

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser ("Professional Advisors").**

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

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### **The Roxbury Fund ICAV**

*(An open-ended Irish collective asset-management vehicle with variable capital structured as an umbrella fund with segregated liability between sub-funds with limited liability and registered in Ireland)*

### **PROSPECTUS**

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The date of this Prospectus is 1 June 2018

## IMPORTANT INFORMATION

This Prospectus comprises information relating to The Roxbury Fund ICAV (the "**ICAV**"), an open-ended Irish collective asset-management vehicle with variable capital structured as an umbrella fund and with segregated liability between its sub-funds organised under the laws of Ireland. The ICAV was registered on 18 August 2015.

It qualifies and is authorised in Ireland by the Central Bank of Ireland (the "**Central Bank**") as a UCITS for the purposes of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as may be amended, supplemented or consolidated from time to time. The ICAV is structured as an umbrella fund in that the share capital of the ICAV may be divided into different classes of Shares with one or more classes representing a separate sub-fund (each a "**Fund**"). Each Fund may be listed on one or more stock exchange.

In relation to each Share class, issued or to be issued from the date of this Prospectus, an application may be made to one or more stock exchange for those Shares to be admitted to official listing on those stock exchanges. Where an application is made for Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange, this document together with the relevant Supplement shall constitute listing particulars for the purpose of listing the Shares on the Irish Stock Exchange. Neither the admission of the Shares to the Official List, nor to trading on the Main Securities Market of the Irish Stock Exchange, nor the approval of the listing particulars pursuant to the listing requirements of the Irish Stock Exchange will constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers to or any other party connected with the ICAV, the adequacy of information contained in the listing particulars or the suitability of the ICAV for investment purposes. None of the Shares are currently listed or proposed to be listed on any stock exchange.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there are different classes of Shares constituting a Fund, details relating to the separate classes may be dealt with in a single Supplement or in separate Supplements for each class. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their Professional Advisors in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

Each prospective investor should consult his own Professional Advisor for advice concerning the various legal, tax and economic considerations relating to his investment. Each prospective investor is responsible for the fees of his own Professional Advisor. A prospective investor should not subscribe for Shares unless satisfied that he and/or his investment representative have asked for and received all information which would enable him or both of them to evaluate the merits and risks of the proposed investment.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published annual report and audited financial statements and, if published after such report, a copy of the latest semi-annual report and unaudited financial statements. These reports will form part of this Prospectus.

**The ICAV is both authorised and supervised by the Central Bank. 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 authorisation of the ICAV by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.**

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

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

### **Key Investor Information Document**

A Key Investor Information Document is available for each Fund. In addition to summarising some important information in the relevant Supplement, the Key Investor Information Document may contain information on the historical performance and relevant charges for each of the Funds. The Key Investor Information Document can be obtained from the registered office of the Administrator which is set out in the section entitled "Directory".

### **Investment Risks**

**The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund.** There can be no assurance that any Fund will achieve its investment objective. Investors should note that at any point in time, the Fund may invest principally in FDIs. Investors should consider the investment risks described under the section "Risk Factors".

### **Sales Fee/ Redemption Fee**

**Where a Sales Fee or a Redemption Fee is payable in respect of a subscription or redemption for certain classes of Shares the resulting difference at any one time between Subscription Price and Redemption Price for Shares means that any investment should be viewed as medium to long term. Where a Redemption Fee is charged it will not exceed 1.5 % of the redemption proceeds. Where a Sales Fee is charged it will not exceed 5% of the subscription proceeds.**

## Offering of Shares

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the ICAV to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

- the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, conversion or disposal of Shares.

Application may be made in other jurisdictions to enable the Shares of the ICAV to be marketed in those jurisdictions. Local regulations in EEA countries may require the appointment of paying agents. In the event that such registrations take place the Manager may appoint or be required to appoint paying agents (who may be required to maintain accounts through which subscription/redemption monies may be paid, with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV and (b) redemption monies payable by such intermediate entity to the relevant investor, accordingly such investors bear a credit risk against such intermediate entities), representatives, distributors or other agents in the relevant jurisdictions. The fees and expenses of any such agent will be charged at normal commercial rates and will be discharged out of the assets of the ICAV.

### United Kingdom

The ICAV intends to register as a "recognised scheme" for the purposes of Section 264 of the Financial Services and Markets Act 2000 ("**FSMA**") of the United Kingdom and once so registered, will be promoted and sold direct to the public in the United Kingdom subject to compliance with the FSMA and applicable regulations made thereunder and will be open for investment to any resident of the United Kingdom.

Potential investors in the United Kingdom should be aware that none of the protections afforded by the United Kingdom regulatory system will apply to an investment in the ICAV and that compensation will not be available under the Financial Services Compensation Scheme.

### United States

The Shares have not been, and will not be, registered under the 1933 Act or the securities laws of any of the States of the United States. The Shares may not be offered, sold, transferred, pledged or delivered, directly or indirectly, in or into the United States of America (including its territories and

possessions) or in any State or the District of Columbia, or to or for the account or benefit of any U.S. Person or U.S. Taxpayer (as defined in Schedule III), except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the 1933 Act and any applicable State laws. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of US law.

The Shares may not be offered, sold, transferred, pledged or delivered except (i) outside the United States to non-U.S. Persons in reliance on Regulation S under the 1933 Act or (ii) in the Manager's sole discretion, inside the United States or to a limited number of U.S. Persons who qualify as Accredited Investors within the meaning of the 1933 Act and Qualified Purchasers within the meaning of the 1940 Act in a transaction not involving any public offering within the meaning of Section 4(2) of the 1933 Act, in each case in accordance with any applicable securities laws of any State or other jurisdiction of the United States.

The ICAV and the Funds have not and will not be registered under the 1940 Act and the Investment Manager is not registered as an investment adviser under the Advisers Act, and thus the Shareholders will not be entitled to the benefits of those Acts. Any re-sales or transfers of the Shares in the US or to U.S. Persons may constitute a violation of US law and requires the prior written consent of the ICAV. The ICAV reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Applicants for Shares will be required to certify whether they are a U.S. Person and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the Shareholders by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV incurring any liability to taxation or suffering any other pecuniary disadvantage which the ICAV might not otherwise have incurred or suffered. The Directors will not knowingly permit investments by U.S. Persons that are not Accredited Investors and Qualified Purchasers. To ensure this requirement is maintained, the Directors may require the mandatory repurchase of Shares beneficially owned by U.S. Persons. Please see Section 7.8 (Compulsory Redemption) for further details.

