the EU and elsewhere. Prior to joining KB Associates Mr Finn spent twelve years at RBC where he was responsible for the delivery of fund accounting services to a number of key clients. Mr Finn commenced his career at BNY Mellon.

Mr Finn holds a Bachelor of Commerce Degree (Hons) from University College Dublin, a Certificate and Diploma in Mutual Funds from the Institute of Bankers in Ireland and is a member of the Association of Chartered Certified Accountants.

### **Secretary**

The secretary of the ICAV is KB Associates.

### **AIFM**

Pursuant to the AIFM Agreement, the ICAV has appointed KBA Consulting Management Limited as the alternative investment fund manager of the ICAV.

The AIFM will be responsible for the management and general administration of the ICAV with power to delegate such functions subject to the overall supervision and control of the AIFM. In accordance with the requirements of the Central Bank, the AIFM delegates certain of its fund administration duties and some of its portfolio management functions to the Investment Manager in accordance with AIFM Legislation. The liability of the AIFM to the ICAV will not be affected by the fact that it has delegated certain of its functions.

The AIFM was incorporated in Ireland on 4 December 2006 as a private company with limited liability under registration number 430897.

The AIFM will at all times maintain a level of minimum capital in accordance with the requirements of the AIFM Regulations. In addition, the AIFM maintains professional indemnity insurance against liability arising from professional negligence which is appropriate to the risk covered as well as additional own funds appropriate to cover professional indemnity insurance excess amount. The AIFM has an authorised share capital of €1,000,000 of which €65,000 is paid up. The AIFM is wholly owned by Clifton Directors Ltd. Mike Kirby owns 100% of Clifton Directors Ltd.

The AIFM's main business is the provision of fund management services to collective investment schemes such as the ICAV.

The AIFM is legally and operationally independent of the Administrator, the Depositary and the Investment Manager.

The Directors of the AIFM are described below:

*Mike Kirby (Irish Resident)* is Chairman of KBA Consulting Management Limited and is Managing Principal at KB Associates a firm which provides a range of advisory and project management services to the promoters of offshore mutual funds. He has previously held senior positions at Bank of New York (previously RBS Trust Bank) (1995-2000) where he was responsible for the establishment and ongoing management of its Dublin operations. He has also held senior positions in the custody and fund administration businesses of JP Morgan in London and Daiwa Securities in Dublin. Mr. Kirby holds a Bachelor of Commerce (Honours) Degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

*Peadar De Barra (Irish Resident)* is an executive director of KBA Consulting Management Limited and a Senior Consultant with KB Associates. Mr. De Barra was Vice-President at Citi Fund Services (Ireland) Ltd (formerly BISYS), where he was responsible for the Financial Administration team (2003 to 2007). Prior to this Mr. De Barra was an accountant and auditor with PricewaterhouseCoopers Dublin and Boston (1998 to 2002) and was an assistant manager at AIB/BNY Fund Management (Ireland) Ltd (2002 to 2003) with responsibilities for statutory reporting. Since joining KB Associates in 2008, Mr. De Barra provides project management services to asset managers of funds of hedge funds including assistance with the financial statement process, advising clients on a range of fund restructuring and termination issues with particular focus on the valuation of illiquid assets and the liquidation of investment structures. He has particular expertise in relation to how asset managers and investment funds meet the operational requirements relating to the Alternative Investment Fund Managers Directive. He also fulfils the designated person role for a number of UCITS funds. In addition Peadar also acts as a director to a number of investment funds, investment managers and management companies. Mr. De Barra holds a Bachelor of Commerce Degree from University College Galway and is a Fellow of the Institute of Chartered Accountants in Ireland.

*Maurice Murphy (Irish Resident)* is an executive director of KBA Consulting Management Limited and a Senior Consultant with KB Associates. Mr Murphy has been active in the financial services industry since 1997. His main area of expertise is in alternative investment fund portfolio risk management. He has significant experience of risk managing alternative investment fund portfolios following a variety of investment strategies and under both normal and dislocated market conditions. He has also designed and implemented back-testing and stress-testing programmes in relation to alternative investment fund portfolios. Prior to joining KB Associates, Maurice was at Credit Suisse where he was Head of the Fund Linked Products desk in Dublin. Previously he spent a number of years with ABN Amro Bank (Ireland) Limited as Head of Risk Management. He began his career in London, working for Morgan Stanley and UBS. Mr Murphy holds a Bachelor of Commerce degree (Hons) and a Post Graduate Master of Business Studies (Hons) from University College Dublin. He is a certified Financial Risk Manager (FRM) by the Global Association of Risk Professionals (GARP) and a Chartered Alternative Investment Analyst (CAIA) Charterholder. He is also an Associate Member (ACSI) of the Chartered Institute for Securities & Investment (CISI).

*John Oppermann (Irish Resident)* has been involved in the financial services industry since 1987, experience with international funds domiciled in various locations across a variety of asset classes and investment strategies. Since 2008, Mr Oppermann acts as a consultant within the hedge fund industry providing fund consultancy, advisory, non-executive directorships, administration and accounting services to the international investment community. Mr Oppermann served as General Manager of Olympia Capital Ireland Limited from 2004 to July 2008, a fund administration company based in Dublin. Previously he was Accounting Manager at RMB International in Dublin from 2003 to 2004 and a Fund Accounting Manager at International Fund Services in Dublin from 2001-2002. Prior to that role he established Capita's registrars operation in Ireland, Capita Registrars (Ireland) Limited, and was its Senior Country Manager from 1999 to 2001. He was a member of the senior management team at Mellon Fund Administration from 1995 to 1998. He also held a number of senior positions with The Prudential Corporation from 1987 to 1996 in London. Mr Oppermann is a Fellow of the Association of Chartered Certified Accountants and holds a Masters of Business Administration from the Michael Smurfit Graduate Business School, University College Dublin. John has received the accreditation of Certified Investment Fund Director from the Institute of Banking School of Professional Finance. He is also a director for a number of companies.

*Samantha McConnell (Irish Resident)* has been involved in the financial services industry since 1991. Currently chief investment officer of Willis Ireland, formally IFG Ireland, she has overall responsibility for investments, operations, trustee services and marketing in IFG Ireland. Her team create the investment strategies followed by IFG clients and also ensure those are implemented correctly. She is a member of the Taoiseach's committee on asset management, a member of the IAPF investment subcommittee and a Director of CFA Ireland. She is a well-known industry commentator and has contributed widely to both print and broadcast media. She has worked in investments for over 17 years in a large variety of roles with Ulster Bank Investment Managers, KBC Asset Managers and Fexco. Samantha holds a first class honours degree in commerce from UCD and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder and holds a certificate in Company Direction from the IoD. She is a non-executive director for a number of companies.

For the purposes of this Prospectus, the address of all of the Directors is the registered office of the AIFM.

The company secretary of the AIFM is Lisa O'Neill.

A summary of the terms of the AIFM Agreement is set out under the heading "Material Contracts" in the section entitled "GENERAL INFORMATION".

### **Investment Manager**

The AIFM has appointed Triple AM LLP as the investment manager of the ICAV with discretionary powers pursuant to the Investment Management Agreement.

Triple AM LLP was incorporated in England on 12 November 2014 and is an authorised investment manager in United Kingdom. The Investment Manager is regulated by the FCA in the conduct of financial services and investment management activities and has a team of professionals with wide and extensive experience ranging from government bonds to equities with a particular focus on futures and options derivatives.

Under the terms of the Investment Management Agreement, the Investment Manager undertakes the day to day portfolio and risk management of the Funds under the supervision and subject to the control of the AIFM.

A summary of the terms of the Investment Management Agreement is set out under the heading “Material Contracts” in the section entitled “GENERAL INFORMATION”.

### **Sub-Investment Managers**

The Investment Manager may delegate the portfolio management of one or more Funds to one or more Sub-Investment Managers. Details of any sub-investment managers so appointed will be available upon request and will be provided in the relevant Fund’s periodic reports. The Investment Manager will discharge the fees of any such Sub-Investment Manager from its own fees. Any reference to the activities of the “Investment Manager” in this Prospectus may therefore refer to the Investment Manager or to such Sub-Investment Manager as the context allows.

### **Depositary**

CACEIS Bank Luxembourg – Dublin Branch has been appointed to act as depositary of the ICAV under a Depositary Agreement with the ICAV and the AIFM (summarised under the heading “Material Contracts” in the “GENERAL INFORMATION” section of this Prospectus).

CACEIS Bank Luxembourg, (including its existing branches and, in particular, CACEIS Bank Luxembourg - Dublin Branch) by virtue of a cross-border merger implemented by means of the European merger procedure set out in Directive no. 2005/56/EC of 26 October 2005 on the cross-border merger of limited liability companies, was absorbed into CACEIS Bank France with effect on 31 December 2016 the (“Effective Date”). CACEIS Bank France is a public limited liability company (*société anonyme*) incorporated under the laws of France with a share capital of 440,000,000 Euros, having its registered office located at 1-3, place Valhubert, 75013 Paris, France).

As and from the Effective Date, CACEIS Bank Luxembourg - Dublin Branch is the Irish Branch of CACEIS Bank France (“CACEIS Bank”) and from 1 January, 2017 is named CACEIS Bank, Ireland Branch. The merger transaction was approved by the responsible French and Irish regulatory authorities. As a consequence, CACEIS Bank, Ireland Branch will continue to provide the services to the ICAV under the Depositary Agreement.

The Depositary is currently the 9th largest depositary in the world with assets under custody in excess of €2.3 trillion as at 31 December 2015. It employs 3,275 people worldwide in 12 different locations.

#### *Duties of the Depositary*

The duty of the Depositary is to provide safekeeping/custody, oversight and asset verification services in respect of the assets of the ICAV and the Funds in accordance with the provisions of the AIFM Legislation and the Depositary Agreement. The Depositary will also provide cash monitoring services in respect of the ICAV’s cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the issue and repurchase of Shares in the ICAV is carried out in accordance with the relevant legislation and the Instrument. The Depositary will carry out the instructions of the Directors unless they conflict with the Act or the Instrument. The Depositary is also obliged to enquire into the conduct of the ICAV in each financial year and report thereon to the Shareholders.

#### *Depositary's Liability*

Pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV or to the Shareholders for loss of assets in custody (i.e. those assets which are required to be held in custody pursuant to the AIFM Regulations) or in the custody of any sub-depositary, unless it can provide that loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary shall be liable for any loss suffered as a result of the Depositary's negligence or intentional failure to properly fulfil its obligations under the Depositary Agreement and the AIFM Regulations.

In the event that there are any changes to the Depositary liability, the AIFM will inform Shareholders of such changes without delay.

#### *Delegation*

The Depositary Agreement also provides that the Depositary may appoint sub-custodians for the safekeeping of the assets of the ICAV (each a "**Sub-Custodian**") provided (i) the tasks are not delegated to a Sub-Custodian with the intention of avoiding the requirements of the AIFM Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due skill, care and diligence in the selection and appointment of a Sub-Custodian and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of each Sub-Custodian. The liability of the Depositary will not be affected by the fact that it has entrusted to any such Sub-Custodian some or all of such assets in its safekeeping.

The AIFM will disclose to investors before they invest in the ICAV any arrangement made by the Depositary to contractually discharge itself of any liability.

#### **Administrator**

The ICAV has appointed CACEIS Ireland Limited to provide administration, accounting and registrar and transfer agency services to the ICAV.

The Administrator was incorporated in Ireland as a private limited company on 26 May 2000 with registered number 327980 to provide administration services to collective investment schemes and is authorised by the Central Bank. The Administrator is owned by CACEIS which is a joint venture between Credit Agricole S.A. (85%) and Natixis S.A. (15%). As at 31 December 2015, the CACEIS Group had assets in excess of €1.5 trillion under administration worldwide. The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

A summary of the terms of the Administration Agreement is set out under the heading “Material Contracts”.

### **Auditor**

The ICAV has appointed Deloitte in Ireland to act as auditors at a fee to be agreed by the Directors from time to time. Deloitte will audit and report on the financial statements of the ICAV. The Auditor will conduct each audit in accordance with International Financial Reporting Standards (FRS 102). The Auditor’s engagement letter does not provide for any third party rights for investors.

### **External Valuer**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the ICAV can be performed. Save as otherwise provided for in the Supplement for a Fund, the ICAV does not intend to appoint an External Valuer to perform the valuation function. Details of any Independent Valuer(s) appointed in respect of a particular Fund shall be disclosed in the relevant Supplement and in the ICAV’s annual report. The assets and liabilities of each Fund will be valued in accordance with the valuation policy of the AIFM consistent with the provisions outlined in this Prospectus.

### **Paying Agents/Representatives/Sub-Distributors**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks (“**Paying Agents**”) and maintenance of accounts by such agents through which subscription and redemption monies or dividends may be paid. 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 the Depositary (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 Depositary for the account of the ICAV or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Unless otherwise disclosed in the relevant Supplement fees and expenses of Paying Agents appointed by the ICAV or the AIFM on behalf of the ICAV or a Fund which will be at normal commercial rates will be paid out of the assets of the relevant Fund.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the ICAV on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the ICAV.

### **Prime Broker**

Details pertaining to a Prime Broker (if any) appointed in respect of a particular Fund shall be outlined in the relevant Supplement.

## **Fair Treatment of Investors**

In all of its decisions the ICAV and the AIFM shall ensure fair treatment of investors in the ICAV and that any preferential treatment accorded by the ICAV or the AIFM to one or more investors does not result in an overall material disadvantage to other investors.

Unless otherwise provided for in the relevant Supplement, the AIFM seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are aligned. The investment strategy, liquidity profile and redemption policy of a Fund will be considered to be aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the Fund's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the AIFM shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of each Fund.

Whenever a Shareholder obtains preferential treatment or the right to obtain preferential treatment the AIFM shall provide in accordance with the AIFM Legislation a description of that preferential treatment, the type of Shareholder who obtain such preferential treatment and where relevant the legal or economic links with the AIFM or the ICAV.

## CONFLICTS OF INTEREST

The Directors, the AIFM, the Investment Manager, any Sub-Investment Manager, the Administrator Depository, any External Valuer and any other service provider or advisor to the ICAV and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the ICAV or a Fund and/or their respective roles with respect to the ICAV. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. In particular, the AIFM and/or Investment Manager and/or one or more Sub-Investment Managers may advise or manage other collective investment schemes which have similar or overlapping investment objectives to or with the ICAV or its Funds.

The Investment Manager or any Sub-Investment Manager may be consulted by the AIFM in relation to the valuation of investments which are not listed, quoted or dealt in on an exchange. There may be a conflict of interest between any involvement of the Investment Manager or Sub-Investment Manager in this valuation process and with the Investment Manager's or Sub-Investment Manager's entitlement to any proportion of a management fee or performance fee (if applicable) which are calculated on the basis of the Net Asset Value.

A Fund may invest in or be exposed to entities where controlling interests are held by other managed funds and accounts to whom any of the AIFM, Investment Manager, any Sub-Investment Manager or any of their affiliates provides investment advice and/or discretionary management. The Fund may purchase assets from, and sell assets to, such entities and may also invest in or be exposed to different tranches of securities in such entities.

The AIFM or the Investment Manager or any Sub-Investment Manager or any of their affiliates may contract or enter into any financial or other transaction with any Shareholder of a Fund or with any company or body any of whose shares or securities are held by or for the account of the Fund and may be interested in any such contracts or transaction.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly.

The ICAV shall only enter into a transaction with the Depository, the Administrator, the AIFM, the Investment Manager, any Sub-Investment Manager or delegates or group companies of these where it is negotiated at arm's length and such transactions are in the best interests of Shareholders. Transactions permitted are subject to:

- (a) a certified valuation by a person approved by the Depository (or in the case of a transaction involving the Depository, the Directors of the ICAV) as independent and competent; or
- (b) execution on best terms on an organised investment exchange under their rules; or

- (c) where (a) and (b) above are not practical, execution on terms which the Depositary (or in the case of a transaction involving the Depositary, the Directors of the ICAV) is satisfied conform to the principles that the transaction is negotiated at arm's length and is in the best interests of the Shareholders.

The periodic reports of the ICAV will confirm (i) whether the Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties and (ii) whether the Directors are satisfied that the transactions with connected parties entered into during the period complied with the obligations outlined above.

The AIFM or an associated company of the AIFM or the Investment Manager or any Sub-Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the AIFM or the Investment Manager or the Sub-Investment Manager may hold a high proportion of the Shares of a Fund or Class in issue.

### **Soft Commissions**

The AIFM and/or the Investment Manager may effect transactions with or through the agency of another person with whom the AIFM or the Investment Manager or an entity affiliated to the AIFM or the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the AIFM or 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 AIFM and 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 the services provided must be of a type which assist in the provision of investment services to the ICAV and Funds. A report will be included in the ICAV's annual report describing the AIFM's and/or Investment Manager's soft commission arrangement affecting the ICAV, if applicable.

### **Cash/Commission Rebates and Fee Sharing**

Where the AIFM, 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, permitted derivative instruments or techniques and instruments for the ICAV or a Fund, the rebated commission shall be paid to the ICAV or the relevant Fund as the case may be. The AIFM or its delegates may be reimbursed out of the assets of the ICAV or the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the AIFM or its delegates in this regard.

## **FEES AND EXPENSES**

### **Allocation of Fees and Expenses to the Funds**

In accordance with the Instrument, each Fund shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and all fees, expenses and liabilities attributable to the particular Fund shall be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. A description of the fees and expenses attributable to a particular Fund will be detailed in the relevant Supplement for that Fund. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period. The following disclosures relate to fees and expenses which are generally borne by the ICAV as a whole being attributable to one or more Funds and applied on a pro rata basis by the Directors in their discretion and in accordance with the Instrument.

### **Fees and Expenses of the AIFM, Administrator, Investment Manager, Sub-Investment Managers and Depositary**

The AIFM, Administrator, Investment Manager and Depositary shall be entitled to receive from the ICAV such fees and expenses in relation to each Fund or Class as specified in the Supplement for the relevant Fund. The Investment Manager shall discharge the fees of any Sub-Investment Manager appointed by it.

### **Additional Service Providers**

Any additional service providers appointed in respect of a Fund shall be entitled to receive out of the assets of the relevant Fund such fee or fees (plus VAT, if any) as specified in the Supplement for the relevant Fund. Any such additional service provider may also be reimbursed for all reasonable out of pocket expenses incurred by it in the performance of its obligations, together with VAT, if any, thereon.

### **Dealing Fees**

Details of Subscription Charges and Redemption Charges, if applicable, will be set out in the relevant Supplement for each Fund for the relevant Class. Please refer to the section entitled "Anti-Dilution Levy" under the section entitled "Net Asset Value and Valuation of Assets" for further information on dealing costs that may apply.

### **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the ICAV and the initial Funds including the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) will be borne by the ICAV. Such fees and expenses are estimated to amount to approximately €50,000 (plus VAT, if any) and it is intended will be amortised over five year period or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair and

shall be subject to such adjustment following the establishment of new Funds as the Directors may determine.

### **Operating Expenses and Fees**

The ICAV will pay all its operating expenses and the fees hereinafter described as being payable by the ICAV, in each case plus value added tax. Expenses paid by the ICAV throughout the duration of the ICAV, in addition to fees payable to the AIFM and the Investment Manager and the fees and expenses payable to the Administrator and the Depositary include but are not limited to charges payable in respect of foreign exchange transactions, brokerage and banking commissions and charges, margin and premium, other costs and expenses associated with the purchase, sale or transfer of assets including any and all costs associated with arranging, negotiating and securing terms in relation to a Fund's investment in any underlying collective investment scheme, legal and other professional advisory fees, secretarial fees, all filings and statutory fees, regulatory fees, Central Bank fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the ICAV, costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees, all expenses in connection with registration, distribution of the Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares or any asset of any Funds, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the ICAV, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

### **Directors' Fees**

The Instrument authorises the Directors to charge a fee for their services at a rate determined by the Directors and may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV. The maximum pre-tax fee payable to each Director, in any one calendar year, is currently €20,000.