The Shares have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

In addition, because the Investment Manager is not registered as a commodity pool operator or a commodity trading advisor under the Commodity Exchange Act, the Shareholders will not be entitled to the benefit of that Act. The Investment Manager currently intends to limit its Investments in FDIs to avoid such regulation, but the ICAV and/or the Funds may be subject to regulation as a commodity pool in the future. You should also be aware that the ICAV and/or the Funds, as a commodity pool, may trade foreign futures or options contracts. Transactions on markets located outside the United States, including markets formally linked to a United States market, may be subject to regulations which offer different or diminished protection to the pool and its participants. Further, United States regulatory

authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-United States jurisdictions where transactions for the pool may be effected.

Pursuant to an exemption from the Commodity Futures Trading Commission (the "CFTC") in connection with pools whose participants are limited to qualified eligible persons, an offering memorandum for this pool is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for this pool.

Shares may not be acquired or owned by, or acquired with the assets of an ERISA Plan.

### **Qualified Holders**

Shareholders are required to notify the Administrator immediately in the event that they cease to be a Qualified Holder. Where the ICAV becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, it may (i) redeem the Shares so held compulsorily, (ii) direct the Shareholder to transfer his Shares to a person qualified to own such Shares, or (iii) request the ICAV to redeem the Shares.

### **Translations**

This Prospectus and any Supplement 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/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, the English language Prospectus/Supplement 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/Supplement in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

### **Choice of Law and Jurisdiction**

All disputes and claims as to (a) the terms of this Prospectus and any Supplement, regardless of the language in which they are translated, (b) the issue, holding, transfer or redemption of Shares, or (c) any other claim or dispute whatsoever howsoever arising out of or in connection with Shares shall be governed by and construed in accordance with the laws of Ireland. All such disputes and claims shall be submitted to the jurisdiction of the courts of Ireland.

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## 1. DEFINITIONS

**"Act"** means the Irish Collective Asset-Management Vehicles Act 2015 as same may be amended from time to time.

**"Accredited Investor"** means an "accredited investor" as defined in Rule 501(a) of Regulation D of the Securities Act.

**"Administrator"** means Apex Fund Services (Ireland) Limited and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide administration, register and transfer agency services to the ICAV.

**"Administration Agreement"** means the agreement made between the Manager, the ICAV and the Administrator dated 31 May 2018 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Advisers Act"** means the US Investment Advisers Act of 1940, as amended.

**"Application Form"** means the signed subscription form prescribed by the Directors from time to time in relation to the subscription of Shares in a Fund.

**"Auditors"** means Deloitte or such other persons, as may be appointed, in accordance with the requirements of the Central Bank, to act as auditor to the ICAV.

**"Base Currency"** means in relation to a Fund, the currency in which the Net Asset Value of that Fund is calculated, as specified in the relevant Supplement.

**"Business Day"** means in relation to a Fund, such day or days as the Directors may from time to time determine with approval of the Administrator as set out in the relevant Supplement.

**"Central Bank"** means the Central Bank of Ireland, or any successor thereof.

**"Central Bank Requirements"** means the requirements of the Central Bank pursuant to the Regulations and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as same may be amended or replaced from time to time.

**"CFD"** means an FDI contract which is made between two parties, a "buyer" and a "seller", stipulating that the seller will pay to the buyer the difference between the value of an asset at the time of payment and its value at the time of entering into the CFD or, alternatively, the buyer paying the seller in the event that such difference is negative.

**"CFTC"** means the Commodity Futures Trading Commission.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended.

**"Commodity Exchange Act"** means the U.S. Commodity Exchange Act of 1936 as amended.

**"Convertible Debt Securities"** means debt securities that are convertible into the equity securities of an issuer and which may or may not embed FDI.



**"Credit Derivative"** means a customised FDI contract between two counterparties, a protection buyer and a protection seller, in which payments under the contract are linked to a measure of the creditworthiness of some reference asset. Payouts under the contract can be triggered by a number of credit events including a default, a rating downgrade or a stipulated change in the credit spread of the reference asset.

**"Currency Forward"** means a financial contract where one party agrees to buy or sell a currency amount in the future at a particular price.

**"Data Protection Legislation"** means the Data Protection Act 1988 and the Data Protection (Amendment) Act 2003, as may be amended from time to time.

**"Dealing Day"** means, in relation to a Fund, such day or days as shall be specified in the relevant Supplement for a Fund (and / or any such other day or days as the Directors may determine and notify in advance to the Shareholders) provided that there shall be at least two Dealing Days in each calendar month at regular intervals.

**"Dealing Deadline"** means, in relation to any dealing applications for Shares of a Fund, the time or times on each Business Day by which an Application Form in respect of a Dealing Day must be received by the Administrator as specified in the relevant Supplement.

**"Depository"** means Société Générale S.A., acting through its Dublin branch, or such other person as may be appointed, in accordance with the requirements of the Central Bank, to act as depository to the ICAV.

**"Depository Agreement"** means the agreement between the ICAV, the Manager and the Depository dated 31 May 2018 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Directive"** means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as may be amended, supplemented or replaced from time to time.

**"Directors"** means the directors of the ICAV or any duly authorised committee thereof.

**"Distributor"** means Roxbury Asset Management Limited and/or such other person(s) as may be appointed in accordance with the requirements of the Central Bank to act as a distributor to the ICAV.

**"Duties and Charges"** means in relation to any Fund, all stamp duties and other duties, taxes, governmental charges, imposts, levies, fees, exchange costs and commissions (including foreign exchange spreads), depository and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any Investment was valued for the purpose of calculating the Net Asset Value per Share of any Fund and the estimated or actual price at which any such Investment is purchased or expected to be purchased, in the case of subscriptions to the relevant Fund, or sold or expected to be sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any FDIs required as a result of a subscription or redemption, whether paid, payable or incurred or expected to

be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the ICAV or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or Investments by or on behalf of the ICAV.

**"ERISA Plan"** means (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); or (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended.

**"Euro", "EUR" and "€"** means the single European currency unit referred to in Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro.

**"European Union"** means the participating member states that adopted the single currency in accordance with the EC Treaty of Rome dated 25 March 1957 (as amended by the Maastricht Treaty dated 7 February 1992).

**"Eurozone"** means the geographic and economic region that consists of all the countries of the European Union that have incorporated the Euro as their national currency.

**"FATCA" or "Foreign Account Tax Compliance Act"** means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these sections of the Code.

**"FDIs"** means financial derivative instruments.

**"Financial Account"** means a Financial Account as used in the intergovernmental agreement between the U.S. and Ireland for the purposes of FATCA.

**"Financial Institution"** means a "Financial Institution" as defined in FATCA.

**"FINRA"** means the Financial Industry Regulatory Authority for the U.S.

**"Fund"** means a portfolio of assets established by the Directors (with the prior approval of the Central Bank) for one or more classes of Shares, which is invested in accordance with the investment objectives applicable to such Fund and which forms part of the ICAV.

**"Future"** means a contract to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a pre-determined price.

**"Global Supplement"** means a Supplement the sole purpose of which is to list the Funds of the ICAV currently authorised by the Central Bank.

**"ICAV"** means The Roxbury Fund ICAV.

**"IMF"** means the International Monetary Fund.

**"Instrument"** means the instrument of incorporation of the ICAV.

**"Investment"** means any investment authorised and permitted by the Instrument.

**"Investment Manager"** means Roxbury Asset Management Limited and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to a Fund.

**"Investment Management and Distribution Agreement"** means the agreement between the Manager, the ICAV, the Distributor and the Investment Manager and dated 9 September 2015 and as amended and restated on 28 June 2016 and as may be further amended from time to time in accordance with the requirements of the Central Bank.

**"Key Investor Information Document"** or **"KIID"** means the key investor information document issued in respect of Shares of a Fund pursuant to the Regulations.

**"Manager"** means KBA Consulting Management Limited, a limited liability company incorporated in Ireland.

**"Management Agreement"** means the agreement between the ICAV and the Manager dated 9 September 2015 as may be amended from time to time in accordance with the requirements of the Central Bank.

**"Member State"** means a member state of the European Union.

**"Net Asset Value"** means the net asset value of a Fund or, where applicable, of a class of Shares, determined in accordance with the Instrument.

**"Net Asset Value per Share"** means the Net Asset Value divided by the number of Shares of the relevant Fund subject to such adjustment, if any, as may be required where there is more than one class of Shares in the Fund.

**"OECD"** means the Organisation for Economic Co-Operation and Development.

**"Option"** means a financial contract which gives the contract buyer the right, but not the obligation, to exercise a term of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified term of the contract.

**"OTC"** means over the counter.

**"Participation Notes"** means instruments which replicate the economic exposure associated with buying or selling an underlying asset or an index and will generally be used to hedge or gain exposure to general market indices in the equities, foreign exchange and fixed income markets.

**"Prospectus"** means this document as it may be amended from time to time in accordance with the requirements of the Central Bank together with, where the context requires or implies, any Supplement or addendum.

**"Qualified Holder"** means any person, corporation or entity other than (i) a U.S. person which is not a Qualified U.S. Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it or who might expose the ICAV to adverse tax or regulatory consequences; or (iii) a depositary, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

**"Qualified Purchaser"** means a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act.

**"Qualified U.S. Person"** means a U.S. Person who has acquired Shares with the consent of the Directors provided that the number of Qualified U.S. Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the ICAV from being required to register as an investment company under the 1940 Act.

**"Redemption Fee"** means a fee payable in respect of a Fund (if any) on the redemption of Shares as specified in the Supplement for the relevant Fund.

**"Redemption Price"** means in respect of any Fund, the price at which Shares can be redeemed as calculated in the manner set out in the section "Redemptions: Redemption Price".

**"Regulated Markets"** means the stock exchanges and/or regulated markets listed in Appendix I.

**"Regulations"** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as may be amended, supplemented, consolidated or replaced from time to time.

**"Sales Fee"** means a fee payable in respect of a Fund (if any) on the subscription for Shares as specified in the Supplement for the relevant Fund.

**"SEC"** means U.S. Securities and Exchange Commission.

**"Secretary"** means Wilton Secretarial Limited and/or such other person as may be appointed to act as secretary to the ICAV in accordance with the Act.

**"Securities Financing Transaction" or "SFT"** means a) a repurchase transaction; (b) securities lending and securities borrowing; (c) a buy-sell back transaction or sell-buy back transaction; (d) a margin lending transaction, as defined in SFTR.

**"SFT Agent"** means any person involved in an SFT and/or TRS as agent, broker, collateral agent or service provider and that is paid fees, commissions, costs or expenses out of the assets of the ICAV and/or relevant Fund (which SFT Agent can be a counterparty of a Fund in an SFT and/or TRS).

**"SFTR"** Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended or replaced.

**"Share(s)"** means a share or shares of no par value in the ICAV or a Fund as the context requires, designated as a "Participating Share" or "Participating Shares" in the Instrument.

**"Shareholder"** means the registered holder of a Share.

**"Subscriber Shares"** means shares of €1 each in the capital of the ICAV designated as "Subscriber Shares" in the Instrument and issued for the purposes of incorporating the ICAV.

**"Supplement"** means any document issued by the ICAV expressed to be a supplement to this Prospectus, including any addenda thereto.

**"GBP", "Stg", "£" and "Sterling"** means the lawful currency of the United Kingdom.

**"Subscription Price"** means the price at which Shares can be subscribed as calculated in the manner set out in the section "Subscriptions: Subscription Price".

**"Synthetic Short Exposure"** means in relation to a Fund and where disclosed in its investment policy, exposure, achieved through the use of FDIs, which has the same effect as entering into a contract to sell an Investment not actually held by the Fund.

**"Total Return Swap" or "TRS"** a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.

**"UCITS"** means an Undertaking for Collective Investment in Transferable Securities established pursuant to the Regulations.

**"Unfunded Swaps"** means unfunded index swaps, foreign exchange swaps, total return swaps, currency swaps, cross-currency swaps, excess-return swaps, cross-currency asset swaps, interest rate swaps, credit default swaps, inflation swaps and / or other asset swaps and / or options on such contracts (called swaptions) in each case for the purpose of gaining economic exposure to an asset class, or a combination of asset classes, as described in the investment policy of a Fund and in furtherance of its investment objective.