### **Fee Increases**

The maximum annual fee payable to the AIFM and the Investment Manager as outlined above or in the relevant Supplement shall not be increased without the approval of Shareholders on the basis of a majority of votes cast at a meeting of the Shareholders of the relevant Fund or Class duly convened and held. The rates of fees for the provision of services to any Fund or Class by the AIFM or Investment Manager may be increased up to maximum annual fee applicable to such entity so long as reasonable notice of the new rate(s) is given to Shareholders of the relevant Fund or Class in advance of the increase becoming effective to enable Shareholders redeem their Shares prior to the implementation of the increase.

## **Remuneration Policy**

The AIFM has approved a remuneration policy which is summarised below. The AIFM will be held ultimately responsible for the implementation of the policy.

In the implementation of its policy, the AIFM will ensure good corporate governance and promote sound and effective risk management. It will not encourage any risk taking which would be considered inconsistent with the risk profile of the ICAV, its Funds, the Instrument or this Prospectus. The AIFM will ensure that any decisions are consistent with the overall business strategy, objectives, values and interests of the AIFM and try to avoid any conflicts of interest which may arise.

The AIFM will ensure that the remuneration policy is reviewed internally and independently annually.

With respect to the delegation of any part of the portfolio or risk management functions, the AIFM requires that:

- (a) the Investment Manager or any of its delegates to which a certain part of such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines on Remuneration/Annex II of the AIFM Directive; or
- (b) appropriate contractual arrangements are put in place with any Investment Manager or any of its delegates to which a certain part of such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines on Remuneration /Annex II of the AIFM Directive.

The AIFM will ensure that the remuneration of those engaged in the performance of risk management reflects the achievement of the objectives linked to the risk management function, independently of the performance of the business areas in which they are engaged.

## **Fees payable in respect of investment in underlying collective investment schemes**

Where a Fund invests in another Fund or other collective investment schemes, that Fund may be liable to pay subscription, redemption, advisory, performance, distribution, management, administration and/or custody fees or charges in respect of each Fund or collective investment scheme in which that Fund invests provided that a Fund may not charge management fees in respect of that portion of its assets invested in other Funds of the ICAV as detailed in the section “The ICAV – Investment Restrictions” in this Prospectus. Further detail relating to fees payable in respect of investment in other collective investment schemes will be set out in the relevant Supplement if applicable pursuant to the investment policy of the particular Fund.

Where a commission is received by virtue of an investment by a Fund in units of another collective investment scheme, this commission must be paid into the property of the relevant Fund and if not detail regarding any such payment will be disclosed in the annual report of the ICAV.

## THE SHARES AND SUBSCRIPTIONS

### General

Shares may be issued on any Subscription Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund, or the Reference Currency attributable to the particular Class.

### *Shares and Classes*

The Shares and Classes issued in respect of each Fund will be set out in the relevant Supplement together with the relevant currency denomination of the particular Classes.

### *Hedged Share Classes*

The ICAV may establish what are commonly referred to as “hedged Classes” which seek to hedge undesired foreign exchange risk into the Reference Currency through the use of forward foreign exchange contracts. Please refer to the relevant Fund Supplement for detail on hedged Classes established in the Funds.

### *Initial Subscription*

Shares may be subscribed for during the Initial Offer Period at the Initial Issue Price per Share. The Initial Offer Period and the Initial Issue Price per Share of any Fund shall be specified in the relevant Supplement.

Investors must initially subscribe for not less than the Minimum Subscription. Investors wishing to hold Shares of more than one Fund must subscribe not less than the minimum amount which may be subscribed as specified from time to time by the AIFM in respect of each Fund or Class and set out in the relevant Supplement.

The AIFM or the Directors shall, in its absolute discretion, be entitled to determine that Shares will not be issued and that all subscription monies will be returned (without interest) if subscriptions totalling in the aggregate less than such minimum amount as specified from time to time by the AIFM or the ICAV in respect of each Fund and set out in the relevant Supplement are not received by the end of the Initial Offer Period.

The Directors, or a duly appointed delegate on behalf of the ICAV may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account.

### *Subsequent Subscriptions*

Following the close of the Initial Offer Period, Shares will be available for subscription on each Subscription Day at the Subscription Price per Share, which will be calculated by reference to the Net Asset Value per Share and any Subscription Charge to be levied. The Net Asset Value per Share will be

calculated as of the Valuation Point on or immediately preceding the relevant Dealing Day. The AIFM will make the Subscription Price per Share in relation to each Class available promptly to Shareholders on request.

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares will be issued, rounded to such decimal places as the AIFM may determine.

Certain Funds may, after the close of the Initial Offer Period, limit or prohibit any subsequent issue of Shares. Details of any such limitation or prohibition shall be set out in the relevant Supplement.

### **Subscription Procedure**

Details of the Subscription Days, offer and notice periods, fees and related information relevant to the subscription of Shares in a particular Fund will be set out in the relevant Supplement.

Subscription Requests received prior to the relevant Subscription Deadline for any Subscription Day will be processed on that Subscription Day.

Any Subscription Requests received after the Subscription Deadline for a particular Subscription Day will be processed on the following Subscription Day unless the ICAV, upon consultation with the AIFM, in its absolute discretion otherwise determines to accept one or more applications received after the Subscription Deadline for processing on that Subscription Day provided that such Subscription Requests have been received prior to the Valuation Point for the particular Subscription Day.

The Directors, upon consultation with the AIFM, may at any time determine to temporarily or permanently close any Class of Shares or all Classes of Shares in the Fund to new subscriptions in their sole discretion and may not give advance notice of such closure to Shareholders though the Directors will endeavour to notify Shareholders as soon as practicable.

Initial applications should be made using an Application Form obtained from the Administrator and may, if the Administrator so determines, be made by fax or via email as a PDF attachment subject to prompt transmission to the Administrator of the original signed Application Form and such other documentation (such as documentation relating to money laundering prevention checks) as may be required by the Administrator. The Administrator will request such information and documentation as it, in its absolute discretion, 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 may be returned without interest to the account from which the monies were originally debited, or may refuse to settle a Redemption Request until proper information has been provided. Each applicant for Shares acknowledges that the ICAV, the AIFM, the Directors and the Administrator shall be held harmless against any loss arising as a result of a failure to process its application for Shares or delay in processing any redemption request if such information and documentation as has been requested by the Administrator has not been provided by the applicant or has been provided in incomplete form.

For the avoidance of doubt, no redemption proceeds will be paid until the original Application Form and such other papers as may be required by the ICAV, the AIFM and the Administrator have been received

and all anti-money laundering procedures have been completed. In addition, payments will be processed by the Administrator only to the account in the name of the registered Shareholder as specified on the Application Form.

Subsequent applications to purchase Shares may be made to the Administrator by fax or via email as a PDF attachment and such applications should contain such information as may be specified from time to time by the Directors, upon consultation with the AIFM.

Once completed Subscription Requests have been received by the Administrator, they are irrevocable and binding on the applicant, subject to applicable law and regulation, except with the consent of the ICAV, upon consultation with the AIFM, or during such period when the determination of the Net Asset Value is suspended. The Administrator will issue a confirmation on behalf of the ICAV to successful applicants for Shares as soon as possible confirming acceptance of their Subscription Request.

Title to Shares (and Management Shares) will be evidenced by the entering of the investor's name on the ICAV's register of Members. Amendments to a Member's registration details and/or payment instructions may only be made following receipt of original written instructions from the relevant Member.

### **Transfer Rights**

Shares and Management Shares are transferrable as set out under the heading "Transfer of Shares and Management Shares" in the section entitled "GENERAL INFORMATION".

### **Voting Rights**

Shares and Management Shares may be issued as voting or non-voting shares and the voting rights attributable to Shares and Management Shares are summarised under the heading "Voting Rights" in the section entitled "GENERAL INFORMATION". If Shares of any Class are issued as non-voting Shares, this will be set-out in the relevant Fund Supplement.

### **"Ineligible Applicants" and Ownership Restrictions**

Shares may only be held by Qualified Investors (subject to the exemptions set out in "Qualifying Investors Knowledgeable Persons Exemption" below). Investors must certify in writing that they meet the minimum criteria to constitute a Qualified Investor and that they are aware of the risks involved in proposed investment and of the fact that inherent in such investment is the potential to lose all of the sum invested. Any transferee of Shares (constituting a new Shareholder in the ICAV) will be required to certify in like terms before any transfer is registered.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the ICAV or might result in the ICAV or a Fund suffering certain disadvantages which it might not otherwise suffer.

## **Qualifying Investors and Knowledgeable Persons Exemption**

The Directors may, in their discretion waive or reduce any Minimum Holding with respect to any Shareholder or applicant for Shares or category thereof or, in accordance with exemptions permitted by the Central Bank, waive the Minimum Subscription with respect to the following:-

- (i) the AIFM;
- (ii) the Investment Manager and any other company appointed to provide investment management or advisory services to the ICAV;
- (iii) a director of the ICAV, the AIFM, the Investment Manager or a director of any other company appointed to provide investment management or advisory services to the ICAV;
- (iv) an employee of the ICAV, the AIFM, the Investment Manager or an employee of any other company appointed to provide investment management or advisory services to the ICAV, where the employee:
  - is directly involved in the investment activities of the ICAV; or
  - is a senior employee of such company and has experience in the provision of investment management services.

provided that the ICAV is satisfied that prospective investors fall within the criteria outlined.

Investing employees meeting the relevant criteria for waiver of the Minimum Subscription must certify that they are availing of the exemption provided for above and are aware that the ICAV is normally marketed solely to qualifying investors who are subject to a Minimum Subscription of €100,000 or its equivalent in another currency.

All applicants availing of the exemption by meeting the relevant criteria must certify that they are aware of the risk involved in the proposed investment and that inherent in such investment is the potential to lose the entire sum invested.

## **Liability Statement**

None of the ICAV, the AIFM, the Administrator, the Investment Manager or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of subscription or related instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions.

## **Fractions**

Subscription monies representing less than the Subscription Price per Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price per Share for one Share, provided however, that fractions

shall not be less than 0.01 of a Share. Subscription monies, representing less than 0.01 of a Share will not be returned to the investor but will be retained by the ICAV in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid to the bank account specified in the Application Form. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Subscription Day.

### **Currency of Payment**

Subscription monies are payable in the Reference Currency of a Class of Shares.

### **Timing of Payment**

Save where otherwise disclosed in the relevant Supplement payment in respect of subscriptions must be received in cleared funds by the Administrator on or before the Subscription Deadline and prior to the Valuation Point (or such other date as may be agreed by the Directors) into the relevant bank account (as outlined in the Application Form), provided that the Directors reserve the right to defer the issue of Shares until receipt of cleared subscription monies by the Fund.

In all cases the ICAV and its delegate reserve the right to defer the issue of Shares until proper receipt and clearance of funds by the ICAV. If payment in cleared funds in respect of a subscription has not been received prior to the Valuation Point, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment. The ICAV may waive the Subscription Deadline provided cleared funds are received prior to Valuation Point.

In the event of the failure or a delay on the part of the investor in the settlement of subscription proceeds owed to the ICAV, the ICAV reserves the right to charge the relevant Shareholder for any interest or other costs incurred by the ICAV arising from such delay or failure to settle subscription monies on time including any costs associated with temporary borrowing. If the Shareholder fails to reimburse the ICAV for those charges, the ICAV will have the right to sell all or part of the investor's holdings of Shares in the Fund in order to meet those charges and/or to pursue that Shareholder for such charges. Further, the ICAV reserves the right to reverse any allotment of Shares in the event of a failure by an applicant to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event of any shortfall arising from the redemption proceeds.

### **“In Specie” Subscriptions**

The ICAV or the AIFM (on behalf of the ICAV) may on any Subscription Day allot Shares in any Class on terms that settlement shall be made by the vesting in the ICAV, to be attributed to the relevant Fund, of assets of the type in which the subscription monies for the relevant Shares may be invested in accordance with the investment objective, policy and restrictions of the relevant Fund and otherwise upon such terms as the ICAV may think fit provided that:

- (a) no Shares shall be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary's satisfaction;
- (b) any such exchange shall be effected on terms that the number of Shares to be issued shall be the number (including, at the ICAV's discretion, fractions of Shares) which would have been issued at the Subscription Price per Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the ICAV including such sum as the Directors may consider represents an appropriate provision for duties and charges which would arise on the acquisition of the investments for cash but less such sum as the Directors may consider represents any duties and charges to be paid out of the ICAV's assets in connection with the vesting of the assets or property;
- (c) the assets or property to be transferred to the ICAV shall be valued on such basis as the Directors with the consent of the Depositary may decide so long as such value does not exceed the highest amount that would be obtained on the date of the exchange by applying the rules relating to valuation of investments contained herein;
- (d) there may be paid to the incoming Shareholder out of the assets or property of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (e) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### **Abusive Shareholder Dealing Practices**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities may have a detrimental effect on the Funds and Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund's portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

There can be no assurances that abusive dealing practices can be mitigated or eliminated. For example nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund which makes it more difficult for the Directors and their delegates to identify abusive trading practices.

### **Suspension**

The Directors, upon consultation with the AIFM, may declare a suspension of the issue of the Shares in certain circumstances as described in the section headed "Suspension of Valuation of Assets". No Shares will be issued during any such period of suspension.

### **Anti-Money Laundering Measures**

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

An individual may be required to produce a duly certified copy of a passport or identification card together with evidence of their address such as a utility bill or bank statement. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners (who may also be required to provide proof of identity).

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

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

#### **Data Protection Information**

Prospective investors should note that by completing the Application Form they are providing to the ICAV personal information, which may constitute personal data within the meaning of the Data

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

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

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

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

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

## REDEMPTIONS AND CONVERSIONS

### Redemption of Shares

Details of the Redemption Days, offer and notice periods, fees and related information relevant to the redemption or conversion of Shares in a particular Fund will be set out in the relevant Supplement.

A Shareholder may apply to the Administrator for the redemption on any Redemption Day designated in the relevant Supplement for the receipt of redemptions of all or any part of his holding of Shares at the Redemption Price per Share calculated by reference to the Net Asset Value per Share and any Redemption Charge to be levied.

Redemption Requests must be received by the Administrator prior to the relevant Redemption Deadline which in respect of a particular Fund shall be detailed in the relevant Supplement. Redemption Requests may be delivered by fax or via email as a PDF attachment. Redemption proceeds shall not be paid unless the Administrator is in possession of the full completed Application Form and appropriate supporting documentation including anti-money laundering documentation as requested.

The redemption proceeds payable to the Shareholder(s) will normally be paid in the Reference Currency of the relevant Class by telegraphic transfer to the bank account of the Shareholder(s) at the risk and expense of the Shareholder(s), payments to third party accounts will not be permitted. Redemptions will be paid at such time as the Fund is able to realise sufficient assets to settle the redemptions in full. Redemption proceeds can only be paid into an account of record specified in the original application form submitted. Any amendments to Shareholders' payment instructions can only be effected by way of original documentation.

In addition, the right of any Shareholder to require the redemption of Shares of any Fund shall be temporarily suspended during any period when the calculation of the Net Asset Value of any particular Fund is suspended. Shareholders requesting redemption will be notified of such suspension and, unless withdrawn, redemption requests will be considered as at the next Redemption Day following the end of such suspension or on such earlier dealing date following the end of the suspension as the Directors at the request of the applicant may agree.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes will result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder. Upon redemption, the Shares of the redeemed Shareholder will be cancelled and the Shareholder will be treated as an unsecured creditor of the relevant Fund. However the proceeds of that redemption shall remain an asset of the relevant Fund and the redeeming investor will rank as an unsecured creditor of the relevant Fund until such time as the Administrator is satisfied that its anti-money- laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released. In the event of the insolvency of the Fund or the ICAV before such monies are transferred from the Fund's account to the redeeming investor, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay its unsecured creditors in full. Investors who are due redemption proceeds which are held in the Fund's account will rank equally with other unsecured creditors of the relevant Fund and will be entitled to pro-rata share of any monies made available to all unsecured creditors by the insolvency practitioner. Accordingly, Shareholders and

investors should ensure that all documentation required by the Fund or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the ICAV or Administrator when subscribing for Shares.

## **Deferred Redemption**

### *Open-ended Funds – Deferred Redemptions*

In respect of Funds which deal on up to a monthly basis if the number of Shares to be redeemed on any Redemption Day equals one tenth or in the case of a quarterly dealing Fund, one quarter or more of the total number of Shares of a Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth or in the case of a quarterly dealing Fund, one quarter of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption with respect to such Redemption Day may at the discretion of the AIFM in respect of that Fund be (i) reduced pro rata and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Shares to which the original request related have been redeemed or (ii) cancelled and the relevant Shareholder may submit a new redemption request for the following Redemption Day. Redemptions will be made on a pro-rata basis. Requests for redemption which have been carried forward from an earlier Redemption Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

### *Limited Liquidity Funds – Deferred Redemptions*

Redemption requests in respect of Funds that have limited liquidity will, in usual circumstances, be accepted and processed in the normal method. However, the Directors or their delegate may at their discretion refuse to redeem any Shares on any Redemption Day if the Fund does not expect to be in a position to receive sufficient funds from the liquidation of underlying investments and, if they so refuse, the Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all Shares to which the original request related have been redeemed.

### *Open-ended Funds – Payment of Redemption Proceeds*

Payment of redemption proceeds in respect of Funds that are open-ended will normally be made to Shareholders by the deadline as set out in the supplement for the relevant Fund and in all cases no later than 90 calendar days after the Redemption Deadline (or 95 calendar days or less in the case of a Fund which is considered to be, under the requirements of the Central Bank, a fund of funds or feeder fund).

### *Limited Liquidity Funds – Payment of Redemption Proceeds*

Payment of redemption proceeds in respect of Funds that have limited liquidity will normally be made to Shareholders by the settlement deadline as set out in the Supplement for the relevant Fund. However, Shareholders should be aware that the redemption process in respect of Funds with limited liquidity may involve substantial complications and delays and the ability of the Fund to honour redemption requests will be dependent upon circumstances relating to, inter alia, investment in underlying assets.

If a Fund does not receive sufficient funds from the liquidation of such underlying assets in order to satisfy redemption requests in a timely manner, then the related payments may be limited or temporarily suspended and the Fund will pay redemption proceeds on the earliest practicable date following the Redemption Day that such funds are made available to the Fund.

### **In Specie Redemption**

The ICAV may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of the Fund having a value (as approved by the AIFM) equal to the Redemption Price per Share for each Share redeemed as if the redemption proceeds were paid in cash less any other expenses for the transfer. Any Shareholder requesting redemption shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale, provided that the costs of such sale will be borne by the relevant Shareholder.

A determination to provide redemption in specie may be solely at the discretion of the ICAV where the redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Fund. In this event, the ICAV will, if requested, sell the assets on behalf of the Shareholder provided that the costs of such sale will be borne by the relevant Shareholder.

The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the ICAV (subject to the approval of the Depositary as to the allocation of assets) on such basis as the ICAV (as approved by the AIFM) in its absolute discretion shall determine.

The redemption of Shares on an in specie basis may only be accepted if the Depositary is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the Shareholders.

### **Total Redemption**

All of the Shares of any Fund or Class may be redeemed:

- (a) on the giving by the ICAV of not less than two weeks' notice expiring on a Dealing Day to Shareholders of that Fund or Class of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the Shares in issue in the relevant Fund or Class resolve at a meeting of Shareholders of that Fund or Class duly convened and held that such Shares should be redeemed.

The Directors, upon consultation with the AIFM, may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of shares to cover the costs associated with the subsequent termination of a Fund or Class or the liquidation of the ICAV.

### **Suspension**

The Directors, upon consultation with the AIFM, may declare a suspension of the redemption of the Shares in certain circumstances as described in the section headed "Suspension of Valuation of

Assets”.

### **Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of the relevant Funds or Classes, Shareholders will be entitled to exchange Shares of one Class in one Fund (the "original Class") for Shares in any other Class of the same Fund then in existence or agreed to be brought into existence (the "new Class"). Shareholders will only be entitled to exchange Shares on a Dealing Day and the general provisions on procedures relating to redemptions will apply equally to a switch. If it is the case that Shareholders are entitled to exchange Shares of one Fund (the "original Fund") for Shares in another Fund then in existence or agreed to be brought into existence (the "new Fund"), details of such switching procedure (if available) will be outlined in the relevant Supplement.