**"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

**"United States" and "US"** means the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.

**"United States Dollars", "US Dollars", "USD" and "US\$" means the lawful currency of the United States.**

**"U.S. Person"** means the persons defined in Appendix III.

**"U.S. Reportable Account"** means a Financial Account held by a U.S. Reportable Person.

**"U.S. Taxpayer"** means a "U.S. Taxpayer" as defined in Appendix III.

**"Valuation Point"** means such time and day as the Directors may from time to time determine, with the approval of the Administrator, in relation to the valuation of the assets and liabilities of a Fund as set out in Supplement for the relevant Fund.

**"Warrants"** means derivative securities which give the holder the right to purchase securities (usually equity) from the issuer at a fixed price until the expiry date. Warrants may be passively acquired, for example, as a result of corporate action or may be acquired on the secondary market as an alternative to purchasing the underlying reference securities. The warrants in which the Fund may invest shall primarily be listed/traded on Regulated Markets.

**"1933 Act"** means the United States Securities Act of 1933, as amended.

**"1940 Act"** means the United States Investment Company Act of 1940, as amended.

## 2. DIRECTORY

### Registered Office

6<sup>th</sup> Floor  
2 Grand Canal Square,  
Dublin 2, Ireland

#### Directors

Una Bannon  
Denise Kinsella  
Douglas Shaw

#### Manager

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

#### Investment Manager and Distributor

Roxbury Asset Management  
Limited  
Third Floor, 2 Savile Row,  
London W1S 3PA, England

#### English Counsel to ICAV

GRM Law  
1 Bedford Row,  
London WC1R 4BZ, England

#### Depository

Société Générale S.A., Dublin  
Branch,  
3rd Floor, IFSC House, IFSC,  
Dublin 1, Ireland

#### Administrator, Registrar and Transfer Agent

Apex Fund Services (Ireland)  
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### **3. INTRODUCTION**

The Roxbury Fund ICAV is an open-ended Irish collective asset-management vehicle with variable capital and segregated liability between its Funds. It was organised under the laws of Ireland on 18 August 2015. The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the Regulations.

The ICAV is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the Central Bank. In addition, each Fund may have more than one Share class allocated to it. The creation of further Funds will require the prior approval of the Central Bank and the creation of any class of Shares will be effected in accordance with the Central Bank Requirements. The Shares of each class allocated to a Fund will rank *pari passu* with each other in all respects except as to the currency or denomination of the class, the hedging policy, the dividend policy, the level of fees and expenses to be charged, the minimum subscription, minimum additional subscription, minimum holding and minimum redemption applicable or, otherwise, as the Directors may determine.

The assets of each Fund are separate from one another such that the assets of one Fund will not be available to meet the liabilities of another and are invested in accordance with the investment objectives, policies and restrictions applicable to each such Fund. The share capital of each Fund shall at all times equal its Net Asset Value.

The base currency of the ICAV is Euro.

The Base Currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

As at the date of this Prospectus, the ICAV has one Fund, the Roxbury Credit Events Fund.

Details of the Funds of the ICAV currently approved by the Central Bank are set out in the Global Supplement. Specific details concerning each Fund are set out in the Supplement for that Fund. On the establishment of any new Fund or the creation of a new Share class of an existing Fund, a Supplement will be issued in respect thereof and, where applicable, the Global Supplement will be updated accordingly.



## **4. INVESTMENT OBJECTIVES AND POLICIES**

### **4.1. General**

The specific investment objectives and policies for each Fund will be formulated by the Directors, subject to consultation with the Manager at the time of the creation of that Fund and set out in the relevant Supplement.

Any alteration to the investment objective or a material alteration to the investment policies of any Fund at any time will be subject to the prior approval in writing of all of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. The Directors may implement non-material alterations to a Fund's investment policy from time to time. Shareholders will be given reasonable advance notice of the implementation of any alteration to the investment objectives or policies of a Fund so as to enable them to redeem their Shares prior to such implementation.

A Fund may invest in other Funds and/or other collective investment schemes in accordance with the Central Bank Requirements. As an investor in such other collective investment schemes, the Fund will bear, along with other investors of the underlying schemes, its portion of the expenses of the underlying scheme including where applicable management, investment management and administration and other expenses.

A Fund may invest in FDIs for direct investment purposes only where such intention is disclosed in the Fund's investment policy.

A Fund's Investments will be limited to investments permitted by the Regulations which are described in more detail in Appendix II and will, save in respect of its Investments in open-ended collective investment undertakings, normally be listed or traded on the Regulated Markets set out in Appendix I.

Following a formal decision to terminate a Fund, the Investments of the Fund may be liquidated and converted to cash so as to enable termination of the Fund in an orderly manner and in order to preserve Shareholder equity.

### **4.2. Investment in FDIs**

The Investment Manager may also, where set out in the investment policy of a Fund, for direct investment purposes use FDIs and SFTs (including TRS) such as Futures and Currency Forwards (which may be used to manage market and currency risk respectively), Options (including call and put Options which may be used to achieve cost efficiencies), Unfunded Swaps (including credit default swaps and TRS), Warrants (which may be passively acquired, for example as a result of a corporate action), participation notes and Convertible Debt Securities (which may or may not embed FDI). These FDIs and SFTs (including TRS) may be used to assist the Investment Manager in achieving a Fund's objective and which may assist the Investment Manager in the management of cash flows, reduction of transaction costs or taxes or for such other reasons as it deems of benefit to a Fund in the context of the Fund's investment objective. TRS used by the ICAV may include bond TRS, currency TRS, interest rate TRS and index TRS. The rationale for the use of TRS is to gain synthetic exposure to certain underlying assets without investing directly (and/or fully) in these underlying assets.

Where a Fund intends to use FDIs and SFTs (including TRS) this will be specified in its investment policy. If applicable, the investment policy of a relevant Fund discloses: (i) the types of assets that can be subject to SFTs and/or TRS; (ii) the maximum and expected proportion of Net Asset Value of a Fund that may be subject to SFTs and/or TRS; and (iii) a description of the SFTs and/or TRS invested in by the Fund. The counterparties to SFTs and TRS are selected on the basis of specific criteria, including their legal status, country of origin and minimum credit rating, as referred to in Appendix II.

Where a Fund intends to engage in transactions in relation to FDIs, the Manager will employ a risk management process to enable it to manage, monitor and measure, on a continuous basis, the various risks associated with FDIs and their contribution to the overall risk profile of a Fund's portfolio. Only FDIs which have been included in the risk management process will be used. The ICAV will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment. The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

- (a) Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out by the Central Bank Requirements. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out by the Central Bank Requirements).
- (b) A Fund may invest in OTC FDIs dealt provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (c) Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

#### Unfunded Swaps

Where disclosed in the investment policy of a Fund, a Fund may invest in Unfunded Swaps with a trading counterparty (the "Trading Counterparty") (please see "Use of Unfunded Swaps" below). Where a Fund enters into Unfunded Swaps, such Unfunded Swaps will provide the Fund with exposure to a notional portfolio of assets whereby the Fund is able to derive the economic benefit of those assets without having to acquire the assets directly. This enables a Fund to gain exposure to the notional portfolio more efficiently from a cost and timing perspective and to access certain markets more easily than acquiring the underlying assets directly. The notional portfolio of assets forming the underlying portfolio of the Unfunded Swap will seek to provide the Fund with exposure to companies in respect of which both long positions and Synthetic Short Exposure may be generated by the Investment Manager and shall typically include global equities and equity related securities, ETFs, exchange-traded notes, contracts for difference on equity securities and equity indices and other FDIs (as described below).

Pursuant to an Unfunded Swap, the Trading Counterparty and the Fund will exchange periodic cash payments, with the Fund receiving a payment based on the performance of the underlying notional portfolio and the Trading Counterparty receiving a payment based on the performance of the assets which the Fund holds directly.

#### Use of Unfunded Swaps

The Trading Counterparty and the Fund will enter into a master agreement (and credit support annex) and will enter into relevant trade confirmations which will govern the Unfunded Swaps, including provisions relating to termination. Following the date of the launch of a Fund, additional confirmations may be entered into in relation to repurchases of and subscriptions for Shares to adjust the nominal value of the underlying exposure.

A Trading Counterparty will have no discretion over the composition of the Fund's portfolio or of the notional portfolio of assets forming the underlying portfolio of the Unfunded Swaps.

On a daily basis the Fund will ensure that margin is posted between the Fund's cash account and the Trading Counterparty to ensure that the Fund's risk exposure to the Trading Counterparty (caused by any profit and loss on the Unfunded Swap) is reduced to the extent required by the Central Bank and the Regulations.

The Unfunded Swaps may be terminated on the occurrence of certain events with respect to either the Fund or the Trading Counterparty including, but not limited to, an event of default (such as a failure to pay, breach of agreement or bankruptcy) or a termination event (which is not due to the fault of either party, for example, illegality or a tax event).

If the Unfunded Swaps are terminated, market quotations will be obtained with respect to the Unfunded Swaps. An amount equal to the relevant market quotation will be settled between the Trading Counterparty and the Fund in accordance with the terms of the Unfunded Swaps. The Fund may then enter into a new FDI in the form of Unfunded Swaps with other trading counterparties.

#### Futures (equity futures, currency futures, equity index futures)

Futures may be used by a Fund in order to hedge against market risk or currency exchange risk arising in its portfolio or to gain exposure to an underlying market or reference asset in keeping with the investment policy of the Fund without investing directly. Using futures to achieve a particular strategy instead of investing directly in the underlying security or index may result in lower transaction costs being incurred by the Fund.

#### CFD

Under the terms of a CFD the amount that one party pays to the other depends on the directional movement in the price and the extent by which the price moves. Where a long position is taken and the value of the underlying has increased at the time the contract is closed out, the contract seller will pay the difference to the buyer. Conversely, if the value of the underlying has decreased at the time the contract is closed out, the buyer will be required to pay the difference to the seller. A CFD has no expiry date which means that the contract buyer decides when to close out its position.

#### Options (currency options, equity options, options on equity indices)

Options give the buyer a right and the seller an obligation in relation to the exercise of the underlying obligation. Put Options are contracts that give the Option buyer the right to sell to the seller of the Option the underlying product or financial instrument at a specified price on, or before, the exercise date. Call Options are contracts that give the Option buyer the right to buy from the seller of the Option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled. A Fund may buy or sell (write) exchange-traded or OTC put and call

Options. A Fund may invest in Options in order to gain exposure to certain asset classes, baskets of assets or markets in keeping with the investment policy of the Fund without having to invest directly in the reference assets or markets, or in order to protect against risks arising in that Fund's portfolio.

#### Currency Forwards (foreign exchange forwards, including non-deliverable Currency Forwards)

A Currency Forward locks in the price at which an asset may be purchased or sold on a future date. In Currency Forward contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts can be 'closed out' by entering into a reverse contract. Where specified in its investment policy, a Fund may use Currency Forwards, including non-deliverable Currency Forwards, for example, to protect against fluctuations in the relative value of its portfolio positions as a result of changes in currency exchange rates and/or to benefit directly from changes in currency exchange rates.

#### Credit Derivatives

Where a Fund uses Credit Derivatives they can be structured as any of the FDI types noted above.

A Fund which buys protection (the protection buyer) under a Credit Derivative may have an asset (a bond, a loan, an investment) on its balance sheet that it wishes to retain but wants to be compensated if it suffers a loss on the asset. Alternatively, the Fund may wish, through use of a Credit Derivative, to take a speculative position on the underlying asset in question and will wish to generate a return in the event a loss is suffered on the underlying asset.

Credit Derivatives can be used to transfer credit risk (i.e. by transferring credit risk on an asset to a counterparty selling protection for a fee), to manage credit exposures to particular sectors or concentrations (i.e. obtaining exposure by selling protection on assets in that sector) and to lock in returns or fix the cost of borrowing through the use of other FDIs (i.e. by using an Unfunded Swap a Fund could fix the return on an asset by transferring both the credit and market risk to a counterparty).

#### Credit-default swap indices

The Investment Manager might also take positions in certain credit indices, effectively unlevered baskets of CDS positions on certain issuers selected according to certain credit and geographical criteria. A credit-default swap index (for example, CDX or iTRAXX) is a financial index comprised of credit derivatives and is used to hedge credit risk or to take a position on a basket of credit entities. Unlike a CDS, which is an over-the-counter credit derivative, a credit-default swap index is a standardized credit security and may therefore be more liquid and trade at a smaller bid-offer spread. This means that it can be cheaper to hedge a portfolio of CDS or bonds with a credit-default swap index than it would be to buy many single name CDS to achieve a similar effect. Credit-default swap indices may be used by the Fund to hedge credit risk arising in the portfolio or to take a position on a basket of credit entities.

Investors should consult the section entitled "Risk Factors: Investment and Strategy Risks" and "Conflicts of Interest" for more information.