## NET ASSET VALUE AND VALUATION OF ASSETS

### General

Article 19 of the AIFM Directive provides that the AIFM must ensure that appropriate and consistent procedures are established so that a proper and independent valuation of the assets of each Fund can be performed. The valuation function shall be carried out by the AIFM or by an External Valuer (where disclosed in the relevant Supplement). Should the AIFM carry out the valuations directly, the AIFM's valuation function must be functionally independent from its portfolio management function and the AIFM's remuneration policy and other measures must ensure that conflicts of interest are mitigated and that undue influence upon the employees of the AIFM responsible for valuation is prevented. Any External Valuer appointed must be independent from the AIFM and any other persons with close links to the AIFM. Where relevant, the liability of the AIFM to the Fund shall not be affected by the fact that it has appointed an External Valuer and the AIFM shall ensure that the External Valuer shall be liable to the AIFM for any losses suffered by it as a result of the External Valuer's negligence or intentional failure to perform its tasks. The value of assets may be determined using a pricing model. Before a model is used, it shall be subjected to a validation process conducted by a competent and experienced internal or external individual who was not involved in the process of building the model.

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class, will be calculated as at each Valuation Point in accordance with the Instrument. The Net Asset Value of a Fund shall be determined as at each Valuation Point by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

In the case of Funds which are classified as closed ended, or open ended with limited liquidity, the valuation of assets and the calculation of Net Asset Value of each such Fund or, if there are different Classes within the relevant Fund, each Class, shall be calculated at least once every year from date of establishment in accordance with the Instrument.

The Net Asset Value per Share shall be calculated as at the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places.

Unless otherwise provided in the relevant Supplement, in determining the Net Asset Value of the ICAV and each Fund:-

1. cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant Business Day on which the Valuation Point occurs;

2. the value of transferable securities, money market instruments and financial derivative instruments will be valued on the basis of the last available price of the relevant stock exchange or regulated market on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in more than one stock exchange or regulated market, the AIFM or its delegate shall adopt policies as to the order of priority in which such stock exchanges or other regulated markets shall be used for the provisions of prices of securities or assets;
3. if a transferable security or money market instrument is not traded or admitted on any official stock exchange or an regulated market, or in the case of transferable securities or money market instruments so traded or admitted where the last available price is not representative of their fair market value, the AIFM or its delegate shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith;
4. the financial derivative instruments which are not listed on any official stock exchange or traded on any other regulated market will be valued in accordance with market practice subject to the valuation provisions detailed in Article 11 of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and the related Commission Delegated Regulation (EU) No 149/2013;
5. units or shares of undertakings for collective investment shall be valued on the basis of their last available net asset value, as reported by such undertakings; and
6. liquid assets and money market instruments will be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.

If any of the aforementioned valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the Directors, the AIFM or their delegate may adopt different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures. For example, if a market in which the ICAV invests is closed at the time the Shares are valued, the latest available market prices may not accurately reflect the fair value of the ICAV's holdings. This might be the case if other markets which are open at the relevant Valuation Point and with which the closed market is highly correlated, have experienced price movements (subsequent to the time of closure of the market in which the ICAV has invested). Other factors may also be taken into account when considering the fair value of holdings in a market which is closed. Failure to adjust those closing prices to fair values could be exploited by some investors at the expense of long term Shareholders in an activity known as market timing. Accordingly the AIFM or its delegates may adjust the last available market price to take account of market and other events which occur between the relevant market closing and the point at which the Shares of the ICAV are valued. Such adjustments are made on the basis of an agreed policy and set of procedures which are transparent to the Depositary and Auditors. Any adjustment is applied consistently across the Funds and Classes.

Other situations, including where a holding has been suspended, has not traded for some time or for which an up to date market price is not available will be subject to a similar adjustment process.

Investors should note that it may be the case that payments to be made to a Fund such as those in respect of a Class action may not be included in the Net Asset Value of a Fund until actually received owing to the inherent uncertainty surrounding such payments.

The value of all assets and liabilities not expressed in the Base Currency of a Fund or the Reference Currency of a Class will be converted into the Base Currency of such Fund or the Reference Currency of such Class at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Directors, AIFM or their delegate.

The assets relating to a Fund means the assets which are attributed to that Fund less the liabilities attributed to that Fund and where any asset or liability of the Fund cannot be considered to be attributed to a Fund such asset or liability shall be allocated to the assets or liabilities relating to all the Funds or all the relevant Funds pro rata to the Net Asset Values thereof.

Calculations of Net Asset Value are made by the Administrator and are made generally in accordance with generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in calculating Net Asset Values taken by the Directors, the AIFM or the Administrator or their delegate will be final and binding on the Fund and on present, past and future Shareholders.

The Instrument contains further information on the principles used to value the assets and liabilities of the ICAV. The ICAV's annual audited financial statements will also detail the valuations used with regard to recognised audit and accounting standards.

### **Anti-Dilution Levy**

Where a Fund buys/enters or sells/exits investments in response to a request for the issue or redemption of Shares, it will generally incur a reduction in value, made up of dealing costs and any spread between the bid and offer prices of the investments concerned when compared to their valuation within the Net Asset Value per Share. The Net Asset Value per Share generally does not reflect such costs.

The aim of the anti-dilution levy is to reduce the impact of such costs (which, if material, disadvantage existing Shareholders of the relevant Fund) so as to preserve the value of the relevant Fund. Where disclosed in the relevant Supplement, the Directors are entitled to require payment of a dilution levy, to be included in the Subscription Price or Redemption Price as appropriate.

The need to charge an anti-dilution levy will depend inter alia on general market liquidity of the Fund's investments and on the net transactional activity of Shares on any given Dealing Day, and this will be evaluated by the Directors (as advised by the Investment Manager), upon consultation with the AIFM, without prior notification to the relevant Shareholder. Net transactional activity of Shares is determined with reference to the cumulative subscription and redemption requests (including subscriptions and/or redemptions which would be affected as a result of conversions from one Fund into another Fund) processed in respect of any given Dealing Day. In calculating the subscription or redemption price of the Fund, the Directors may on any Dealing Day when there are net subscriptions or redemptions, adjust the subscription or redemption price (as appropriate) by adding or deducting an anti-dilution levy to

cover dealing costs (including but not restricted to market spreads, market impacts, brokerage fees and taxes) and to preserve the value of the underlying assets of a Fund.

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.

### **Suspension of Valuation of Assets**

The Directors, upon consultation with the AIFM, may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares in any Fund:

- (a) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the exchanges or other markets on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (b) during the whole or part of any period when circumstances outside the control of the ICAV or the AIFM exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the ICAV; or
- (c) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- (d) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (e) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the ICAV is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the AIFM, be carried out at normal rates of exchange;
- (f) upon mutual agreement between the ICAV and the Depositary for the purpose of winding up the ICAV or terminating any Fund;
- (g) during any period when, as a result of political, economic, military or monetary events or any circumstances outside of the control, responsibility and power of the ICAV and the AIFM, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without being seriously detrimental to the interests of the Shareholders of the relevant Fund or if, in the opinion of the AIFM, the Net Asset Value of the Fund cannot be fairly calculated;
- (h) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments of the ICAV or any Fund.

Any suspension of valuation shall be notified by or on behalf of the Directors to the Central Bank immediately and in any event within the working day on which such suspension takes place. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

**Availability of Net Asset Value per Share**

Shareholders are advised that the Subscription Price per Share and the Redemption Price per Share will be available promptly on request from the AIFM or the Administrator.

## RISK FACTORS

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. In addition, different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class 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 Shares. Prospective investors are advised that the value of 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 the loss of their investment. Past performance of the AIFM or the Investment Manager or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price and the redemption price of Shares (from which may be deducted a Subscription Charge and/or a Redemption Charge) means that an investment should be viewed as medium to long term. The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Fund will actually be achieved.

### **Political and Economic Risk**

Political unrest and other factors may disrupt financial markets and economic conditions in certain markets. A government's political inexperience, the instability of the political system and domestic or international policies and events affecting the economic system may increase the risk of fundamental shifts in the economy and politics of a nation or region. The consequences can include confiscation of assets with no compensation, the restriction of rights of disposal over assets, or a dramatic reduction in the value of assets as a result of state intervention or the introduction of state monitoring and control mechanisms affecting the operation of markets in that country. These and other actions could also adversely affect the ability to value investments in a Fund which could result in a temporary suspension of the determination of the Net Asset Value in any Fund during which time investors may not be able to acquire or redeem Shares in that Fund. Emerging market economies are more sensitive to changes in interest and inflation rates, which are subject to greater swings than in other established countries. Funds which invest in multiple countries have less exposure to the risks of any one country, but will be exposed to a larger number of countries.

### **No Guarantee on Investment Model, Potential to Lose All of the Sum Invested and Investor Certification**

Investors, when completing an Application Form, will be required to certify in writing that they are a Qualifying Investor and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose the entire sum invested. Prospective purchasers of the Shares should ensure that they understand the nature of such Shares and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional

advisers to make their own legal, tax, accounting, regulatory and financial evaluation of the merits and risks of investment in such Shares and that they consider the suitability of such Shares as an investment in the light of their own circumstances and financial condition. An investment in a Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. The Investment Manager makes discretionary trading decisions (subject to the supervision and control of the AIFM). Trading decisions will be reflective of the judgment, experience, and expertise of personnel of the Investment Manager. Trading decisions informed by the use of statistical methods, trading models, and quantitative research tools depend upon the accurate forecasting of major price moves or trends. No assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

### **Limitation on liability of Shareholders**

The liability of Shareholders is limited to any unpaid amount of the nominal value of its Shares and all Shares in the ICAV will only be issued on a fully paid basis. However, under the Application Form and the Instrument, investors will be required to indemnify the ICAV and other parties as stated therein for certain matters including inter alia losses incurred as a result of the holding or acquisition of Shares by a person other than a qualified holder, any liabilities arising due to any tax the ICAV is required to account for or on an investor's behalf, including any penalties and interest thereon, any losses incurred as a result of a mis-representation by an investor, etc.

### **Lack of Operating History**

The ICAV was recently formed. There can be no assurance that any Fund will achieve its investment objective. The past investment performance of the Investment Manager and the AIFM cannot be construed as an indication of the future results of an investment in Shares.

### **Substantial Charges**

The Funds are subject to substantial charges, and must generate profits and income which exceed their fixed costs in order to avoid depletion of its assets. Funds are required to pay the service provider fees, expenses and commissions regardless of its performance.

### **Redemption Risk**

Shareholders may redeem Shares in accordance with the terms of the Prospectus. Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets. In addition, a significant redemption of Shares may require a Fund to realise investments at values which are lower than the anticipated market values of such investments. This may cause a temporary imbalance in a Fund's portfolio, which may adversely affect the remaining Shareholders.

### **Cross-Contamination**

Pursuant to the Act, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other Funds of the ICAV may not be used to satisfy the liability. Notwithstanding

the foregoing, there is no guarantee that recourse between Funds will be restricted in every case or that such liabilities will be identified or capable of being solely attributable to a Fund. There is no guarantee that a person will not take proceedings against the ICAV claiming entitlement to the assets of one or more Funds. There is no guarantee that segregation of Funds under Irish law will be recognised in other jurisdictions.

### **Cross Class Liabilities**

Although the Instrument requires the establishment of separate Class accounts for each Class of Shares in a Fund and the attribution of assets and liabilities to the relevant Class account, if the liabilities of a Class exceed its assets, creditors of the ICAV may seek to have recourse to the assets attributable to the other Classes in that Fund.

### **Dependence on Key Personnel**

The performance of the Funds is largely dependent on the services of a limited number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Funds.

### **Management Risk**

For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

The nature of and risks associated with the Fund's future performance may differ materially from those investments and strategies historically undertaken by the Investment Manager. There can be no assurance that the Investment Manager will realise returns comparable to those achieved in the past or generally available on the market.

### **Diverse Shareholders**

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of Investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the AIFM or the Investment Manager that may be more beneficial for one Shareholder than for another Shareholder, especially with respect to any Shareholder's individual tax situation.

In selecting and structuring investments appropriate for a Fund, the Investment Manager will consider the investment objective of such Fund.

### **Subscription monies received prior Dealing Day or end of Initial Offering Period**

Subscription monies delivered by an investor to the ICAV prior to the relevant Dealing Day or prior to the end of the Initial Offer Period are required to be paid to the bank account specified in the Application Form. Provided that all documentation required by the ICAV and the Administrator for anti-money laundering and customer identification purposes has been received, subscriptions will be processed and Shares in the relevant Fund issued on the relevant Dealing Day. Subscriptions will not be processed and Shares will not issue until all anti-money laundering documentation has been received and cleared funds have been received. Accordingly, subscription monies received prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the ICAV/relevant Fund until transferred to the Fund's account. Accordingly, investors should note that prior to transfer to the ICAV/Fund account, investors may be exposed to the creditworthiness of the relevant credit institution where subscription monies are held and neither the Directors nor the ICAV shall have any fiduciary duties to the investor in respect of such monies.

### **Credit Markets Risk**

A Fund's performance may be affected by default or perceived credit impairment of any individual security or instrument and by general or sector-specific or rating class-specific credit spread movement.

### **Equity Risks**

Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, causing high potential volatility risk. Volatility on equity markets has historically been much greater than the volatility of fixed income markets. Should the price of Shares fall within a Fund's portfolio, the Net Asset Value will also fall.

### **Property Risks**

One or more Funds may invest in property and property related assets which can take a significant amount of time to be realised. Such assets may generate limited or no income during their life and the return of capital and the realisation of gains, if any, from an asset generally will occur only upon the partial or complete disposition of such investment. Such assets are also subject to general and local economic conditions, environmental problems and liabilities, changes in debt financing, rising interest rates, acts of God, uninsurable loss, legal claims and other factors. An asset may be sold at any time, although this may not occur for a number of years after the investment is made. Such investments may therefore be difficult to value and realise. Such realisations may involve significant time and cost.

The valuation of property and property related assets is inherently subjective, in part because all such valuations are made on the basis of assumptions which may not prove to be accurate (particularly in periods of volatility or low transaction flow), and in part because of the individual nature of each property.

Certain property investments may be difficult or impossible to sell at the time at the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other properties instead or forego an investment opportunity, any of which could have a negative effect on

Fund's management or performance.

Real estate historically has experienced significant fluctuations, and cycles in value and local market conditions may result in reductions in the value of real property interests. The marketability and value of the Fund's real property interests will depend on many factors beyond the control of the AIFM, including changes in general or local economic conditions in various markets; changes in supply of or demand for competing properties in an area; changes in interest rates; the promulgation and enforcement of governmental regulations relating to land-use and planning restrictions, environmental protection and occupational safety; unavailability of mortgage funds that may render the sale of a property difficult; the financial condition of tenants, buyers and sellers of properties; changes in real estate tax rates and other operating expenses; the imposition of rent controls; energy and/or supply shortages, various uninsured or uninsurable risks and acts of God, natural disasters, terrorism and uninsurable losses. In addition, general economic conditions, as well as conditions of domestic and international financial markets, may adversely affect the operations of the Fund.

### **Private Equity Risk**

One or more Funds may be entitled to invest in private equity. Private equity investments are long-term in nature and may require several years before they are suitable for sale. Investments may include start-up companies and unlisted investments. Such investments are more speculative and involve a higher degree of risk and a lower level of liquidity than investments in publicly traded securities. Realisation of value from such investments may be difficult in the short term or may have to be made at a substantial discount compared to freely tradable investments. Furthermore, such investments may not be freely redeemable and may be subject to restrictions on transferability.

The formalities for transferring shares in unlisted companies are often lengthy and cumbersome. In addition, private company share registers may not always be up to date and may not reflect ownership properly, which may cause delays to the registration of the share transfers or loss of investments. It may prove difficult for the Fund to validate its holdings against the records of portfolio companies on a reliable and timely basis. The evidence of title for off-exchange or direct investment and accompanying documentation can vary significantly from transaction to transaction and may be the subject of specific negotiation.

In negotiating the terms of an investment, the ICAV may obtain contractual provisions which will facilitate implementation of exit strategies such as sales to third parties. However, there can be no assurance that market, political or economic conditions will permit the successful implementation of such exit strategies at the time or in the manner required to provide an attractive return on the Fund's investment. The cost of a private equity investment by the Fund comprises the purchase price of the investment and the associated due diligence and related transaction costs (including legal, audit and other consultancy fees). Realisation of such investments will be net of the aforementioned expenses.

### **Risks of investing in invoices**

One or more Funds may invest in invoices. Such investments are subject, inter alia, to market risks and credit risks. The Fund is subject to credit risk on the debtor, which may fail to settle the relevant invoice for such reasons as dispute, damaged goods, expired goods, returned goods or being in financial difficulties. Market events such as an economic downturn can also result in debtors' inability or

unwillingness to pay.

### **Liquidity Risk**

Some markets, on which a Fund may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such a Fund's securities and therefore its Net Asset Value.

Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in the relevant Supplement.

In such circumstances, the Directors may, in accordance with the ICAV's Instrument and in the Shareholders' interests, suspend subscriptions and redemptions or extend the settlement timeframe.

### **Concentration of Investments**

A Fund may at certain times hold relatively few investments or have a significant exposure to a single issuer, counterparty or asset. A Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **Leverage Risk**

While leverage presents opportunities for increasing the total return of a Fund, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly could be magnified to the extent that leverage is employed. The cumulative effect of the use of leverage by a Fund or an underlying fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Fund that would be greater than if leverage were not employed by the Fund or such underlying fund.

### **Market Risk**

Some of the markets and exchanges 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 market price of a value of Shares of a Fund and, therefore its Net Asset Value, and the price at which a Fund may liquidate positions to meet Redemption Requests or other funding requirements.

### **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any

official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### **Regulatory, Settlement and Sub-Custodial Risk**

The regulatory environment for investment funds is evolving, and changes in the regulation of funds may adversely affect the value of investments held by a Fund and the ability of a Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies.

The securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability.

The effect of any future regulatory change on a Fund could be substantial and adverse.

### **Changes in Interest Rates**

The value of Shares may be affected by substantial adverse movements in interest rates. Interest rate risk involves the risk that, when interest rates increase, the market value of fixed-income securities tends to decline. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase. As a result, the Net Asset Value may be affected. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities.

### **Short Selling**

#### **Short Selling / Short Exposures**

The Funds may hold short positions and may enter into contracts providing exposure to short positions for the purpose of making investments or hedging. For contracts providing exposure to short positions any appreciation in the price of the underlying investments will result in a loss. In the absence of stop-losses or contractual limits the price of the underlying could, in theory, rise to infinity, and therefore a contract providing exposure to a short position exposes a Fund to theoretically unlimited liability.

### **Emerging Markets Risk**

The Funds may invest in loans, securities and other asset classes of companies in emerging markets. Such assets may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalisation, and social, political and economic instability; (ii) the small current size of the markets of emerging markets issuers and the currently low or

non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

The value of the assets attributable to the Fund 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 investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major markets. As the Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depository will have no liability.

Some of the markets and exchanges in which the 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 the Fund may liquidate positions to meet redemption requests or other funding requirements.

It may not be possible for the Fund to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. The Fund 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 investments being made in any particular country or to the imposition of new restrictions.

### **Prime Broker Risk**

Where specified in the relevant Supplement, a Fund may appoint a Prime Broker. With respect to a Fund's right to the return of assets equivalent to investments of a Fund which a Prime Broker (if any) borrows, lends or otherwise uses for its own purposes, a Fund will rank as one of the Prime Broker's unsecured creditors and, in the event of the insolvency of the Prime Broker, a Fund might not be able to recover such equivalent assets in full.

### **Credit Risk**

The Fund may be exposed to losses resulting from default of issuers or borrowers of debt which the Fund holds. The creditworthiness of such entities and, where relevant, the value of the underlying collateral (if any) are each of great importance. There is no assurance that the value of debt can be correctly determined in any reorganisation or liquidation proceeding relating to a company to which the Fund has a direct or indirect exposure. There is no guarantee as to the adequacy of the protection of the ultimate underlying interest, including the validity or enforceability of the debt. Furthermore, the Fund cannot assure that claims may not be asserted that might interfere with enforcement of its rights. In the event of a foreclosure, the Fund or a third party may need to assume direct ownership of the underlying

asset. The liquidation proceeds upon sale of such asset may not satisfy the entire outstanding balance of principal and interest on the debt, resulting in a loss. Any costs or delays involved in the effectuation of an enforcement of the debt or a liquidation of the underlying assets will further reduce value of the proceeds and thus increase the loss.

There can be no assurance that issuers of the securities or other instruments in which the Fund invests will not be subject to credit difficulties or a reduction in credit quality. The value of the Fund's instruments may be affected by adverse changes in the issuer's creditworthiness leading to a reduction in the value of some of the sums invested in such securities or instruments or payments due on such securities or instruments.

### **Lower-rated securities**

Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to be more sensitive to corporate and market developments to a greater extent than higher-rated securities which respond significantly to fluctuations in the general level of interest rates.

### **Derivatives and Techniques and Instruments Risk**

#### **General**

A Fund, directly or indirectly, may opt to, or may be required to, utilise a variety of financial instruments such as derivatives, options, swaps, caps and floors and forward contracts, both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of a Fund's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect a Fund's unrealised gains in the value of a Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) establish a position as a substitute for other securities, (v) enhance or preserve returns, spreads or gains on any investment in a Fund's portfolio, (vi) hedge the interest rate or currency exchange rate on any of a Fund's liabilities or assets, (vii) protect against any increase in the price of any securities a Fund anticipates purchasing at a later date or (viii) for any other reason that the Investment Manager deems appropriate. The Investment Manager is not required to attempt to hedge portfolio positions in a Fund and, for various reasons, may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. While a Fund may enter into hedging transactions in seeking to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in any such hedging transaction. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. The success of the hedging strategy of a Fund is subject to the Investment Manager's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy is also subject to the Investment Manager's ability to recalculate continually, readjust and execute hedges in an efficient and timely manner. Moreover, it should be noted that the portfolio will

be exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and counterparties).

Moreover, derivative products are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivative techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

### **Counterparty Risk**

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

The AIFM or the Investment Manager as the case may be trades derivatives only with approved counterparties and is not restricted from dealing with any particular counterparty or from concentrating any or all of a Fund's derivative transactions with one counterparty. The counterparties with which a Fund effects transactions may, from time to time, cease making markets or quoting prices in certain of the instruments. In such instances, a Fund may be unable to enter into a desired credit default swap or currency transaction, or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange-traded instruments, credit derivative transactions and forward, spot and option contracts and swaps on currencies do not provide a

trader with the right to offset its obligations through an equal and opposite transaction. For this reason, in entering into credit derivative transactions and forward, spot or options contracts or swaps, a Fund may be required, and must be able, to perform its obligations under the contract.

Most of the participations, synthetic securities, credit default swaps, hedge agreements, currency hedge agreements and interest rate hedge transactions may involve the ICAV entering into contracts with counterparties on behalf of one or more Funds. Pursuant to such contracts, the counterparties agree to make payments to the Funds under certain circumstances. The Funds will be exposed to the credit risk of the counterparty with respect to any such payments.

### **Credit Default Swaps**

The use of credit default swaps can be subject to higher risk than direct investment in debt securities. The market for credit default swaps may from time to time be less liquid than debt securities markets. In relation to credit default swaps where the Fund sells protection the Fund is subject to the risk of a credit event occurring in relation to the reference issuer. Furthermore, in relation to credit default swaps where the Fund buys protection, the Fund is subject to the risk of the counterparty of the credit default swaps defaulting.

### **Liquidity of Futures Contracts**

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

### **Forward Trading**

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

### **Swap Transactions**

A Fund may enter into transactions in the forward or other markets that could be characterised as swap transactions, and that may involve interest rates, credit spreads, currencies, securities interests, commodities, and other items. A swap transaction is an individually negotiated, non-standardised agreement between two parties to exchange cash flows measured by different interest rates, exchange rates, or prices, with payments calculated by reference to a principal ("notional") amount or quantity.

Transactions in these markets present certain risks similar to those in the OTC forward and options markets: (i) the swap markets are generally not regulated; (ii) there are generally no limitations on daily price moves in swap transactions; (iii) speculative position limits are not applicable to swap transactions, although the counterparties may limit the size or duration of positions available as a consequence of credit considerations; (iv) participants in the swap markets are not required to make continuous markets in swap contracts; and (v) the swap markets are “principals’ markets,” in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearing corporation. As a result, a Fund will be subject to the risk of the inability of or refusal to perform with respect to such contracts by counterparties trading with a Fund.

### **Lack of Availability**

Because the markets for certain derivative instruments are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, the Investment Manager may wish to retain the Fund’s position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Fund will engage in derivatives transactions at any time or from time to time. The Fund’s ability to use derivatives may also be limited by certain regulatory and tax considerations.

### **Rights of Secured Parties versus Shareholders**

The ICAV may enter into secured lending arrangements as part of its normal course of business and may transfer, mortgage, charge or encumber any assets or cash for the purpose of, among other things, providing margin or collateral in respect of permitted transactions. The ICAV may also grant security or permit security to be taken over its assets by entities providing services to the ICAV in order to, among other things, secure any fees or obligations owed by the ICAV to these entities. The claims of a secured party will rank ahead of the claim of any Shareholder for the return of assets or monies from the ICAV, in particular, in the event of an insolvency or similar event.

### **Pricing and Valuation Risk**

For quoted investments, a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments and investments in markets that may be closed for holidays or other reasons will increase the risk of mispricing. In these and similar cases, an objective verifiable source of market prices will not be available and the AIFM or its delegate will invoke a fair value process which will determine a fair value price for the relevant investments and this fair value process may involve assumptions and subjectivity.

### **Investment Manager Valuation Risk**

The AIFM may consult the Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund’s investments and the other duties and responsibilities of

the Investment Manager in relation to the Funds, the AIFM will follow industry standard procedures for valuing unlisted investments.

### **AIFM Valuation Risk**

The AIFM has overall responsibility for the valuation of the assets of the Funds. The AIFM may consult the Administrator or an independent valuation agent or an External Valuer with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the AIFM in determining the valuation price of each Fund's investments and the AIFM's other duties and responsibilities in relation to the Funds.

### **Securities 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. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### **Risks inherent to OTC contracts, securities lending and repurchase agreements**

Any transaction with a counterparty may be subject to provisions entitling the counterparty in certain circumstances to terminate a transaction prior to their normal maturity date. These circumstance may include a reduction in the Net Asset Value of a Fund below prescribed levels or the default of an entity other than the entity which is the party to the transaction in question. The termination of a transaction prior to its normal maturity date in any such circumstance could affect the ability of a Fund to meet its objective.

### **Repurchase Agreement Risk**

Repurchase agreements will generally be entered into pursuant to industry standard master agreements such as the ISLA commissioned Global Master Securities Lending Agreement or the SIFMA/ICMA commissioned Global Master Repurchase Agreement. 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. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. As with any extensions of credit, there are risks of delay and recovery.

### **Performance Fee Risk**

Where specified in the relevant Supplement, a Fund may be subject to a performance fee payable to its Investment Manager. Any performance fee payable in respect of a particular Class or Fund may be based on net realised and net unrealised gains and losses at the end of the relevant calculation period and as a result,

incentive fees may be paid on unrealised gains which may subsequently never be realised.

### **Currency Risk**

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's Assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor currency exchange forward 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 currency exchange transactions and/or use techniques and instruments 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. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### **Cyber Security Risk**

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised 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 unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors, the ICAV, the AIFM, the Investment Manager, the Administrator or the 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 ICAV's ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business with the ICAV; 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 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, 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.

### **Subscription monies received prior Dealing Day or end of Initial Offering Period**

Subscription monies delivered by an investor to the ICAV prior to the relevant Dealing Day or prior to the end of the Initial Offer Period are required to be paid to the bank account specified in the Application Form. Provided that all documentation required by the ICAV and the Administrator for anti-money laundering and customer identification purposes has been received, subscriptions will be processed and Shares in the relevant Fund issued on the relevant Dealing Day. Subscriptions will not be processed and Shares will not issue until all anti-money laundering documentation has been received and cleared funds have been received. Accordingly, subscription monies received prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the ICAV/relevant Fund until transferred to the Fund's account. Accordingly, investors should note that prior to transfer to the ICAV/Fund account, investors may be exposed to the creditworthiness of the relevant credit institution where subscription monies are held and neither the Directors nor the ICAV shall have any fiduciary duties to the investor in respect of such monies.

### **Capital Erosion Risk**

The ICAV, in consultation with the AIFM, is empowered to declare distributions out of capital. Investors should note, accordingly, that distributions out of capital could result in capital erosion (upon redemption of Shares investors may not receive back the full amount of their original investment) and constrain future capital growth.

### **Taxation Risk**

Prospective investors and Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions from the ICAV or any Fund, capital gains within the ICAV or any Fund whether or not realised, income received or accrued or deemed received within the ICAV or Fund, etc. The requirement to pay such taxes will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder and such laws and practices may change from time to time.

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the ICAV or any Fund's ability to achieve its investment objective, (ii) the value of the ICAV or any Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Potential investors and Shareholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Directors

regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. 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. Prospective investors and Shareholders should consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in a particular Fund.

Finally, if the ICAV or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the ICAV or the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any Redemption Charges to discharge any such liability. The relevant Shareholder shall indemnify and keep the ICAV or the Fund indemnified against any loss arising the ICAV or the Fund by reason of the ICAV or the Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Potential investors' attention is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section headed "TAXATION".

#### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement with respect to the implementation of FATCA (see section entitled "Compliance with US reporting and withholding requirements" for further detail) on 21 December 2012.

Under the IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the ICAV) should generally not be required to apply 30% withholding tax. To the extent the ICAV however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the ICAV may take any action in relation to a Shareholder's investment in the ICAV to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Shareholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Shareholder's holding of shares in the ICAV.

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.

Reference is made to "TAXATION OF THE ICAV" for a discussion of certain tax risks inherent in the acquisition of Shares of a Fund.

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

## TAXATION OF THE ICAV

### General

*The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.*

*The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.*

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

### Irish Taxation

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

### Definitions

For the purposes of this section, the following definitions shall apply.

**“Exempt Irish Investor”** means;-

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;

- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV, or;
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

**“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.

**“Irish Resident”** means in the case of:-

- an individual, means an individual who is resident in Ireland for tax purposes.
- a trust, means a trust that is resident in Ireland for tax purposes.
- a company, means a company that is resident in Ireland for tax purposes.

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

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.

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

- the company or 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, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country. This exception does not apply where it would result in an Irish incorporated company that is managed and controlled in a relevant territory (other than Ireland), but would not be resident in that relevant territory as it is not incorporated there, not being resident for tax purposes in any territory.
- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

The Finance Act 2014 amended the above residency rules for companies incorporated on or after 1 January 2015. These new residency rules will ensure that companies incorporated registered in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland). For companies incorporated before this date these new rules will not come into effect until 1 January 2021 (except in limited circumstances).

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

**“Ordinarily Resident in Ireland”** in the case of:-

- an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2015 to 31 December 2015 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2018 to 31 December 2018.

The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.

**“Recognised Clearing System”**

means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes

Act, by the Irish Revenue Commissioners, as a recognised clearing system.

**“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

**“Relevant Period”**

means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

**“Taxes Act”**, means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

**Taxation of the ICAV**

The Directors have been advised that, under current Irish law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Act., so long as the ICAV is resident in Ireland. Accordingly the ICAV is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the ICAV. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the ICAV in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the ICAV satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax if a chargeable event occurs, the ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV

becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

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

### ***Stamp Duty***

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the ICAV. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the ICAV on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

### **Shareholders Tax**

#### *Shares which are held in a Recognised Clearing System*

Any payments to a Shareholder or any encashment, redemption, cancellation or transfer of Shares held in a Recognised Clearing System will not give rise to a chargeable event in the ICAV (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Shares held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Shareholders should seek their own tax advice in this regard). Thus the ICAV will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

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

#### *Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the ICAV is not in possession of any information which would reasonably suggest

that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the ICAV satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that either (i) the ICAV satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the ICAV has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### *Shareholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the ICAV from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will have to be deducted by the ICAV on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the ICAV at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated

without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the ICAV will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the ICAV will refund the Shareholder for the excess (subject to the paragraph headed "*15% threshold*" below).

#### 10% Threshold

The ICAV will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the ICAV (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the ICAV (or the Fund) and the ICAV has made an election to report certain details in respect of each affected Shareholder to Revenue (the "Affected Shareholder") in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis ("self-assessors") as opposed to the ICAV or Fund (or their service providers). The ICAV is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the ICAV will refund the Shareholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable shares in the ICAV (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the ICAV may elect to have any excess tax arising repaid directly by Revenue to the Shareholder. The ICAV is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

#### *Other*

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

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

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

#### *Equivalent Measures*

The Finance Act 2010 ("Act") introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a shareholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of shareholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

#### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors (i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection). Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

#### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Shareholder disposing ("disponer") of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the

Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

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

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

### **Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the ICAV would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were issued by the Irish Revenue Commissioners on 1 October 2014.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number

commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the ICAV does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the ICAV ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

### **Common Reporting Standards (CRS) – Customer Information Notice**

The ICAV intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard for Automatic Exchange of Financial Account Information in Tax Matters (“**the Standard**”) and, specifically, the Common Reporting Standard (“**CRS**”) therein or (ii) any provisions imposed under Irish law arising from the Standard or any international law implementing the Standard (to include the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or the EU Council Directive 2011/16/EU (as amended by Council Directive 2014/107/EU)) so as to ensure compliance or deemed compliance (as the case may be) with the Standard and the CRS therein from 1 January 2016.

The ICAV is obliged under Section 891F of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to that section to collect certain information about each Shareholder's tax arrangements.

Please note that in certain circumstances the ICAV may be legally obliged to share this information and other financial information with respect to a Shareholder's interests in the ICAV with the Irish Revenue Commissioners. In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, the following information will be reported by the ICAV to the Irish Revenue Commissioners in respect of each Reportable Account maintained by the ICAV;

- The name, address, jurisdiction of residence, tax identification number and date and place of birth, in the case of an individual, of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person.
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

Please note that in certain limited circumstances it may not be necessary to report the tax identification number and date of birth of a Reportable Person.

In addition to the above, the Irish Revenue Commissioners and Irish Data Protection Commissioner have confirmed that Irish Financial Institutions (such as the ICAV) may adopt the “wider approach” for CRS. This allows the ICAV to collect data relating to the country of residence and the tax identification number from all non-Irish resident Shareholders.

The ICAV can send this data to the Irish Revenue Commissioners who will determine whether the country of origin is a Participating Jurisdiction for CRS purposes and, if so, exchange data with them. Revenue will delete any data for non-Participating Jurisdictions.

The Irish Revenue Commissioners and the Irish Data Protection Commissioner have confirmed that this wider approach can be undertaken for a set 2-3 year period pending the resolution of the final CRS list of Participating Jurisdictions.

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

All capitalised terms above, unless otherwise defined in this paragraph, shall have the same meaning as they have in the Standard.

## GENERAL INFORMATION

### 1. Incorporation and Share Capital

- (a) The ICAV was registered in Ireland on July 17, 2016 as an umbrella type Irish collective asset-management vehicle with segregated liability between funds registered with and authorised by the Central Bank with registration number C155838 pursuant to Part 2 of the Act. The ICAV has no subsidiaries.
- (b) The registered office of the ICAV is as stated in the Directory at the front of the Prospectus.
- (c) Clause 2 of the Instrument provides that the ICAV's sole object is the collective investment of its funds in property with the aim of giving Members the benefit of the results of the management of its investments.
- (d) The Instrument provides that the share capital of the ICAV shall be 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 authorised share capital of the ICAV is divided into 100,000,000,000 (one hundred billion) ordinary participating shares of no par value and 5 (five) ordinary non-participating Management Shares of no par value.
- (e) 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 liability of Members in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them.
- (f) Subject to the provisions of the Instrument, Shareholders have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the relevant Fund, to vote at any general meeting of the ICAV or at any meeting of the relevant Fund or Class of Shares in respect of which such Shares have been issued and such other rights as may be provided in respect of Shares of a particular Fund or Class in each case as more particularly described in the Prospectus and/or relevant Supplement subject always to the requirements of the Central Bank and the Act. Holders of Management Shares shall have the right to receive an amount not to exceed the consideration paid for such Management Shares and to vote at any general meeting of the ICAV in accordance with the provisions of the Instrument.
- (g) The Directors are authorised to exercise all the powers of the ICAV to issue shares in the ICAV on such terms and in such manner as they may think fit.

### 2. Variation of Share Rights and Pre-Emption Rights

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Class or Fund, or with the sanction of a Special Resolution passed at a general meeting of the Shareholders of that Class or Fund.

- (b) A resolution in writing signed by all the Members of the ICAV, Fund or Class for the time being entitled to attend and vote on such resolution at a general meeting shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV, Fund or Class duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Members.
- (c) Subject to the Central Bank's requirements, notwithstanding anything to the contrary in the Instrument, a resolution in writing that is described as being an Ordinary Resolution or a Special Resolution which is signed by a Member or Members who, at the time of the signing of the resolution concerned, represent more than 50%, in the case of an Ordinary Resolution or 75%, in the case of a Special Resolution, of the total voting rights of all the Members who, at that time, would have the right to attend and vote at a general meeting of the ICAV or relevant Fund or Class and in respect of which all Members of the ICAV or relevant Fund or Class (as the case may be) concerned entitled to attend and vote on the resolution have been circulated by the Directors (or other person proposing it) with the proposed text of the resolution, shall be as valid and effective for all purposes as if the Ordinary Resolution or Special Resolution, as the case may be, had been passed at a general meeting of the ICAV or relevant Fund or Class duly convened and held.
- (d) The rights conferred upon the holders of the shares of any Class of the ICAV issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that Class of the ICAV, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or by the liquidation of the ICAV or of any Fund and distribution of its assets to its Members in accordance with their rights or the vesting of assets in trustees for its Members in specie.
- (e) There are no rights of pre-emption upon the issue of Shares or Management Shares in the ICAV.
- (f) The Instrument enables the ICAV to create side pockets in any of its Funds if the investments of the relevant Fund become illiquid or otherwise difficult to value or realise or were illiquid or otherwise difficult to value or realise at the date they were acquired.

### **3. Voting Rights**

The following rules relating to voting rights apply:

- (a) Classes of Shares may be issued with voting rights ("Voting Shares") or restrictions on voting rights, including no voting rights ("Non-Voting Shares").
- (b) Shareholders who hold Non-Voting Shares should be able to request the re-designation of their Non-Voting Shares to Voting Shares, which Shares will in all other respects, rank *pari passu*, without being subject to a fee.
- (c) Fractions of Shares do not carry voting rights.

- (d) On a show of hands every Shareholder (with applicable voting rights) present in person or by proxy shall be entitled to one vote and a holder of Management Shares shall be entitled to one vote in respect of all Management Shares.
- (e) The chairman of a general meeting of the ICAV or at least two Members present in person or by proxy or any Member or Members present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll.
- (f) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and a holder of Management Shares shall be entitled to one vote in respect of all Management Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (g) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (h) Any person (whether a Member or not) may be appointed to act as a proxy; a Member may appoint more than one proxy to attend on the same occasion.
- (i) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office or at such other place as is specified for that purpose in the notice of meeting or in the instrument of proxy issued by the ICAV not less than such minimum time specified before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. The Directors may at the expense of the ICAV send, by post or otherwise, to the Members instruments of proxy (with or without prepaid postage for their return) for use at any general meeting or at any meeting of any Class of Members, either in blank or nominating in the alternative any one or more of the Directors or any other persons.
- (j) To be passed, ordinary resolutions of the Members or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Members or Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Members or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Members or Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Instrument.

#### **4. Meetings**

- (a) The Directors may convene extraordinary general meetings of the ICAV at any time.
- (b) The Directors, in accordance with the provisions of the Instrument, may elect to dispense with the holding of an annual general meeting by giving 60 days' written notice to all of the ICAV's Members.