### **4.3. Efficient Portfolio Management**

The Investment Manager may, on behalf of a Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities

and money market instruments. These techniques and instruments may include transactions in SFTs and FDI (including TRS ). The rationale for the use of SFTs and FDIs is for efficient portfolio management purposes subject to the conditions imposed by the Central Bank. Techniques and instruments, referred to in Article 51(2) of the UCITS Directive and Article 11 of the Eligible Assets Directive, which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDIs and SFTs (including TRS) which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (d) they are economically appropriate in that they are realised in a cost-effective way;
- (e) they are entered into for one or more of the following specific aims:
  - reduction of risk;
  - reduction of cost;
  - generation of additional capital or income for a Fund with a level of risk which is consistent with the risk profile of a Fund and the risk diversification rules set out by the Central Bank Requirements;
- (f) their risks are adequately captured by the risk management process of a Fund; and
- (g) they cannot result in a change to a Fund's declared investment objectives or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

New techniques and instruments may be developed which may be suitable for use by the ICAV and the ICAV (subject as aforesaid and to the Central Bank Requirements) may employ such techniques and instruments. Where a Fund intends to use these instruments details will be disclosed in the Fund's investment policy.

The following applies to repurchase agreements / reverse repurchase agreements, and securities lending arrangements, in particular, and reflects the requirements of the Central Bank:

- (a) Repurchase agreements / reverse repurchase agreements, and securities lending arrangements may only be effected in accordance with normal market practice.
- (b) Repurchase agreements / reverse repurchase agreements, and securities lending arrangements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
- (c) The ICAV must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
- (d) Where the ICAV enters into repurchase agreements / reverse repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreements / reverse repurchase agreements or to terminate the repo contract into which it has entered. Fixed-term repurchase agreements / reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.

- (e) Without prejudice to the provisions below relating to the use of non-cash and cash collateral, a Fund may be permitted to undertake repurchase agreements / reverse repurchase agreements pursuant to which additional leverage is generated through the re-investment of collateral. In this case, the repo transaction must be taken into consideration for the determination of global exposure as required by paragraph 21 of UCITS Notice 10. Any global exposure generated must be added to the global exposure created through the use of FDIs. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return the Fund must include, in the calculation of global exposure (i) the amount received if cash collateral is held and (ii) the market value of the instrument concerned if non-cash collateral is held.

#### **4.4. Counterparty Policy**

Counterparties with whom the Investment Manager, on behalf of a Fund, transacts will be one of the following:

- (a) a credit institution authorised in the European Economic Area (EEA);
- (b) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988;
- (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
- (d) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or
- (e) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.

In the case of subsequent novation of OTC derivative contracts, the counterparty must be one of the following:

- the entities set out above; or
- a central counterparty (CCP) authorised or recognised by ESMA under Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP).

#### **4.5. Collateral Policy**

All assets received by the ICAV on behalf of a Fund in the context of efficient portfolio management techniques should be considered as collateral. All assets received by the ICAV on behalf of a Fund in the context of efficient portfolio management techniques and/or OTC FDIs transactions must comply with the criteria set out below.

- (a) Liquidity: collateral received (other than cash) must be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly

at a price that is close to its pre-sale valuation. Collateral that is received should also comply with the provisions of Regulation 74 of the Regulations.

- (b) Valuation: collateral that is received must be valued on at least a daily basis and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place. The rationale for the use of this collateral valuation methodology is primarily to reduce counterparty credit risk.
- (c) Issuer credit quality: collateral received should be of high quality. The Manager shall ensure that:
  - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and
  - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in subparagraph (i) immediately above this shall result in a new credit assessment being conducted of the issuer by the Manager without delay;
- (d) Correlation: collateral received should be issued by an entity that is independent from the counterparty. There must be a reasonable ground for the Manager to expect that it would not display a high correlation with the performance of the counterparty.
- (e) Diversification (asset concentration):
  - (i) subject to the subparagraph (ii) immediately below, collateral must be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral are aggregated to calculate the 20% limit of exposure to a single issuer.
  - (ii) a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues but securities from any single issue will not account for more than 30% of the relevant Fund's Net Asset Value. The Member States, local authorities, non-Member States or public international bodies issuing or guaranteeing securities that may be accepted as collateral for more than 20% of a Fund's Net Asset Value are identified in Appendix II.
- (f) Immediately available: collateral received should be capable of being fully enforced by the ICAV at any time without reference to or approval from the counterparty.

Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party depositary which is subject to prudential supervision and which is unrelated and unconnected to the provider of the collateral.

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

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

- deposits with relevant institutions;
- high-quality government bonds;
- reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV on behalf of a Fund is able to recall at any time the full amount of cash on an accrued basis;
- short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (*ref CESR/10-049*).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

#### **4.6. Permitted types of collateral**

Where a Fund receives collateral as a result of trading in FDIs on an OTC basis or as result of entry into repurchase agreements or stock lending the ICAV intends, subject to the criteria set out above, to accept collateral in the following form:

- cash; and
- government bonds with fixed interest rate payments with a minimum rating of Aaa/AAA by Moody's, Fitch or Standard & Poor's and a maximum maturity, or remaining maturity, of ten years.

#### **4.7. Level of collateral required**

The value of any collateral received by the ICAV, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned.

#### **4.8. Haircut Policy**

Non-cash collateral received by a Fund will be subject to a haircut of between 1% to 5% of the value of such collateral.

A Fund receiving collateral for at least 30% of its Net Asset Value should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the ICAV, on behalf of the Fund, to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;



- (c) reporting frequency and limit/loss tolerance threshold(s); and
- (d) mitigation actions to reduce loss, including haircut policy and gap risk protection.

#### **4.9. Reinvested Cash Collateral Risks**

Where a Fund reinvests cash collateral this will generate market exposure within the expectation of generating capital gain. Where the reinvestment does not achieve this aim, and, instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

#### **4.10. Fees and Expenses**

To the extent the Investment Manager takes advantage from the use of efficient portfolio management techniques in respect of a Fund, the Fund will bear the associated direct and indirect costs (which should not include hidden costs) and will not participate in revenue sharing arrangements. All the revenues arising from SFTs, net of direct or indirect operational costs and fees assigned to SFT Agents, is returned to the relevant Fund(s). The SFT Agents are not related parties to the Investment Manager. To the extent the ICAV on behalf of a Fund, engages in efficient portfolio management techniques, the ICAV will disclose information on the costs and fees, as well as the identity of the entity or entities, to which such costs and fees are paid, indicating whether or not these are related parties to the Depositary in the annual report of the ICAV, to the extent required by the Regulations and the Central Bank Requirements.

All the revenues arising from TRS, net of direct or indirect operational costs and fees assigned to SFT Agents, is returned to the relevant Fund(s). The SFT Agents are not related parties to the Investment Manager.

#### **4.11. Currency Hedging**

The ICAV may employ strategies aimed at hedging against currency risk at Fund level and at Share class level. Where the relevant Fund itself enters into currency hedging transactions as part of its investment policy, these hedging transactions shall be considered distinct from the currency hedging transactions at Share class level described below.

The Fund may employ certain currency-related transactions in order to hedge against certain currency risks, for example, where the currency of denomination of an Investment differs from the Base Currency of the relevant Fund, it may seek to hedge the resulting currency exposure back into the Base Currency of the relevant Fund. However, there can be no assurance that such hedging transactions will be effective.

This hedging will typically be undertaken by means of forward contracts but may also include currency options, futures and other OTC contracts. The relevant Fund will not be leveraged as a result of such exposure and all transactions will be clearly attributable to the relevant Fund. All costs and losses arising in relation to such currency hedging transactions will be borne by the relevant Fund and all gains arising in connection with such hedging transactions will be attributable to the relevant Fund. Although a Fund may utilise such currency hedging transactions in respect of its Investments, it shall not be obliged to do so, and to the extent that it does employ strategies aimed at hedging its

Investment's exposure to the Base Currency, there can be no assurance that such strategies will be effective.

Material subscriptions and redemptions may also trigger adjustments to the hedge. Details of the currency hedging strategies utilised will be disclosed in the annual and semi-annual reports of the ICAV.

#### **4.12. Currency Hedging at Portfolio Level**

At the Investment Manager's discretion, a Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the Base Currency. If undertaken, the aim of this hedging will be to reduce a Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of a Fund's underlying securities. FDIs such as forward currency exchange contracts and currency swaps (which will seek to give exposure to an underlying currency) may be utilised if a Fund engages in such hedging. The currency exposure generated as a result of investing in securities which are denominated in a currency other than the Base Currency will not be allocated to separate classes.

#### **4.13. Currency Hedging at Share Class Level**

The ICAV may employ strategies aimed at hedging against currency risk at Share class level by using efficient portfolio management techniques and investments.

Where the Investment Manager utilises hedging strategies in order to hedge the exposure of classes that are denominated in currencies other than the Base Currency, such hedging will typically be undertaken by means of forward contracts but may also include currency options, futures and other OTC contracts. However, there can be no assurance that such hedging transactions will be effective.

Taking into account pending subscriptions and redemptions, currency exposure will not exceed 105% of the Net Asset Value of the relevant Share class, all transactions will be borne by the relevant Share class, and all gains and losses arising in connection with such hedging transactions will be attributable to the relevant Share class. The Investment Manager does not intend to have under-hedged or over-hedged positions; however, due to market movements and factors outside the control of the Investment Manager, under-hedged and over-hedged positions will arise from time to time. All such transactions will be clearly attributable to a specific Share class and currency exposures of different Share classes will not be combined or offset. The currency exposure of Investments will not be allocated to any separate Share class. The periodic reports of the ICAV will show how these transactions have been utilised.

The Investment Manager will have procedures in place to monitor hedged positions to ensure that over-hedged positions do not exceed the limit of 105% of the Net Asset Value of the relevant Share class. As part of this procedure, the Investment Manager will review hedged positions that deviate from 100% of the Net Asset Value of the relevant Share class and positions materially in excess of 100% of the Net Asset Value of the Share class will not be carried forward from month to month.

Where currency hedging takes place at Share class level, the performance of the hedged Share class is likely to move in line with the performance of the underlying assets and currency hedging at Share class level may substantially limit Shareholders of a class of Shares denominated in a currency other

than the Base Currency from benefiting if the currency of the denomination of that Share class falls against the Base Currency and/or the currency in which the assets of the Fund are denominated.

The costs arising as a result of hedging currency will be borne by the relevant Share class at the Share class level of the relevant Fund.

#### **4.14. Investment and Borrowing Restrictions**

Investment of the assets of each Fund must comply with the Regulations and the Central Bank Requirements. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix II. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

The Directors, in consultation with the Manager, may also from time to time impose such further investment restrictions as may be compatible with or be in the interests of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the ICAV are located or the Shares are marketed.

The ICAV will not take legal or management control of any of the entities in which its underlying investments are made.

The ICAV has been authorised by the Central Bank with the flexibility to invest up to 100% of a Fund's assets in transferable securities and money market instruments issued by a Member State, its local authorities, a non-Member State, or public international bodies of which one or more Member States are members.

It is intended that the ICAV should, subject to the prior approval of the Central Bank (and the update of the relevant ICAV and/or Fund documentation), have power to avail itself of any change in the investment restrictions laid down in the Regulations and the Central Bank Requirements which would permit investment by the ICAV in securities, FDIs or in any other form of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations and the Central Bank Requirements. The ICAV will give Shareholders reasonable notice of its intention to avail itself of any such change which is material in nature.

#### **4.15. Dividend Policy**

The Directors are empowered to declare and pay dividends on any Share class in the ICAV.

Dividends, if declared, will be paid out of a Fund's net income and realised and unrealised gains net of realised and unrealised losses. Normally, dividends will be declared with the frequency detailed in the relevant Fund's Supplement as will the expected timing of a dividend payment. Dividends will be paid in the Base Currency to Shareholders of record on the date on which the dividend is declared. Shareholders who wish to receive dividend payments in any other currency should contact the Administrator to ascertain if this service is available. Any such foreign exchange conversions of dividend payments will be at the expense and risk of the Shareholder. Distribution payments will be paid by telegraphic transfer to the bank account detailed on the Application Form or to such bank account as may be subsequently notified to the Administrator in writing.

In the event Directors resolve to change the dividend policy of a Share class full details of the change in dividend policy will be reflected in a revised Fund Supplement and all Shareholders will be notified in advance.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited for the benefit of the relevant Fund.

In respect of accumulating Share classes, no dividends will be declared. The income and profits will be accumulated and reinvested in the relevant Fund on behalf of the Shareholder.