- (c) One or more Members of the ICAV holding, or together holding, at any time not less than 50 per cent of the voting rights in the ICAV may convene an extraordinary general meeting of the ICAV. The Directors of the ICAV shall, at the request of one or more Members holding, or together holding, at the date of the making of the request, not less than 10 per cent of the voting rights in the ICAV, proceed to convene an extraordinary general meeting of the ICAV. The request shall state the objects of the meeting and shall be signed by those making the request and deposited at the registered office of the ICAV and may consist of several documents in like form each signed by one or more of those making the request. 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 per cent 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.
- (d) Not less than fourteen Clear Days' notice of every annual general meeting and any extraordinary meeting and any convened for the passing of a Special Resolution must be given to the Members.
- (e) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (f) The foregoing provisions with respect to the convening and conduct of meetings shall save to the extent expressly provided in the Instrument with respect to meetings of a Fund or Class, apply mutatis mutandis to separate meetings of each Fund or Class of Members.

## **5. Reports and Accounts**

The ICAV will prepare an annual report and audited accounts as of March 31 in each year.

The audited annual report and accounts will be prepared in accordance with FRS 102 and will be published within six months of the ICAV's financial year end. The first annual audited accounts will be prepared for the Accounting Period ending March 31, 2017.

The audited annual report and accounts will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge upon request and may also be obtained at the office of the Administrator. The Instrument may also be obtained free of charge from the office of the Administrator.

## 6. Communications and Notices to Shareholders

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

Delivery by Hand	The day of delivery or next following working day if delivered outside usual business hours.
Post	48 hours after posting.
Facsimile	The day on which a positive transmission receipt is received.
Electronically	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice	The day of publication in a daily national newspaper circulating in the country or countries where Shares are marketed.

## 7. Transfer of Shares and Management Shares

- (a) Transfer of shares may be effected by transfer in writing or such other form as determined by the Directors accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer ("Instrument of Transfer"), signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- (b) The Directors may, before the end of the period of two months commencing with the date of receipt of the Instrument of Transfer, decline to register the transfer in the following circumstances:
- (i) if in consequence of such transfer, the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
  - (ii) if all applicable taxes and/or stamp duties have not been paid in respect of the Instrument of Transfer and unless the Instrument of Transfer is deposited at the registered office or such other place as the Directors may reasonably require, accompanied by such relevant information and declarations as the Directors may reasonably require from the transferee including without limitation, information and declarations of the type which may be requested from an applicant for shares in the ICAV and such fee as may from time to time be specified by the Directors for the registration of any Instrument of Transfer;
  - (iii) where the Directors are aware or reasonably believe the transfer would result in the beneficial ownership of Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund, a Class of Shares

or Shareholders as a whole;

- (iv) unless the Instrument of Transfer is deposited with the Administrator together with such evidence as is required by the ICAV or the Administrator to satisfy its or the Administrator's anti-money laundering requirements;
  - (v) if the registration of such transfer would: (a) result in a contravention of any provision of law (including any law that is for the time being in force in a country or territory other than Ireland); or (b) result in a contravention of any provision of the Instrument; or (c) would produce a result inconsistent with any provision of this Prospectus.
- (c) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days in any year.
- (d) Unless the Directors, in consultation with the AIFM, otherwise determine either generally or in any particular case, a transfer will be treated as if it was (a) a redemption by the transferor, including for the purposes of any performance fee (if any); and (b) a subscription by the transferee. A transfer will not, however, result in the resetting of any lock-up (as detailed in the relevant Fund Supplement) which will apply, if at all, as if the transferred Shares had originally been subscribed by the transferee.

## **8. Directors**

The following is a summary of the principal provisions in the Instrument relating to the Directors:

- (a) The number of Directors shall not be less than two.
- (b) A Director need not be a Member.
- (c) The Instrument contains no provisions requiring Directors to retire on attaining a particular age.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the ICAV or any company in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the ICAV for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the ICAV or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the ICAV.
- (f) The provisions of the Act relating to restrictions on directors of an insolvent company or disqualifying persons from being appointed or acting as a director or other officer, statutory

auditor, receiver or liquidator, or being in any way (directly or indirectly) concerned or taking part in the promotion, formation or management of a company apply to the ICAV.

(g) Save as provided in the Instrument, a Director shall not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the ICAV. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. A Director shall in the absence of some material interest other than that indicated below, be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters, namely:-

- (i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the ICAV or any of its subsidiaries or associated companies;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the ICAV or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or other securities of or by the ICAV or any of its subsidiaries or associated companies for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever PROVIDED THAT he is not the holder of or beneficially interested in five per cent or more of the issued shares of any class of such company, or of any third company through which his interest is derived, or of any of the voting rights available to shareholders of the relevant company (any such interest being deemed for the purposes of the relevant clause of the Instrument to be a material interest in all circumstances); or
- (v) any proposal concerning the purchase of any policy of insurance against directors' and officers' liability.

(h) The office of a Director must be vacated in any of the following events namely:-

- (i) if he resigns his office by notice in writing signed by him and left at the registered office of the ICAV;
- (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (iii) if he becomes of unsound mind;

- (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (vii) if he is removed from office by ordinary resolution of the ICAV;
  - (viii) if he ceases to be approved to act as a director by the Central Bank.
- (j) The ICAV may by ordinary resolution remove a Director before the end of that Director's period of office despite anything in the Instrument or in any contract between the ICAV and the Director, in accordance with the provisions of the Act.

## **9. Directors' Interests**

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

- (a) Stephen Finn shall be deemed to be interested in any contract entered into by the ICAV with KBA Consulting Management Limited, acting as AIFM to the ICAV; and
- (b) Stefano Caspani shall be deemed to be interested in any contract entered into by the ICAV with Triple AM LLP, acting as Investment Manager to the ICAV.

## **10. Winding Up of ICAV**

- (a) The ICAV may be wound up:
  - (i) if at any time after the first anniversary of the incorporation of the ICAV, the Net Asset Value of the ICAV falls below €10 million on each Dealing Day for a period of six consecutive weeks and the Members resolve to wind up the ICAV by Ordinary Resolution; or
  - (ii) if within a period of three months or such other period as agreed under the terms of the Depositary Agreement from the date on which (a) the Depositary notifies the ICAV of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire; (b) the appointment of the Depositary is terminated by the ICAV in accordance with the terms of the Depositary Agreement; or (c) the Depositary ceases to be approved by the Central Bank to act as depositary, no

new Depositary has been appointed. In such cases, the Directors shall instruct the Secretary to convene an extraordinary general meeting of the ICAV at which there shall be proposed an Ordinary Resolution to wind up the ICAV. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the ICAV's authorisation by the Central Bank;

- (iii) the AIFM desires to retire or the ICAV desires to remove the AIFM from office and no replacement AIFM, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the AIFM Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution; or
  - (iv) when it becomes illegal or in the opinion of the Directors of the ICAV impracticable or inadvisable to continue operating the ICAV.
- (b) In all cases other than those set out above, the Members may resolve to wind up the ICAV by Special Resolution in accordance with the summary approval procedure as provided for in the Act.
- (c) In the event of a winding up the liquidator shall firstly apply the assets of the ICAV in satisfaction of creditors' claims in such manner and order as he thinks fit. The liquidator shall in relation to the assets available for distribution among Members make such transfers thereof to and from the Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Members of different Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Members shall be applied in the following priority:
- (i) Firstly, in the payment to the holders of the Shares of each Class or Fund of a sum in the Base 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 Shares of such Class or Fund held by such Shareholders respectively as at the date of commencement of winding up.
  - (ii) Secondly, in the payment to the holders of the Management Shares of sums up to the consideration paid therefor out of the assets of the ICAV not comprised within any Funds provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised in any of the Funds.
  - (iii) Thirdly, in the payment to the holders of Shares of each Class or Fund of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of the relevant Class or Fund held.
  - (iv) Fourthly, any balance then remaining and not attributable to any Fund or Class of

Shares shall be apportioned between the Funds and Classes of Shares pro-rata to the Net Asset Value of each Fund or Class of Shares immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.

- (e) The liquidator may with the authority of an Ordinary Resolution of the ICAV divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV) 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 provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder.
- (f) Notwithstanding any other provision contained in the Instrument, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the ICAV, then any such winding up shall be commenced in accordance with the summary approval procedure as provided for in the Act. Any liquidator appointed to wind up the ICAV shall distribute the assets of the ICAV in accordance with the provisions of the Instrument.

#### **11. Termination of a Fund**

The ICAV may terminate a Fund:

- (a) if, at any time, the Net Asset Value of the Fund falls below €10 million and the Directors resolve to terminate the Fund;
- (b) by giving not less than two nor more than twelve weeks' notice to the Shareholders of such Fund or Class, expiring on a Dealing Day, and redeeming, at the Redemption Price on such Dealing Day, all of the Shares of the Fund or Class not previously redeemed;
- (c) and redeem, at the redemption price on such Dealing Day, all of the Shares in such Fund or Class not previously redeemed if the Shareholders of 75% in value of the Shares in issue of the Fund or Class resolve at a meeting of the Shareholders of the Fund or Class, duly convened and held, that such Shares should be redeemed.

If a particular Fund or Class is to be terminated and all of the Shares in such Fund or Class are to be redeemed as aforesaid, the Directors, with the sanction of an Ordinary Resolution of the relevant Fund or Class, may divide amongst the Shareholders in specie all or part of the assets of the relevant Fund or Class according to the Net Asset Value of the Shares then held by each Shareholder in the relevant Fund or Class provided that any Shareholder shall be entitled to request, at the expense of such Shareholder, the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale.

## **12. Periodic Disclosure to Investors**

The AIFM will ensure that the ICAV shall periodically disclose, in a clear and understandable way, to investors in each Fund:

- (a) the percentage of each Fund's assets which are subject to special arrangements, including but not limited to side pockets, lengthy settlement periods, due to their illiquid nature;
- (b) any new material arrangements for managing liquidity of the relevant Fund;
- (c) the current risk profile of the relevant Fund and risk management systems employed by the AIFM to manage those risks; and
- (d) historical performance of each Fund.

Such disclosure will be made to Shareholders at the same time as the publication of the Annual Report.

On occasion, the AIFM may be requested to disclose information of a particular form or in a particular format to one or more investors as a result of their legal, regulatory, or structural requirements. In such instances the AIFM will make all reasonable efforts to ensure the same level of information is available to all investors.

## **13. The Application Form**

By subscribing for Shares using the Application Form, each investor agrees to enter into a contract with the ICAV in respect of a Fund. Any Shares subscribed for under the Application Form will be held subject to the terms and conditions of this Prospectus, as amended from time to time, the Instrument, as amended from time to time, and the applicable Application Form.

The Application Form shall be governed by and construed in accordance with the laws of Ireland.

## **14. Side Letters**

The Directors, a committee of the Directors or the AIFM may, at their sole and absolute discretion, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms described herein in this Prospectus or in the Application Form or to agree any specific terms with an investor (a "Side Letter"). Such investors may include entities or persons who are affiliated with the AIFM or, where relevant, an investment manager, seed investors and /or investors who hold a majority or substantial interest in the ICAV or the Fund. Any such Side Letter may be agreed in accordance with the requirements of the AIFMD Legislation in relation to (but is not limited to) the application or calculation of fees, most favoured nation provisions, indemnification obligations, the reduction or avoidance of the imposition of withholding or other taxes on a Fund or distributable income and/or additional representations, warranties and covenants.

For the avoidance of doubt, the Directors, a committee of the Directors or the AIFM may agree a Side Letter which provides a Shareholder with different rights of daily calculations of risk, liquidity, leverage

and issuer constraints allocation of income, capital gains/losses and/or capital, or alter the liquidity provisions, redemption rights or voting rights of any Shareholder and in this regard, will ensure that Shareholders are treated fairly. The Directors, a committee of the Directors or the AIFM shall ensure that any preferential treatment accorded to one or more Shareholders does not result in an overall material disadvantage to other Shareholders of the Fund. The Directors, a committee of the Directors or the AIFM are not obligated to disclose the existence of specific terms of any Side Letter agreed with an investor to any other investors.

The provisions detailed under sub-paragraph (v) in the section entitled “Legal Implications of an investment in the ICAV” apply to the recognition and enforcement of a Foreign Judgement obtained against the ICAV in relation to a Side Letter.

## **15. Professional Liability, Indemnities and Insurance**

The AIFM maintains professional indemnity insurance against liability arising from professional negligence which is appropriate to the risk covered as well as additional own funds appropriate to cover professional indemnity insurance excess amount.

The ICAV will protect and indemnify its officers, directors and other representatives against liability to the extent set forth in the Instrument and in this Prospectus.

Pursuant to the Instrument, each of the Directors, the Secretary or the Auditor shall be indemnified and secured harmless out of the assets and profits of the ICAV from and against all actions, costs, debts, claims, demands, suits, proceedings, judgments, decrees, charges, losses, damages, expenses, liabilities or obligations of any kind which he or his heirs, administrators or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted to be done by virtue of his being or having been a Director, provided that as permitted by the Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of their own negligence, default, breach of duty or breach of trust and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the ICAV and have priority as between the Members over all other claims.

The ICAV acting through the Directors is empowered under the Instrument to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV (including the Auditors) insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

The general rule under Irish law is that, where there is a wrongdoing alleged to have been committed against the ICAV, the proper plaintiff in an action in respect of that alleged wrongdoing is the ICAV itself. Accordingly, investors would have no direct right against the relevant service provider for breach of the agreement governing its appointment.

## **16. General**

- (a) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Instrument, the general law of Ireland and the Act.

- (b) The ICAV is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the ICAV.
- (c) The ICAV has no subsidiaries.
- (d) Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the ICAV.
- (e) No person has any preferential right to subscribe for any authorised but unissued capital of the ICAV.

## **17. Material Contracts**

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

### **(a) AIFM Agreement**

Alternative Investment Fund Management Agreement (the "AIFM Agreement") between the ICAV and the AIFM dated 10 August, 2016 under which the Manager was appointed as manager of the ICAV's assets, distributor of the ICAV's Shares and to provide certain distribution, investment management and related services to the ICAV. The AIFM Agreement may be terminated by either party on 90 days' written notice (or such shorter period as may be agreed between the parties) or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The AIFM has the power to delegate its duties in accordance with the Central Bank's requirements. The AIFM Agreement provides that the ICAV shall indemnify and hold the AIFM and its, directors, officers and employees (each an AIFM Indemnitee) harmless against all direct losses, actions, proceedings, claims, damages, costs, demands and expenses including, legal and professional expenses (Losses) suffered or incurred by any such person in connection with the AIFM Agreement or in connection with or as a consequence of the AIFM acting as the ICAV's alternative investment fund manager, except to the extent that such Losses result from the negligence, wilful misconduct or fraud of such AIFM Indemnitee. Details of the fees payable to the AIFM are set out under "Fees and Expenses – AIFM" above and in the relevant Supplement.

### **(b) Administration Agreement**

Administration Agreement between the ICAV, the AIFM and the Administrator dated 10 August, 2016, under which the latter was appointed as Administrator the ICAV to provide certain administration and related services to the ICAV subject to the terms and conditions of the Administration Agreement and subject to overall supervision of the Directors. The Administration Agreement may be terminated by either party on 90 days' written notice (or such shorter period as agreed in writing between the parties) or forthwith by notice in writing in certain

circumstances such as the insolvency of either party or unremedied breach after notice. The Administration Agreement provides that the ICAV shall hold harmless and indemnify the Administrator, out of the assets of the relevant Fund against all claims, costs, demands and expenses (including legal expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its directors, officers, employees, delegates, servants or agents in the performance of their obligations and duties thereunder and from and against all taxes on profits or gains of the ICAV or the Funds which may be assessed upon, or become payable by, the Administrator provided that such indemnity shall only be given in the absence of the Administrator's or its directors', officers', employees', delegates', servants' or agents' material breach of contract, negligence, bad faith, fraud, wilful misconduct or recklessness. Details of the fees payable to the Administrator are set out under "Fees and Expenses – Administrator" above and in the relevant Supplement.

(c) **Investment Management Agreement**

The Investment Management Agreement dated 10 August, 2016, was entered into between the ICAV, the AIFM and the Investment Manager. The Investment Management Agreement may be terminated by either party on giving at least 90 days' notice in writing. During the initial three year term the Investment Management Agreement may be terminated by either the AIFM or the Investment Manager on at least six (6) months prior written notice (or such shorter period as agreed in writing between the parties). The Investment Management Agreement may also be terminated forthwith by either party without prior notice in certain circumstances as detailed in the Investment Management Agreement, which include (i) if there is a material change in the shareholding of the AIFM (i.e. 10% of shares or more) or upon the merging of the AIFM with another entity (ii) if the AIFM ceases to be authorised by the Central Bank to act as an AIFM and/or manager to the ICAV and the Funds (iii) the ICAV ceases to be authorised by the Central Bank (iv) the AIFM is effected by a force majeure event which continues in effect for more than 10 days.

The Investment Management Agreement provides that the AIFM shall indemnify and keep indemnified and hold harmless the Investment Manager and each of its directors, officers, servants and employees out of the assets of the relevant Fund from and against any and all claims which may be made or brought against or directly or indirectly suffered or incurred by the Investment Manager in the performance or non-performance of its obligations or duties thereunder or otherwise in connection with the subject matter of the Investment Management Agreement save to the extent that such claims are attributable to negligence, wilful misconduct or fraud in the performance or non-performance by the Investment Manager of its obligations or of its duties thereunder.

(d) **Depositary Agreement**

Depositary Agreement between the ICAV, the AIFM and the Depositary dated 10 August, 2016 under which the Depositary was appointed as depositary of the ICAV subject to the overall supervision of the Directors. The Depositary Agreement may be terminated by either party on not less than three (3) months (or such other notice period as such other parties may agree to accept) written notice or forthwith by notice in writing in certain circumstances such as the

insolvency of either party or unremedied breach after notice provided that the Depositary shall continue to act as depositary until a successor depositary approved by the Central Bank is appointed by the ICAV or the ICAV's authorisation by the Central Bank is revoked.

The Agreement provides that the ICAV, out of the assets of the relevant Fund, will indemnify and hold harmless the Depositary (including its officers, directors and employees and agents) and its delegates from all actions, losses, costs, charges, expenses and demands of any and every kind (other than those resulting from of a failure by the Depositary to meet the Standard of Care (as defined in the Depositary Agreement)) which may at any time be incurred by the Depositary (including officers, directors, employees and agents) and its delegates in consequence of accepting and acting upon proper instructions, notices or other documents sent by facsimile transmission whether or not such instructions were sent by the ICAV or any other person duly authorised to give such instructions.

Subject to the terms of the Depositary Agreement, the Depositary shall be liable to the ICAV or the Shareholders for any loss of financial instruments held in custody by Depositary or any of its sub-custodians with the exception of loss caused in certain circumstances as set out in the Depositary Agreement and provided that the Depositary has not discharged its liability for such loss in favour of one of its sub-custodians in accordance with the requirements of the AIFM Regulations. The Depositary shall also be liable to the ICAV or the Shareholders for any other loss suffered by them as a result of the Depositary's negligence or intentional failure to properly fulfill its obligations under the Depositary Agreement in accordance with its terms and the AIFM Regulations. Details of the fees payable to the Depositary are set out under "Fees and Expenses – Depositary" above and in the relevant Supplement.

## **18. Documents and Information Available for Inspection**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the ICAV in Ireland during normal business hours on any Business Day:-

- (a) The Instrument of Incorporation of the ICAV (copies may be obtained free of charge from the AIFM).
- (b) The Act and the Rulebook.
- (c) The material contracts detailed above.
- (d) Once published, the latest annual accounts of the ICAV (copies of which may be obtained from the AIFM free of charge).

Copies of the Prospectus may also be obtained by Shareholders from the AIFM.

Issue and redemption prices of Shares will be made available to investors promptly upon request. The latest Net Asset Value of a Fund and the historical performance of a Fund (where available) shall also be available on request.

**SUPPLEMENT 1**  
**Redhedge Synergy Total Return**

**First Supplement dated 12 January, 2017 to the prospectus dated 12 January, 2017 for  
REDHEDGE ICAV**

This Supplement contains specific information in relation to Redhedge Synergy Total Return (the “Fund”), an open-ended Fund of Redhedge ICAV (the “ICAV”). The ICAV is an umbrella Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C155838, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the Fund’s prospectus dated 12 January, 2017 (the "Prospectus"). This Supplement forms part of and should be read together with and in the context of the Prospectus. Nothing in this Supplement shall constitute a representation or warranty that, in preparing this document, any attempt has been made to verify, confirm or update any of the information in the Prospectus at the date hereof. The Prospectus is available from the ICAV at its registered office. The ICAV may issue additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Directors, whose names appear under the heading “Directors of the ICAV” in the section of the Prospectus entitled “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook.

**1. Definitions**

The expressions below shall have the following meanings:

“Business Day” means any day, except Saturday, Sunday, or public holidays in Ireland and the United Kingdom or such other day or days as the markets in those jurisdictions may be closed and such other day or days as may be determined by the Directors and notified in advance to Shareholders.

“Redemption Day” means, in the context of redemptions of shares in any Class, each Wednesday (or, if such day is not a Business Day, on the next Following Business Day), provided however that the Directors and

the AIFM may designate alternative Redemption Days at their discretion provided there is at least one Redemption Day per quarter and Shareholders are notified in advance.

“Redemption Deadline” means for all redemption requests related to shares in any Class sent to the Administrator, 17.00 Irish time, three (3) Business Days preceding the relevant Redemption Day or such other time as the Directors, in consultation with the AIFM, may determine and notify the Shareholders in advance provided always that the Redemption Deadline is no later than the relevant Valuation Point.

“Subscription Day” means, in the context of subscriptions, each Wednesday (or, if such day is not a Business Day, on the next Following Business Day), provided however that the Directors and the AIFM may designate alternative Subscription Days at their discretion provided there is at least one Subscription Day per quarter and Shareholders are notified in advance.

“Subscription Deadline” means for all subscription documents sent to the Administrator, 17.00 Irish time, one (1) Business Day preceding the relevant Subscription Day, or such other time as the Directors, in consultation with the AIFM, may determine and notify the Shareholders in advance provided always that the Subscription Deadline is no later than the relevant Valuation Point.

“Valuation Point” means 17.00 Irish time of the Business Day immediately preceding a Subscription Day and/or a Redemption Day or such other day or days as may be determined by the Directors or AIFM and as notified to Shareholders in advance; subject to the requirement that dealing must be carried out on a Net Asset Value next computed after the relevant Subscription Deadline and Redemption Deadline.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Key Features**

Base Currency Euro or such other currency as the Directors shall from time to time determine and notify to Shareholders and the Central Bank.

Segregation of Liability Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and Investment Manager) in respect of the Fund. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund

may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

Shares Available

The Fund is comprised of the following Class:

- Class A Premium Shares (Voting shares)
- Class B Investor Shares (Non-voting shares)

Please see section entitled "Classes of Shares" below for further details.

### **3. Regulatory Note, Qualifying Investor AIF and Eligible Investors**

The Fund is both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to "Qualifying Investors" as defined in the Prospectus and in accordance with the AIF Rulebook issued by the Central Bank. While the ICAV is authorised by the Central Bank as a "Qualifying Investor AIF", the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by the Fund.

The AIFM has been appointed by the ICAV to act as alternative investment fund manager to the ICAV. Further information regarding the biographical details of the AIFM and the terms of the AIFM Agreement are contained in the Prospectus at the sections entitled "MANAGEMENT AND ADMINISTRATION" and "GENERAL INFORMATION - Material Contracts" respectively.

Prior to undertaking any "marketing" (as such term is defined in AIFMD) towards Qualified Investors domiciled in or with a registered office in the EEA, the AIFM will give written notification to the regulatory authorities of the relevant EEA member states pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

#### 4. Classes of Shares

Information relating to the Classes of the Fund is set out below.

Class of Shares	Reference Currency	Minimum Initial Subscription	Minimum Holding	Minimum Subsequent Subscription	Initial Issue Price per Share	ISIN
Class A Premium Shares	Euro	EUR 5,000,000	EUR 5,000,000	EUR 250,000	EUR 100	IE00BD1R8Z16
Class B Investor Shares	Euro	EUR 100,000	EUR 100,000	EUR 10,000	EUR 100	IE00BD1R9036

Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank.

If a Shareholder at any time holds less than EUR 100,000 (or its equivalent in other currencies), the Directors, in consultation with the AIFM, may at their discretion compulsorily redeem such Shareholder's entire holding of Shares. Similarly, should a Shareholder request a partial redemption of Shares such that its overall holding of Shares would fall below the Minimum Holding, the Directors, in consultation with the AIFM, may at their discretion consider such Redemption Request to be a request for a full redemption of the Shareholder's entire holding of Shares.

#### Voting Rights

Class A Premium Shares are issued with voting rights. Class B Investor Shares are issued as non-voting shares.

For further information in relation to voting rights please refer to the section entitled "GENERAL INFORMATION" in the Prospectus.

#### 5. Investment Objective and Policy

##### *Investment Objective*

The investment objective of the Fund is to achieve medium to long-term (5 to 7 years) capital growth and absolute returns under all market conditions.

**There is no guarantee that the investment objective of the Fund will be achieved and investment results may vary substantially over time.**

##### *Investment Policy*

The Fund will seek to maximise total return, comprised of income and capital appreciation, while limiting risk and volatility through diversification of investments and sub-strategies of the investment strategy (as described further below under the heading “Investment Strategy”), regardless of the directional movement in equity, interest rate or currency markets.

Through its participation in the stock, bond, money, commodity, derivatives, futures, and the forex markets, the Fund will seek to attain its investment objective by investing and/or trading primarily in:

- (i) Fixed and/or floating rate securities of sovereign, corporate, agency, and/or supranational, to include without limitation bonds, debentures, convertible securities, mortgages, notes and other debt obligations;
- (ii) Term deposits and interbank forward rate agreements;
- (iii) Equity and equity related securities issued and/or dealt, amongst others, in the major capital markets including the European, the UK and the US market;
- (iv) Transferable securities and financial derivatives instruments linked to commodities, including financial futures;
- (v) Forex Trades;
- (vi) Other Financial Derivative Instruments including without limitation futures, forward foreign exchange contracts and swaps (including total return swaps);
- (vii) Investments in private equity including without limitation the direct participation in non-public companies and the acquisition of real assets both directly and through investments in selected REITs. The Fund's private equity investments may also include investments in securities commonly used in private equity transactions that the Investment Manager reasonably deems consistent with the Fund's investment objective and strategy.
- (viii) Investments in companies' invoices, either directly or through the intermediation of specialised platforms.

The Fund may also enter into repurchase or reverse repurchase agreements, as further described below under the heading “Securities Financing Transactions Regulations”.

The Investment Manager will select companies to invest in through a combination of industry analysis and individual company analysis. The investment emphasis will be on fundamental research with little reliance on technical analysis.

Apart from for investment purposes, the Fund may within the limits set forth in the investment restrictions, use financial derivative techniques and instruments for efficient portfolio management. In addition, the Fund may hedge its currency exposure by entering into futures, options, derivatives, and inter-bank foreign exchange transactions, including short sales and option writing strategies.

The Fund may short sell. The Fund may leverage.

In addition, the Fund may invest in units of other offshore and/or regulated collective investment schemes. The Fund may at any time invest in cash assets. Although it is intended that the normal policy of the Fund to deploy its assets as detailed above, the Fund may, at any time, hold a significant part of its Net Asset Value in cash, cash equivalents, money market instruments and other ancillary liquid assets, as may be deemed appropriate by the Investment Manager in specific circumstances. Such

circumstances may include, but are not limited to, the holding of cash on deposit pending investment, or in order to meet redemptions and pay expenses.

The Fund may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of maximizing absolute returns.

The ICAV on behalf of the Fund may on an ancillary basis, for cash management or hedging purposes, or in times of market stress or where awaiting market opportunities, purchase liquid instruments, including money market instruments, money market funds and other regulated and liquid collective investment schemes managed by third parties with no connection to the ICAV or its officers. Uninvested cash which has not been placed as margin may, subject to investment restrictions, be held on deposit in a bank account in the name of the Fund. When appropriate the Fund may also employ leverage through borrowing, as further detailed below under the heading "Borrowing and Leverage".

### *Investment Strategy*

The Fund employs a global multi-asset strategy which allocates directly to equities, debt, currencies and alternative investments primarily through long positions with occasional short positions and through the use of financial derivative instruments.

From this broad opportunity set, the portfolio is constructed using both a top down global macro assessment and bottom-up fundamental asset class valuation. Although the asset allocation is unconstrained to maximise the level of flexibility in changing market circumstances, is expected that the majority of the portfolio is composed of fixed income, equity and liquidity at any time. The Investment Manager allocates long positions to asset classes that are relatively inexpensive to their fundamental valuation with particular attention on market timing in entering equity and fixed income positions.

The Fund aims deliver total returns similar to that of equities with less correlation to, and risk than traditional equities. Additionally the Fund aims to minimise its negative returns relative to traditional equities over a full business cycle through risk management and dynamic rebalancing of the portfolio.

The Fund may use short positions, leverage and options primarily as defensive risk management tools but also in order to generate positive returns when prices fall. In accordance with the multi-asset strategy of the Fund, the Investment Manager may use short positions to go short in any asset class described in the Supplement, including, but not limited to, growth assets such as equity indices, hedging assets such as sovereign bonds, or real assets.

Leverage can also be employed for risk management purposes and an example would be employing leverage to go long on hedging assets, such as sovereign bonds, in order to protect the Fund from a negatively correlated risky asset. Options can be used as a defensive risk management tool by limiting the downside risk. An example of using options in such a way would be the purchase of put options on equity indices or risky assets.

### *Securities Financing Transactions Regulation*

The Fund may engage in securities financing transactions ("SFTs") within the meaning of

EC Regulation 2015/2365 (the “SFT Regulation”).

Without limitation of any other section of this Supplement, in pursuit of its investment objective and in accordance with its investment policy and investment strategy, the Fund may use total return swaps and enter into repurchase or reverse repurchase agreements. A description of total return swaps and repurchase or reverse repurchase agreements can be found under the heading “Securities Financing Transactions Regulation” in the Prospectus.

The maximum exposure of the Fund in respect of SFTs and total return swaps shall be three (3) times the Net Asset Value of the Fund. However, the Investment Manager does not anticipate that the exposure of the Fund to SFTs and total return swaps will normally exceed one (1) time the Net Asset Value of the Fund. The Investment Manager may perform SFTs on bonds, equities or other assets which of a type consistent with the investment policy of the Fund.

Please see the section entitled “Collateral” in the Prospectus and “Re-use of assets” below for further information in relation to collateral and re-use of assets.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practises, including “Counterparty Risk”, “Risks inherent to OTC contracts, securities lending and repurchase agreements”, “Repurchase Agreement Risk” and “Swap Transactions”.

## **6. Investment Restrictions**

Save as provided for in the section entitled “Investment Objective and Policy” above and as detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable, there are no material limitations on the countries, instruments or markets in which the Fund may invest or trade, or on the investment and trading strategies that it may employ.

In respect of investments in less liquid securities, i.e. real estate, private equity and companies' invoices (as described in items vii and viii in the Investment Policy above) the maximum aggregated proportion to be held at anytime in respect to the Fund's Net Asset Value is 20%.

In the event that any of investment restrictions applicable to the Fund are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

## **7. Borrowing and Leverage**

The ICAV on behalf of the Fund may borrow up to one (1) times of Net Asset Value of that Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund may employ leverage to the extent deemed appropriate by the AIFM. In addition to borrowing, leverage may take the form of investments in derivative instruments, repurchase and reverse

repurchase agreements. Where using the “commitment” method (i.e. where each derivative position is converted into the underlying asset) as set out in the Level 2 Regulation, the maximum leverage to be employed by the Fund through the use of derivatives used for investment purposes shall not exceed three (3) times of the Net Asset Value of the Fund.

Where using the “gross” method (i.e. the sum of the absolute value of the derivative positions) as set out in the Level 2 Regulation, the maximum leverage to be employed by the Fund shall not exceed six (6) times of the Net Asset Value of the Fund.

#### *Re-use of assets*

Where relevant, counterparties to whom collateral is provided will generally be provided with such collateral on an outright transfer of ownership basis with full rights of re-use whereby the Fund will only have a contractual right to the return of the same or equivalent assets. The Fund may grant a security interest over some or all of its assets to secure collateral given to lenders and absent a default by the Fund lenders will generally not have a right to re-use such assets.

### **8. Changes to Investment Objective, Policy and Restrictions**

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

The investment objective of the Fund may not be altered without either the prior written approval of all Shareholders of the Fund or on the basis of a majority of votes cast at meeting of Shareholders of the Fund. Material changes in investment policy require AIFM and Shareholder approval and in the event of a change of investment objective and/or investment policy or investment restrictions a reasonable notification period will be provided by the ICAV to enable Shareholders in the Fund to redeem, where permitted, prior to implementation of the changes.

### **9. Dealing in Shares of the Fund**

#### **Initial Offer Period and Initial Issue Price per Share**

The Initial Offer Period in respect of Class A Premium Shares and Class B Investor Shares has now closed. After closing of the Initial Offer Period of a Class, the Shares in that Class will be issued at their Net Asset Value per Share (plus any applicable duties or charges) in accordance with the provisions under the heading “Subsequent Subscriptions” in the Prospectus.

Subscriptions are subject to acceptance of applications for Shares in the relevant Class by the Directors. The Initial Offer Period of each Class may be extended or shortened without prior notification to the Central Bank, provided that no subscriptions have been received at the date of the proposed extension. The ICAV shall notify the Central Bank of any such extensions on an annual basis.

Pursuant to the powers of the Directors under the Instrument, the Directors have absolute discretion to accept or reject in whole or in part any application for Shares.

The Directors may close some or all of the Share classes in the Fund to subscriptions from existing and/or new Shareholders if the assets attributable to the Fund are at a level, above which, as determined by the Directors, it is not in the best interests of Shareholders to accept further subscriptions – for instance where the size of the Fund may constrain the ability of the Investment Manager to meet the investment objective.

The Directors may subsequently re-open some or all of the Share classes in the Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process of closing and potentially, re-opening the Share classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Share classes and if those Share classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Share classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

## **10. Redemptions**

After the expiration of the Initial Offer Period, Shares can be redeemed on any Redemption Day. The process to be followed when redeeming shares is found under the heading “Redemption of Shares” and “Deferred Redemptions” in the Prospectus.

### **Settlement Period**

The ICAV will pay redemption proceeds normally within 3 Business Days of the relevant Redemption Day or once sufficient underlying investments have been realised or cash or assets are otherwise available for payment provided that the period must not exceed 90 calendar days from the relevant Redemption Deadline to payment of settlement proceeds. Shareholders should note that payments to third party accounts will not be made.

Where a Fund invests in other collective investment schemes, the AIFM may retain up to 10% of redemption proceeds payable, where this reflects the redemption policy of the underlying collective investment scheme and until such time as the full redemption proceeds are received from the underlying collective investment scheme.

## **11. Distribution Policy**

It is not the current intention of the Directors that dividends be declared for any Classes in the Fund and income of the Fund will be accumulated. If dividends are to become payable, Shareholders will be notified in advance and advised of the relevant distribution dates. Profits for these purposes shall consist of undistributed net income and realised and unrealised gains (less realised and unrealised losses) attributable to the relevant Share Classes. Distributions in such a case may also be paid from capital.

The dividend may be paid out of a combination of income and capital, so that where income during the relevant period is less than the amount declared, the balance will be paid out of the capital represented by the relevant Shares, which will enable the Classes to distribute regular, set dividends. The level of

dividends payable will be determined by the Directors in conjunction with the Investment Manager.

Investors should note that, where distributions are declared out of capital, the capital of such Shares will be eroded, such distributions will be achieved by forgoing the potential for future capital growth and that this cycle may be continued until all capital in respect of the Shares is depleted. Investors in the distributing Share Classes should also be aware that the payment of distributions out of capital by the ICAV may have different tax implications for them to distributions of income and you are therefore recommended to seek tax advice in this regard.

Any dividends paid will be paid by wire transfer at the expense of Shareholders.

The Directors may at any time determine to change the policy of the Fund with respect to dividends distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and Shareholders will be notified in advance.

## **12. Fees and Expenses**

The fees and operating expenses of the ICAV are set out in detail under the heading "Fees and Expenses" in the Prospectus. the Fund shall pay the following fees and expenses:

### **AIFM Fee**

The Fund shall pay to the AIFM out of its own assets a maximum aggregate annual fee of up to 0.025% of the Net Asset Value of the Fund accrued at each Valuation Point, together with any VAT, if applicable and payable monthly in arrears. The AIFM shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out of pocket expenses incurred on behalf of the Fund together with VAT (if any thereon).

The AIFM fee is subject to an overall minimum fee for the ICAV of €65,000 per annum for the first two sub-funds of the ICAV, plus an additional amount for subsequent sub-funds as disclosed in the relevant Supplement. The AIFM may waive, at its absolute discretion, any fees.

### **Investment Manager Fee**

The ICAV shall pay to the Investment Manager out of the assets of the Fund an annual fee of up to 2% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any), subject to a minimum Investment Management Fee per quarter up to €20,000. Fees are exclusive of VAT, if any. The Investment Manager is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Investment Management Agreement, which shall be payable monthly in arrears.

### **Performance Fee**

### **Class A Premium Shares**

The Class A Premium Shares will not be subject to performance fee.

### ***Class B Investor Shares***

The Class B Investor Shares will not be subject to performance fee.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the Investment Management Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may (at the discretion of the Investment Manager) be paid in cash.

### **Administrator Fee**

The ICAV shall pay to the Administrator out of the assets of the Fund an annual fee of up to 0.10% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable quarterly in arrears (plus VAT, if any). Fees are exclusive of VAT, if any. Such fee is a maximum fee and may not represent the actual fee being charged at any one time. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable quarterly in arrears.

### **Depositary Fee**

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee up to a maximum of 0.10% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable quarterly in arrears. Fees are exclusive of VAT, if any. Such fee is a maximum fee and may not represent the actual fee being charged at any one time. In addition, the Depositary is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Depositary Agreement, which shall be payable quarterly in arrears. The Depositary will also charge the Fund third party transaction fees and sub-custodian fees and charges at normal commercial rates.

### **Subscription Charge**

A Subscription Charge of up to 3% of the subscription amount in relation to the subscription of Shares in any Classes of the Fund may be levied at the discretion of the Directors.

### **Redemption Charge**

A Redemption Charge of up to 3% of the redemption amount in relation to the redemption of Shares in any Classes of the Fund may be levied at the discretion of the Directors. The charge will be in favour of the Fund to cover potential losses and trading costs incurred in liquidating the assets to pay the redemption proceeds.

## **Conversion Fee**

There is no intention to levy a Conversion Fee in relation to the Shares of the Fund.

## **Anti-Dilution Levy / Duties and Charges**

An anti-dilution levy may be imposed in accordance with the provisions set out in the Prospectus as detailed under the heading "Net Asset Value and Valuation of Assets – Anti-Dilution Levy". Any anti-dilution levy shall not exceed 1.0 % of the value of each relevant subscription or redemption transaction. The application of any provision will be subject to the overall direction and discretion of the ICAV. Further information in respect of the application of an 'anti-dilution levy' may be obtained by Shareholders on request from the AIFM.

## **Revenues from SFTs Total Return Swaps and Efficient Portfolio Management Trades**

All revenues from efficient portfolio management trades (being trades entered to reduce risk or cost or to generate additional capital or income for the Fund), SFTs and total return swaps, net of direct and indirect operational and transaction costs, will be paid to the Fund. Any direct and indirect operational costs or fees arising from efficient portfolio management trades do not include hidden revenue and will be paid to such entities as outlined in the annual report of the Fund, which shall indicate if the entities are related to the AIFM or the Depositary.

## **13. Derogations**

The ICAV in its application for authorisation by the Central Bank did not apply for any derogations from its requirements under the Rulebook in respect of the Fund.

## **14. Risk Factors**

**Potential investors should consider the risks referred to in the "Risk Factors" section of the main Prospectus. The following additional risk factors should be considered.**

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The following list is not a complete list of all risks and other considerations that may be involved in connection with an investment in the Fund. Prospective investors should also note that the information contained in this Supplement has not been prepared, reviewed or confirmed by any independent expert or financial auditor.**

### **The Fund May Fail to Achieve its Objective**

There can be no assurance that the Fund will be able to achieve its investment objectives or that the Shareholders in the Fund will receive any return on, or recovery of, their investments.

### **Conflicts of interest**

The AIFM and the Investment Manager may be subject to a variety of conflicts of interest in making investments on behalf of the Fund. Please refer to section entitled "Conflicts of Interest" in the Prospectus for further details.

### **Risk of Investments in Securities Generally**

All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment policy will be successful. As is true of any investment, there is a risk that an investment in the Fund will be lost entirely or in part. The Fund should represent only a portion of an investor's portfolio management strategy. The Fund's investment policy may at times involve, without limitation, risks associated with limited diversification, interest rates, currencies, volatility, credit deterioration or default risks, counterparty default risks, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investments in securities and other investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its capital. The Fund's methods of minimising such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. Further, the AIFM may apply such risk management techniques on a selective or other periodic basis rather than at all times.

### **Custody Risk**

The Depositary may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. As the Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

### **Availability of Investment Strategies**

The success of the Fund's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the impact of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Fund involves a

high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities and derivatives markets.

### **No Independent Verification of Market Information**

The Investment Manager selects investments for the Fund on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by such issuers or through other sources. Although the Investment Manager evaluates all such information and data and seeks independent corroboration when the Investment Manager considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. It is, therefore, dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses which investors such as the Fund can incur as a result of corporate mismanagement, fraud and accounting irregularities.

### **Investments in Undervalued Securities**

The Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed. In addition, the Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

### **Investments in Unlisted Securities**

The Fund may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer to liquidate, or it may not be possible to liquidate, these positions than would be the case for publicly traded securities. 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. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

### **Purchasing Securities in Initial Public Offerings**

From time to time the Fund may purchase securities that are part of initial public offerings ("new issues"). The prices of these securities may be very volatile. The issuers of these securities may be undercapitalised, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the

issuers of these securities.

### **Fixed Income Securities**

The Fund may invest in listed and unlisted bonds or other fixed income securities, including, without limitation, commercial paper and “higher yielding” (including non-investment grade) (and, therefore, higher risk) debt securities. The Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer’s assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### **Currency of Denomination of Share Classes**

The ICAV is offering Shares in the Fund denominated in Euros and may offer shares denominated in other currencies in the future. The initial offering price of each Class of Shares is determined by the Directors and, due amongst other things to differences in exchange rate, the initial offering price of one Class will not necessarily be economically equivalent to the initial offering price of another Class. Accordingly, investors investing the same economic amounts in different currency classes, may receive different numbers of shares and thus, on a poll, their voting rights will not necessarily reflect their economic interest in the Fund.

### **Exchange Rate Fluctuations**

Whilst the functional currency of the Fund is Euro, the Fund’s assets will often be invested in securities denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Fund’s portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, the Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise 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 the Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Fund will conduct its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward

or options contracts to purchase or sell non-Euro currencies.

### **Concentration of Investments**

While it is the policy of the Fund to seek to diversify its investment portfolio in certain respects, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer. Subject to the investment guidelines set forth in this Supplement, at any given time, it is possible that the Fund may make investments that are concentrated in a particular type of security, industry, market capitalization or geographical area. This limited diversity could expose the Fund to significantly greater volatility than a more diversified portfolio.

### **Leverage and Financing Risk**

The Fund may leverage its capital when the Investment Manager believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. The Fund is not restricted as to the means by which it may employ leverage. The Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments.

While leverage presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy their margin requirements.

### **Short Selling**

Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the possible cost of replacing the borrowed security, whereas the risk of loss on a "long" position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

## **Highly Volatile Markets**

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

## **Counterparty Risk**

Some of the markets in which the Fund may effect transactions are "over-the-counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. Subject to the investment restrictions contained herein, the Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function dedicated to the evaluation of the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

## **General Economic and Market Conditions**

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of the Fund's investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

## **Factors Affecting Certain Markets**

The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position, which may impact the Fund's returns depending on the countries in which it is invested or to which it has

investment exposure. In particular, investing in the securities of companies (and, from time to time, governments) of less developed economies involves certain considerations not usually associated with investing in securities of countries with developed economies, including possible adverse political and economic developments, possible expropriation or nationalization of assets and the potential for changes in governmental policy that might adversely affect the Fund's ability to receive payment of principal and interest on its investment in such countries. In addition, the amount of publicly available information about issuers may vary from jurisdiction to jurisdiction, depending on applicable accounting, auditing and financial reporting standards and other disclosure requirements. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Stock markets in certain countries may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition, settlement of trades in some markets is slow and subject to failure. Transaction costs, including brokerage commissions and custodial costs, and taxes on the Fund's investments, also vary from jurisdiction to jurisdiction.

Some commodity exchanges are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a commodity contract and not of an exchange or clearing corporation. In such a case, the Fund is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. In addition, the trading of futures and forward contracts on certain commodity exchanges may be subject to price fluctuation limits.

THE FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL INVESTMENTS TO VARYING DEGREES. THE PRACTICES OF LEVERAGE AND ENGAGING IN FINANCE TRANSACTIONS, CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE FUND'S INVESTMENT PORTFOLIO MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.

**SUPPLEMENT 2**  
**RV - CORPORATE BONDS FUND**

**Second Supplement dated 12 January, 2017 to the Prospectus dated 12 January, 2017 for  
REDHEDGE ICAV**

This Supplement contains specific information in relation to RV – Corporate Bonds Fund (the “**Fund**”), an open-ended Fund of Redhedge ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C155838, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015.

**Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the Fund’s prospectus dated 12 January, 2017 (the "Prospectus"). This Supplement forms part of and should be read together with and in the context of the Prospectus. Nothing in this Supplement shall constitute a representation or warranty that, in preparing this document, any attempt has been made to verify, confirm or update any of the information in the Prospectus at the date hereof. This Supplement together with the Prospectus is available from the ICAV at its registered office. The ICAV may issue additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.**

The Directors, whose names appear under the heading “Directors of the ICAV” in the section of the Prospectus entitled “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The ICAV and the Fund are both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to “Qualifying Investors” as defined in the Prospectus and in accordance with Chapter 2 of the Rulebook.

**1. Definitions**

The expressions below shall have the following meanings:

“Business Day” means any day, except Saturday, Sunday, or public holidays in Ireland and the United Kingdom or such other day or days as the markets in those jurisdictions may be closed and such other day or days as may be determined by the Directors and notified in advance to Shareholders.

“Calculation Period” A period commencing on the first Business Day of every calendar month and ending on the last Business Day of that calendar month; with the first period commencing on the Business Day immediately following the closure of the Initial Offer Period, and ending on the

last Business Day of that calendar month.

“Redemption Day” means, in the context of redemptions of shares in any Class, each Wednesday, provided however that the Directors and the AIFM may designate alternative Redemption Days at their discretion provided there is at least one Redemption Day per quarter and Shareholders are notified in advance.

“Redemption Deadline” means for all redemption requests related to shares in any Class sent to the Administrator, 17.00 Irish time one (1) Business Day preceding the relevant Redemption Day or such other time as the Directors, in consultation with the AIFM, may determine and notify the Shareholders in advance provided always that the Redemption Deadline is no later than the relevant Valuation Point.

“Subscription Day” means, in the context of subscriptions, each Wednesday (or, if such day is not a Business Day, on the next following Business Day), provided however that the Directors and the AIFM may designate alternative Subscription Days at their discretion provided there is at least one Subscription Day per quarter and Shareholders are notified in advance.

“Subscription Deadline” means for all subscription documents sent to the Administrator, 17.00 Irish time, one (1) Business Days preceding the relevant Subscription Day, or such other time as the Directors, in consultation with the AIFM, may determine and notify the Shareholders in advance provided always that the Subscription Deadline is no later than the relevant Valuation Point.

“Valuation Point” means 17.00 Irish time of the Business Day immediately preceding a Subscription Day and/or a Redemption Day or such other day or days as may be determined by the Directors or AIFM and as notified to Shareholders in advance; subject to the requirement that dealing must be carried out on a Net Asset Value next computed after receipt of subscription and redemption requests.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. Key Features**

Base Currency EUR or such other currency as the Directors shall from time to time determine and notify to Shareholders and the Central Bank.

Segregation of Liability Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to

actions taken by the Fund are to be construed as actions taken by the ICAV or its delegates (including but not limited to the AIFM and the Investment Manager) in respect of the Fund. Pursuant to the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability.

Shares Available

The Fund is comprised of the following Classes:

- Class A EUR
- Class A Premium EUR
- Class A - Funding Partners

Please see section entitled "Classes of Shares" below for further details.

### **3. Regulatory Note, Qualifying Investor AIF and Eligible Investors**

The Fund is both authorised and supervised by the Central Bank. The Fund is authorised to be marketed solely to "Qualifying Investors" as defined in the Prospectus and in accordance with the AIF Rulebook issued by the Central Bank. While the Fund is authorised by the Central Bank as a "Qualifying Investor AIF", the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by the Fund nor has the Central Bank reviewed this Supplement.

The AIFM has been appointed by the ICAV to act as alternative investment fund manager to the ICAV. Further information regarding the biographical details of the AIFM and the AIFM Agreement are contained in the Prospectus at the sections entitled "MANAGEMENT AND ADMINISTRATION" and "GENERAL INFORMATION - Material Contracts" respectively.

Prior to undertaking any "marketing" (as such term is defined in AIFMD) towards Qualified Investors domiciled in or with a registered office in the EEA, the AIFM will give written notification to the regulatory authorities of the relevant EEA member states pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

### **4. Classes of Shares**

Information relating to the Classes of the Fund is set out below.

<b>Class of Shares</b>	<b>Reference Currency</b>	<b>Minimum Initial Subscription</b>	<b>Minimum Holding</b>	<b>Minimum Subsequent Subscription</b>	<b>Initial Issue Price per Share</b>	<b>ISIN</b>
Class A Shares	EUR	100,000	100,000	50,000	EUR 100	IE00BD1R9143
Class A Premium Shares	EUR	2,500,000	2,500,000	250,000	EUR100	IE00BD1R9259
Class A – Funding Partners	EUR	100,000	100,000	50,000	EUR 100	IE00BD3WYB25

Additional Classes may be established in the Fund in accordance with the requirements of the Central Bank.

If a Shareholder at any time holds less than EUR 100,000 (or its equivalent in other currencies), the Directors, in consultation with the AIFM, may at their discretion compulsorily redeem such Shareholder's entire holding of Shares. Similarly, should a Shareholder request a partial redemption of Shares such that its overall holding of Shares would fall below the Minimum Holding, the Directors, in consultation with the AIFM, may at their discretion consider such Redemption Request to be a request for a full redemption of the Shareholder's entire holding of Shares.

#### **Voting Rights**

The ICAV has not imposed any restrictions on the voting rights attaching to the Shares under Irish law and subject to the Instrument of Incorporation.

#### **5. Investment Objective and Policy**

##### *Investment Objective*

The investment objective of the Fund is to achieve medium to long-term (5 to 7 years) capital growth and absolute returns under all market conditions.

**There is no guarantee that the investment objective of the Fund will be achieved and investment results may vary substantially over time.**

##### *Investment Policy*

The Fund will seek to maximise total return, comprised of income and capital appreciation, while limiting risk and volatility through diversification of investments and sub-strategies of the investment strategy (as described further below under the heading "Investment Strategy"), regardless of the directional movement in equity, interest rate or currency markets.

In seeking to achieve its investment objective, the Fund will invest and trade in a portfolio of listed and unlisted bonds (which may be fixed or floating) or other fixed income securities, including, without limitation, commercial paper and "higher yielding" (including non-investment grade) (and, therefore,

higher risk) debt securities especially banks subordinated bond and corporate hybrids.

Such securities will be mainly focused on corporate bonds.

The Fund shall also invest in financial derivative instruments in order to gain exposure to the securities listed above. The Fund shall utilise the following:

- financial derivative instruments (listed and OTC) such as swaps (including total return swaps), linked to government bonds, interest rates, currencies, equity indices, credit indices;
- futures and options for hedging purposes in order to position the portfolio of the Fund as a result of changing market conditions; and
- iTraxx index and CDS of single name for hedging and speculation purposes.

The Investment Manager has selected each of the financial derivative instruments listed in the foregoing paragraph for use in the Fund on the basis that it considers that exposure to the underlying security related to each of the financial derivative instruments is appropriate for the pursuit of the investment objective of the Fund, and that exposure to such security by way of the relevant financial derivative instrument is the most appropriate method of accessing such exposure to the extent required.

The Fund may also enter into repurchase or reverse repurchase agreements, as further described below under the heading “Securities Financing Transactions Regulations”.

The Investment Manager will retain full investment discretion in the Fund and, taking into account market conditions and outlook and liquidity will have full discretion to determine the weightings of assets allocated to each sub-strategy of the investment strategy.

The Investment Manager will focus on investments which will aim to generate a return for Shareholders and the investment process will focus on, but not limited to, corporate and government bonds. All investments will be made in accordance with the investment restrictions as described under the heading “Investment Restrictions” below using the selection criteria more fully described in “Investment Strategy” below.

The Fund’s portfolio will be constructed in a diversified manner by the Investment Manager using proprietary valuation models.

### *Investment Strategy*

Absolute return bond strategies, dedicated to maximizing investment value, seeking to provide positive performance in all market conditions.

The portfolio construction process aims to achieve a specific return/risk profile, as well as diversification and balance in the overall portfolio.

By utilising a range of investment strategies/financial instruments, and by being able to profit in both rising and falling market conditions, hedge funds have the ability to generate returns that have little correlation to traditional investments.

The Investment Manager expects to build a portfolio of different sub-strategies and to allocate capital to such different strategies in order to build a well-balanced and diversified set of uncorrelated sources of alpha.

Strategies adopted in the Fund may include, but are not limited to:

- Fixed Income Relative Value; and
- Opportunistic/ Macro.

The Fund is not subject to any investment restriction on the amount or portion of its assets that may be applied to any given sub-strategy it adopts.

Fixed Income Relative Value:

The Investment Manager may make simultaneous purchases and sales of similar securities to exploit pricing differentials or have long exposure in non-equity oriented beta opportunities (such as bonds and other debt securities). Non-equity oriented beta opportunities include primarily long investments focused on relative value opportunities within a particular asset class.

The Investment Manager may attempt to neutralise long and short positions to minimise the impact of general market movements. Different relative value strategies include:

- yield curve arbitrage – a strategy seeking to profit from shifts in the yield curve by taking long and short positions in securities of various maturities;
- yield curve relative value – a strategy seeking to profit from differences in pricing of fixed income securities by taking long and short positions in securities of various maturities belonging to different yield curves, for example German bonds yield curve and Italian bonds yield curve;
- statistical arbitrage – a profit opportunity arising from pricing inefficiencies between securities, identified through mathematical modeling techniques;
- convertible bond arbitrage – an arbitrage strategy that aims to capitalise on mispricing between a convertible bond and its underlying equity;
- basis trading - a strategy that attempts to profit from the relationship between a derivative and its underlying reference security
- credit relative value - a strategy that attempts to profit from mispricing of different instruments referencing the same credit entities, such as two different bonds issued by the same company or a bond and a credit default swap referencing the same issuer.

The types of instruments traded vary considerably depending on the Investment Manager's relative value strategy. Because the strategy attempts to capture relatively small mis-pricings between two related securities, moderate to substantial leverage is often employed to achieve targeted/desired rates of return.

Subject to any investment restrictions, as further detailed under the heading "Investment Restrictions" below, the Fund shall be able to invest in any type of bond or debt security without limitations.

Opportunistic/Macro:

Under this sub-strategy, the Investment Manager will invest in a wide variety of instruments generally liquid financial derivative instruments (listed and OTC) linked to government bonds, interest rates, currencies, equity indices and credit indices and take directional exposure on specific instruments to benefit from price differentials and/or anticipated directional movements. When employing this sub-strategy the Investment Manager will often assume an aggressive risk posture, typically with a low correlation to other sub-strategies.

The Investment Manager may rely on a combination of macro-economic models, including Rates Models, Currency Models and the Merton Model as well as fundamental research to invest across countries, markets, sectors and companies, and have the flexibility to invest in numerous financial instruments. Macro investments will be determined on the basis of a discretionary approach, whilst quantitative models shall be used to determine intrinsic value of an asset class / instrument.

Futures and options may be used for hedging and speculation in order to re-position the portfolio of the Fund in light of changing market conditions. The use of leverage required in connection with this sub-strategy may vary considerably.

When employing any of the abovementioned sub-strategies involving securities linked to loans and other credit facilities the Fund shall not invest its assets by way of:

- i. the direct origination of loans by the Fund; or
- ii. the acquisition by the Fund of a portfolio of loans or a direct interest in loans which gives rise to a direct legal relationship between the ICAV as lender and the borrower.

Save for i and ii above, it is anticipated that the Investment Manager will not follow a rigid investment policy that would restrict the Fund from participating in any market, strategy or investment. In fact, the Fund's assets may be deployed in whichever sub-strategies are deemed appropriate under the prevailing market conditions which are expected to vary greatly across the market cycle. The Fund may accordingly invest in other sub-strategies that are deemed appropriate under prevailing market conditions.

The Fund may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of maximizing absolute returns.

The ICAV on behalf of the Fund may on an ancillary basis, for cash management or hedging purposes, or in times of market stress or where awaiting market opportunities, purchase liquid instruments, including money market instruments, money market funds and other regulated and liquid collective investment schemes managed by third parties with no connection to the ICAV or its officers. Uninvested cash which has not been placed as margin may, subject to investment restrictions, be held on deposit in a bank account in the name of the Fund. When appropriate the Fund may also employ leverage through borrowing, as further detailed below under the heading "Borrowing and Leverage".

*Securities Financing Transactions Regulation*

The Fund may engage in securities financing transactions (“SFTs”) within the meaning of EC Regulation 2015/2365 (the “SFT Regulation”).

Without limitation of any other section of this Supplement, in pursuit of its investment objective and in accordance with its investment policy and investment strategy, the Fund may use total return swaps and enter into repurchase or reverse repurchase agreements. A description of total return swaps and repurchase or reverse repurchase agreements can be found under the heading “Securities Financing Transactions Regulation” in the Prospectus.

The maximum exposure of the Fund in respect of SFTs and total return swaps shall be five (5) times the Net Asset Value of the Fund. However, the Investment Manager does not anticipate that the exposure of the Fund to SFTs and total return swaps will normally exceed three (3) times the Net Asset Value of the Fund. The Investment Manager may perform SFTs on bonds, equities or other assets which of a type consistent with the investment policy of the Fund.

Please see the section entitled “Collateral” in the Prospectus and “Re-use of assets” below for further information in relation to collateral and re-use of assets.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practises, including “Counterparty Risk”, “Risks inherent to OTC contracts, securities lending and repurchase agreements”, “Repurchase Agreement Risk” and “Swap Transactions”.

## **6. Investment Restrictions**

Save as provided for in the section entitled “Investment Objective and Policy” above and as detailed in the section of the Prospectus titled “The ICAV – Investment Restrictions” where they are applicable, there are no material limitations on the countries, instruments or markets in which the Fund may invest or trade, or on the investment and trading strategies that it may employ.

In the event that any of investment restrictions applicable to the Fund are exceeded for reasons beyond the control of the ICAV or as a result of the exercise of subscription rights, the ICAV will adopt as a priority objective the remedying of the situation, whilst taking due account of the interests of Shareholders.

## **7. Borrowing and Leverage**

The ICAV on behalf of the Fund may borrow up to one (1) times of the Net Asset Value of that Fund for cash management purposes, including in anticipation of additional subscriptions and to fund redemptions, and may do so when deemed appropriate by the AIFM. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The Fund may employ leverage to the extent deemed appropriate by the AIFM. In addition to borrowing, leverage may take the form of investments in derivative instruments, repurchase and reverse repurchase agreements. Where using the “commitment” method (i.e. where each derivative position is converted into the underlying asset) as set out in the Level 2 Regulation, the maximum leverage to be employed by the Fund through the use of derivatives used for investment purposes shall not exceed

three (3) times of the Net Asset Value of the Fund.

Where using the “gross” method (i.e. the sum of the absolute value of the derivative positions) as set out in the Level 2 Regulation, the maximum leverage to be employed by the Fund shall not exceed five (5) times of the Net Asset Value of the Fund.

#### *Re-use of assets*

Where relevant, counterparties to whom collateral is provided will generally be provided with such collateral on an outright transfer of ownership basis with full rights of re-use whereby the Fund will only have a contractual right to the return of the same or equivalent assets. The Fund may grant a security interest over some or all of its assets to secure collateral given to lenders and absent a default by the Fund lenders will generally not have a right to re-use such assets.

### **8. Changes to Investment Objective, Policy and Restrictions**

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

The investment objective of the Fund may not be altered without either the prior written approval of all Shareholders of the Fund or on the basis of a majority of votes cast at meeting of Shareholders of the Fund. Material changes in investment policy require AIFM and Shareholder approval and in the event of a change of investment objective and/or investment policy or investment restrictions a reasonable notification period will be provided by the ICAV to enable Shareholders in the Fund to redeem, where permitted, prior to implementation of the changes.

### **9. Dealing in Shares of the Fund**

#### **Initial Offer Period and Initial Issue Price per Share**

The Initial Offer Period in respect of Class A EUR Shares, Class A Premium EUR Shares and Class A – Funding Partners Shares has now closed. After closing of the Initial Offer Period of a Class, the Shares in that Class will be issued at their Net Asset Value per Share (plus any applicable duties or charges) in accordance with the provisions under the heading “Subsequent Subscriptions” in the Prospectus.

Subscriptions are subject to acceptance of applications for Shares in the relevant Class by the Directors. The Initial Offer Period of each Class may be extended or shortened without prior notification to the Central Bank, provided that no subscriptions have been received at the date of the proposed extension. The ICAV shall notify the Central Bank of any such extensions on an annual basis.

Pursuant to the powers of the Directors under the Instrument, the Directors have absolute discretion to accept or reject in whole or in part any application for Shares.

The Directors may close some or all of the Share classes in the Fund to subscriptions from existing and/or new Shareholders if the assets attributable to the Fund are at a level, above which, as determined by the Directors, it is not in the best interests of Shareholders to accept further subscriptions

– for instance where the size of the Fund may constrain the ability of the Investment Manager to meet the investment objective.

The Directors may subsequently re-open some or all of the Share classes in the Fund to further subscriptions from existing and/or new Shareholders at their discretion and the process of closing and potentially, re-opening the Share classes may be repeated thereafter as the Directors may determine from time to time.

Shareholders may ascertain the closed or open status of the Share classes and if those Share classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Share classes to new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders.

## **10. Redemptions**

After the expiration of the Initial Offer Period, Shares can be redeemed on any Redemption Day. The process to be followed when redeeming shares is found under the heading “Redemption of Shares” and “Deferred Redemptions” in the Prospectus.

### **Settlement Period**

The ICAV will pay redemption proceeds normally three Business Days after the relevant Redemption Day provided that the period must not exceed 90 calendar days from submission of a Redemption Request to payment of settlement proceeds. Shareholders should note that payments to third party accounts will not be made.

Where a Fund invests in other collective investment schemes, the AIFM may retain up to 10% of redemption proceeds payable, where this reflects the redemption policy of the underlying collective investment scheme and until such time as the full redemption proceeds are received from the underlying collective investment scheme.

## **11. Distribution Policy**

It is not the current intention of the Directors that dividends be declared for any Classes in the Fund and income of the Fund will be accumulated. If dividends are to become payable, Shareholders will be notified in advance and full details will be provided in an updated Supplement for the Fund. For more information, please refer to the section of the Prospectus entitled “Dividend Policy”.

## **12. Fees and Expenses**

The fees and operating expenses of the ICAV are set out in detail under the heading “Fees and Expenses” in the Prospectus. In addition, the Fund shall pay the following fees and expenses:

### **AIFM Fee**

The Fund shall pay to the AIFM out of its own assets a maximum aggregate annual fee of up to 0.025% of the Net Asset Value of the Fund accrued at each Valuation Point, together with any VAT, if applicable

and payable monthly in arrears. The AIFM shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out of pocket expenses incurred on behalf of the Fund together with VAT (if any thereon).

The AIFM fee is subject to an overall minimum fee for the ICAV of €65,000 per annum for the first two sub-funds of the ICAV, plus an additional amount for subsequent sub-funds as disclosed in the relevant Supplement. The AIFM may waive, at its absolute discretion, any fees.

### **Investment Manager Fee**

#### ***Class A Shares and Class A Premium Shares***

The ICAV shall pay to the Investment Manager out of the assets of the Fund an annual fee of up to 1% in respect of Class A Shares and 0.75% Class A Premium Shares of the Net Asset Value of the Fund, accrued at each Valuation Point and payable monthly in arrears (plus VAT, if any). The Investment Manager is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Investment Management Agreement, which shall be payable monthly in arrears.

#### ***Class A – Funding Partners Shares***

No investment management fee shall be payable in respect of the Class A – Funding Partners Shares.

### **Performance Fee**

#### ***Class A Shares, Class A Premium Shares and Class A – Funding Partners Shares***

The Fund awards to the Investment Manager a performance fee (calculated in respect of each calendar month – or partial calendar month in the case of a winding up of the ICAV or termination of the Investment Management Agreement otherwise than at the end of a calendar month – each such period a “Performance Calculation Period”) of 25% of the outperformance of the current month Net Asset Value per Share of the relevant Class, in respect of Class A Shares and Class A Premium Shares respectively and 20% of the outperformance of the current month Net Asset Value per Share in respect of the Class A – Funding Partners Shares, subject to the High Water Mark (as defined below) (the “Performance Fee”). There is no maximum monetary cap on the amount that may be charged to the Fund in respect of the Performance Fee as this is determined by the rate of growth of the Fund.

At the end of every Performance Calculation Period, the Performance Fee accrual adjustment is calculated by comparing the prior month’s Net Asset Value per Share of the relevant Class with the current month Net Asset Value per Share of the relevant Class with reference to the High Water Mark multiplied by the number of Shares in issue at that Valuation Point. If at the end of the Performance Calculation Period the current month Net Asset Value per Share of the relevant Class is above the High Water Mark a Performance Fee may be accrued. If it falls below the High Water Mark no further Performance Fee will be accrued until (and if) the current month Net Asset Value per Share of the relevant Class rises above the High Water Mark. The Performance Fee accrual will never fall below

zero.

The “High Water Mark” is the Net Asset Value as of the first Business Day immediately following the date the last Performance Fee was determined (or if no Performance Fee has been determined, the Net Asset Value immediately following its initial offering). Upon redemption of the relevant Shares, a Performance Fee will also be determined with respect to such Shares and will be paid to the Investment Manager.

The Performance Fee accrues weekly and is included in the weekly calculation of the Net Asset Value. The Performance Fee crystallises at the end of each Performance Calculation Period (monthly) and is paid to the Investment Manager quarterly in arrears. The first Performance Calculation Period will be the period commencing on the Business Day immediately following the close of the Initial Offer Period and ending at the last Net Asset Value of first calendar month following the close of the Initial Offer Period. Performance Fees are calculated after the deduction of any accrued Performance Fee for the relevant Performance Calculation Period.

For purposes of paying the Performance Fee, if any, due to the Investment Manager for a series of Performance Calculation Periods, the Fund shall pay to the Investment Manager, in Euro, within thirty (30) business days from the end of the last calendar quarter an amount (the “Estimated Performance Fee Payment”) equal to at least 90% of the estimated Performance Fee determined using the unaudited Net Asset Value as of the end of such Performance Calculation Periods. Promptly upon completion of the annual audit by ICAV’s auditors, the ICAV shall pay to the Investment Manager an amount equal to the excess of (i) 100% of the Performance Fee for such fiscal year determined using the final audited Net Asset Value of the ICAV as of the end of such fiscal year, subject to any adjustments identified during the course of the ICAV’s annual audit or otherwise, over (ii) the Estimated Performance Fee Payment.

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

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to intermediaries and/or Shareholders part or all of the Investment Management Fee and/or Performance Fee. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder, or may (at the discretion of the Investment Manager) be paid in cash.

The ICAV shall ensure that the calculation of performance fees is verified by the Depositary or by a competent person appointed by the AIFM and approved for the purpose by the Depositary.

#### **Administrator Fee**

The ICAV shall pay to the Administrator out of the assets of the Fund an annual fee of up to 0.10% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable quarterly in arrears (plus VAT, if any). Such fee is a maximum fee and may not represent the actual fee being charged at any one time. Fees are exclusive of VAT, if any. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in

the performance of its duties under the Administration Agreement, which shall be payable quarterly in arrears.

### **Depositary Fee**

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee up to a maximum of 0.10% of the Net Asset Value of the Fund, accrued at each Valuation Point and payable quarterly in arrears. Fees are exclusive of VAT, if any. Such fee is a maximum fee and may not represent the actual fee being charged at any one time. In addition, the Depositary is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Depositary Agreement, which shall be payable quarterly in arrears. The Depositary will also charge the Fund third party transaction fees and sub-custodian fees and charges at normal commercial rates.

### **Subscription Charge**

A Subscription Charge of up to 3% of the subscription amount in relation to the subscription of Shares in any Classes of the Fund may be levied at the discretion of the Directors.

### **Redemption Charge**

A Redemption Charge of up to 3% of the redemption amount in relation to the redemption of Shares in any Classes of the Fund may be levied at the discretion of the Directors in case of redemptions exceeding 10% of the outstanding Shares. The charge will be in favour of the Fund to cover potential losses and trading costs incurred in liquidating the assets to pay the redemption proceeds.

### **Conversion Fee**

There is no intention to levy a Conversion Fee in relation to the Shares of the Fund.

### **Anti-Dilution Levy / Duties and Charges**

An anti-dilution levy may be imposed in accordance with the provisions set out in the Prospectus as detailed under the heading "Net Asset Value and Valuation of Assets – Anti-Dilution Levy". Any anti-dilution levy shall not exceed 1.0% of the value of each relevant subscription or redemption transaction. The application of any provision will be subject to the overall direction and discretion of the ICAV. Further information in respect of the application of an 'anti-dilution levy' may be obtained by Shareholders on request from the AIFM.

### **Revenues from SFTs Total Return Swaps and Efficient Portfolio Management Trades**

All revenues from efficient portfolio management trades (being trades entered to reduce risk or cost or to generate additional capital or income for the Fund), SFTs and total return swaps, net of direct and indirect operational and transaction costs, will be paid to the Fund. Any direct and indirect operational costs or fees arising from efficient portfolio management trades do not include hidden revenue and will

be paid to such entities as outlined in the annual report of the Fund, which shall indicate if the entities are related to the AIFM or the Depositary.

### **13. Derogations**

The ICAV in its application for authorisation by the Central Bank did not apply for any derogations from its requirements under the Rulebook in respect of the Fund.

### **14. Risk Factors**

**Potential investors should consider the risks referred to in the “Risk Factors” section of the main Prospectus. The following additional risk factors should be considered.**

**Past performance of similar investments is not necessarily a guide to the future performance of the Fund's investments. The value of any investment can go down as well as up. There is no guarantee that the investment objective will be achieved.**

**An investment in the Fund is not suitable for all investors. A decision to invest in the Fund should take into account your own financial circumstances and the suitability of the investment as a part of your portfolio. You should consult a professional investment advisor before making an investment.**

**The following list is not a complete list of all risks and other considerations that may be involved in connection with an investment in the Fund. Prospective investors should also note that the information contained in this Supplement has not been prepared, reviewed or confirmed by any independent expert or financial auditor.**

#### **The Fund May Fail to Achieve its Objective**

There can be no assurance that the Fund will be able to achieve its investment objectives or that the Shareholders in the Fund will receive any return on, or recovery of, their investments.

#### **Conflicts of Interest**

The AIFM and the Investment Manager may be subject to a variety of conflicts of interest in making investments on behalf of the Fund. Please refer to section entitled “Conflicts of Interest” in the Prospectus for further details.

#### **Risk of Investments in Securities Generally**

All securities investments risk the loss of capital. No guarantee or representation is made that the Fund's investment policy will be successful. As is true of any investment, there is a risk that an investment in the Fund will be lost entirely or in part. The Fund should represent only a portion of an investor's portfolio management strategy. The Fund's investment policy may at times involve, without limitation, risks associated with limited diversification, interest rates, currencies, volatility, credit deterioration or default risks, counterparty default risks, systems risks and other risks inherent in the

Fund's activities. Certain investment techniques of the Fund can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject. In addition, the Fund's investments in securities and other investments may be materially affected by conditions in the financial markets and overall economic conditions occurring globally and in particular countries or markets where the Fund may invest its capital. The Fund's methods of minimising such risks may not accurately predict future risk exposures. Risk management techniques are based in part on the observation of historical market behaviour, which may not predict market divergences that are larger than historical indicators. Information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. Further, the AIFM may apply such risk management techniques on a selective or other periodic basis rather than at all times.

### **Custody Risk**

The Depositary may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. As the Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

### **Availability of Investment Strategies**

The success of the Fund's investment activities will depend on the Investment Manager's ability to identify investment opportunities as well as to assess the import of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by the Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of the Fund's assets or to exploit discrepancies in the securities and derivatives markets.

### **Event-Driven Investing**

Event-driven investing requires the Investment Manager to make predictions about: (i) the likelihood that an event will occur, and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as the Investment Manager had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value and fail to implement it, resulting in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Fund of the security in respect of which such distribution was made. The consummation of 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 federal or state regulatory agency; (iii) efforts by the target 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 federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of event-driven investing, the results of the Fund’s operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

#### **No Independent Verification of Market Information**

The Investment Manager selects investments for the Fund on the basis of information and data filed by issuers with various government regulators or made directly available to the Investment Manager by such issuers or through other sources. Although the Investment Manager evaluates all such information and data and seeks independent corroboration when the Investment Manager considers it appropriate and when it is reasonably available, the Investment Manager is not in a position to confirm the completeness, genuineness or accuracy of such information and data. It is, therefore, dependent upon the integrity of both the management of these issuers and the financial reporting process in general. Recent events have demonstrated the material losses which investors such as the Fund can incur as a result of corporate mismanagement, fraud and accounting irregularities.

#### **Investments in Undervalued Securities**

The Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund’s investments may not adequately compensate for the business and financial risks assumed. In addition, the Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Fund’s capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

#### **Investments in Unlisted Securities**

The Fund may invest in unlisted securities. Because of the absence of any trading market for these investments, it may take longer to liquidate, or it may not be possible to liquidate, these positions than would be the case for publicly traded securities. 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. Further, companies whose securities are not publicly traded will generally not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

#### **Purchasing Securities in Initial Public Offerings**

From time to time the Fund may purchase securities that are part of initial public offerings (“new issues”). The prices of these securities may be very volatile. The issuers of these securities may be

undercapitalised, have a limited operating history, and lack revenues or operating income without any prospects of achieving them in the near future. Some of these issuers may only make available a limited number of shares for trading and therefore it may be difficult for the Fund to trade these securities without unfavorably impacting their prices. In addition, investors may lack extensive knowledge of the issuers of these securities.

### **Fixed Income Securities**

The Fund may invest in listed and unlisted bonds or other fixed income securities, including, without limitation, commercial paper and “higher yielding” (including non-investment grade) (and, therefore, higher risk) debt securities. The Fund will therefore be subject to credit, liquidity and interest rate risks. Higher-yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer’s assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness. In addition evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### **Currency of Denomination of Share Classes**

The ICAV is offering Shares in the Fund denominated in Euros and may offer shares denominated in other currencies in the future. The initial offering price of each Class of Shares is determined by the Directors and, due amongst other things to differences in exchange rate, the initial offering price of one Class will not necessarily be economically equivalent to the initial offering price of another Class. Accordingly, investors investing the same economic amounts in different currency classes, may receive different numbers of shares and thus, on a poll, their voting rights will not necessarily reflect their economic interest in the Fund.

### **Exchange Rate Fluctuations**

Whilst the functional currency of the Fund is Euro, the Fund’s assets will often be invested in securities denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of the Fund’s portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, the Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise 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 the Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. The Fund will conduct its currency exchange transactions either on a spot (*i.e.*, cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-Euro currencies.

### **Concentration of Investments**

While it is the policy of the Fund to seek to diversify its investment portfolio in certain respects, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer. Subject to the investment guidelines set forth in this Supplement, at any given time, it is possible that the Fund may make investments that are concentrated in a particular type of security, industry, market capitalization or geographical area. This limited diversity could expose the Fund to significantly greater volatility than a more diversified portfolio.

### **Leverage and Financing Risk**

The Fund may leverage its capital when the Investment Manager believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its assets in order to borrow additional funds from dedicated credit and banking facilities for investment purposes. The Fund is not restricted as to the means by which it may employ leverage. The Fund may also leverage its investment return with options, short sales, swaps, forwards and other derivative instruments.

While leverage presents opportunities for increasing the Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the Fund would be magnified to the extent the Fund is leveraged. The cumulative effect of the use of leverage by the Fund in a market that moves adversely to the Fund's investments could result in a substantial loss to the Fund which would be greater than if the Fund were not leveraged.

In general, the use of short-term margin borrowings results in certain additional risks to the Fund. For example, should the securities pledged to brokers to secure the Fund's margin accounts decline in value, the Fund could be subject to a "margin call", pursuant to which the Fund must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to satisfy their margin requirements.

### **Short Selling**

Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Fund of buying those securities to cover the short position. A short sale presents greater risk than purchasing a security outright since there is no ceiling on the

possible cost of replacing the borrowed security, whereas the risk of loss on a “long” position is limited to the purchase price of the security. Closing out a short position may cause the security to rise further in value creating a greater loss.

### **Highly Volatile Markets**

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Fund’s assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearinghouses.

### **Counterparty Risk**

Some of the markets in which the Fund may effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not *bona fide*) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Counterparties in foreign markets face increased risks, including the risk of being taken over by the government or becoming bankrupt in countries with limited if any rights for creditors. Subject to the investment restrictions contained herein, the Fund is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, the Fund has no internal credit function dedicated to the evaluation of the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. Counterparty risks also include the failure of executing brokers to honor, execute, or settle trades.

### **General Economic and Market Conditions**

The success of the Fund’s activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities’ prices, the liquidity of the Fund’s investments and the availability of certain securities and investments. Volatility or illiquidity could impair the Fund’s profitability or result in losses. The Fund may maintain substantial trading positions that can be materially adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss.

### **Factors Affecting Certain Markets**

The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position, which may impact the Fund's returns depending on the countries in which it is invested or to which it has investment exposure. In particular, investing in the securities of companies (and, from time to time, governments) of less developed economies involves certain considerations not usually associated with investing in securities of countries with developed economies, including possible adverse political and economic developments, possible expropriation or nationalization of assets and the potential for changes in governmental policy that might adversely affect the Fund's ability to receive payment of principal and interest on its investment in such countries. In addition, the amount of publicly available information about issuers may vary from jurisdiction to jurisdiction, depending on applicable accounting, auditing and financial reporting standards and other disclosure requirements. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Stock markets in certain countries may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition, settlement of trades in some markets is slow and subject to failure. Transaction costs, including brokerage commissions and custodial costs, and taxes on the Fund's investments, also vary from jurisdiction to jurisdiction.

Some commodity exchanges are "principals' markets" in which performance is the responsibility only of the individual member with whom the trader has entered into a commodity contract and not of an exchange or clearing corporation. In such a case, the Fund is subject to the risk of the inability of, or refusal by, the counterparty to perform with respect to such contracts. In addition, the trading of futures and forward contracts on certain commodity exchanges may be subject to price fluctuation limits.

THE FUND'S INVESTMENT PROGRAM IS SPECULATIVE AND ENTAILS SUBSTANTIAL RISKS. MARKET RISKS ARE INHERENT IN ALL INVESTMENTS TO VARYING DEGREES. THE PRACTICES OF LEVERAGE AND ENGAGING IN FINANCE TRANSACTIONS, CAN, IN CERTAIN CIRCUMSTANCES, INCREASE THE ADVERSE IMPACT TO WHICH THE FUND'S INVESTMENT PORTFOLIO MAY BE SUBJECT. NO ASSURANCE CAN BE GIVEN THAT THE FUND'S INVESTMENT OBJECTIVE WILL BE REALISED. AN INVESTOR MAY LOSE SOME OR ALL OF HIS INVESTMENT.