## **5. RISK FACTORS**

Potential investors should consider the following risk factors before investing in a Fund. Any additional risk factors relevant to a particular Fund or Funds will be set out in the relevant Supplement(s).

### **INVESTMENT AND STRATEGY RISKS**

#### **5.1. Financial derivative instruments and SFTs (including TRS)**

Where a Fund uses FDIs and SFTs (including TRS) for the purposes of efficient portfolio management or for direct investment purposes this can be beneficial but can also involve risks different from and, in certain cases, greater than the risks presented by more traditional investments.

Risks in using FDIs and SFTs (including TRS) include inherent leverage, lack of liquidity, dependence on the ability to predict movements in the prices of securities, on which the FDIs and SFTs (including TRS) are based, the risk of mispricing or improper valuation of FDIs and SFTs (including TRS) and imperfect correlation between the price of FDIs and SFTs (including TRS) and the prices of the securities or currencies being hedged. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Consequently, a Fund's use of FDIs and SFTs (including TRS) may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. To the extent that a Fund invests in FDIs and SFTs (including TRS), that Fund may take a credit risk with regard to parties with whom it trades and may bear the risk of settlement default. The use of FDIs and SFTs (including TRS) will also expose the relevant Fund to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Legal risk is the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly. Investment in FDIs and SFTs (including TRS) involves exposure to normal market fluctuations and the other risks inherent in investment in securities.

To the extent that a Fund invests in FDIs and SFTs (including TRS), that Fund may be exposed to operational risk. This risk arises from participants in transactions in FDIs and SFTs being required to have operational platforms which permit effective trading relationships with counterparties. There is a risk of loss to a Fund resulting from inadequate or failed internal processes, particularly in the area of collateral management.

To the extent that a Fund invests in FDIs and SFTs (including TRS), that Fund may be exposed to custody risk. If a Fund invests in FDIs and SFTs that are not financial instruments that can be held in custody, the level of Depositary liability for the safe-keeping of these assets is significantly lower than the level of liability applicable in respect of investment by a Fund in financial instruments that can be held in custody. As a result, there is an increased risk that any loss of such assets that may occur may not be recoverable.

#### **5.2. Investment and Trading Risks in General**

All securities investments present a risk of loss of capital. Where a Fund utilises investment techniques such as option transactions, margin transactions, synthetic short sales and futures and forward contracts, these can maximise, in certain circumstances, any losses. There can be no assurance that a Fund will achieve its investment objective.

### **5.3. Concentration of Investments**

Although it is the policy of each Fund to diversify its investment portfolio, it may at certain times hold relatively few investments, subject to the investment and borrowing restrictions set out in Appendix II. The Fund therefore could be subject to significant losses if it holds a large position in a particular investment that declines in value. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **5.4. Counterparty Risk**

Markets in which a Fund may effect transactions may include OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of "exchange-based" markets. 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.

### **5.5. Leverage, Interest Rates, Margin and Borrowing**

In addition to the leverage inherent in the credit securities and instruments in which a Fund may invest, a Fund may borrow funds from brokerage firms, banks and other financial institutions on a temporary basis. Consequently, the level of interest rates at which a Fund can borrow and other costs of obtaining leverage funds will affect the operating results of a Fund.

In accordance with the Central Bank Requirements, a Fund may engage in borrowing and leverage which can result in certain additional risks.

While leverage presents opportunities for increasing a 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 of a Fund would be magnified to the extent that a Fund is leveraged. The cumulative effect of the use of leverage by a Fund in a market that moves adversely to the Funds investment could result in a substantial loss to the Fund which would be greater than if a Fund was not leveraged.

Should the securities pledged to brokers to secure a Fund's margin accounts decline in value, a Fund could be subject to a "margin call" and required to deposit additional funds 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 a Fund's assets, the Fund might not be able to liquidate assets quickly enough to pay off its margin debt.

In the futures markets, margin deposits are typically low. Low margin deposits mean that a relatively small price movement in a futures contract may result in immediate and substantial losses. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission.

## **5.6. Trading in Options**

A Fund may purchase and sell ("write") options on securities, currencies on a variety of securities exchanges and OTC markets. Investing in futures and options is a highly specialised activity and, although it may increase total return, it may also entail significant investment risk.

## **5.7. Exchange-Traded Futures Contracts and Options on Futures Contracts**

A Fund use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in FDIs generally. In addition, such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

A Fund may invest in futures and related options to the extent that all necessary CFTC registrations or exemptions have been obtained. Such registrations or exemptions would not include review or approval by the CFTC of any Prospectus or Supplement or the trading strategies of the ICAV and its Funds.

Prior to exercise or expiration, a futures or option position can be terminated only by entering into an offsetting transaction. This requires a liquid secondary market on the exchange on which the original position was established. While a Fund will enter into futures and option positions only if, in the judgment of the Investment Manager, there appears to be a liquid secondary market for such instruments, there can be no assurance that such a market will exist for any particular contract at any point in time. In that event, it might not be possible to establish or liquidate a position.

A Fund's ability to utilise futures or options on futures to hedge its exposure to certain positions or as a surrogate for investments in instruments or markets will depend on the degree of correlation between the value of the instrument or market being hedged, or to which exposure is sought and the value of the futures or option contract. Because the instrument underlying a futures contract or option traded will often be different from the instrument or market being hedged or to which exposure is sought, the correlation risk could be significant and could result in substantial losses to a Fund. The use of futures and options involves the risk that changes in the value of the underlying instrument will not be fully reflected in the value of the futures contract or option.

The liquidity of a secondary market in futures contracts and options on futures contracts is also subject to the risk of trading halts, suspensions, exchange or clearing house equipment failures, government intervention, insolvency of a brokerage firm, clearing house or exchange or other disruptions of normal trading activity.

## **5.8. OTC FDIs Transactions**

A Fund may invest a substantial portion of its assets in investments which are not traded on organised exchanges and as such are not standardised. Such transactions are known as OTC transactions and may include forward contracts or options. Whilst some OTC markets are highly liquid, transactions in OTC FDIs may involve greater risk than investing in exchange traded FDIs because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted and, even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what is a fair price. In

respect of such trading, a Fund may be subject to the risk of counterparty failure or the inability or refusal by a counterparty to perform with respect to such contracts. Market illiquidity or disruption could result in major losses to a Fund.

The instruments, indices and rates underlying FDI transactions expected to be entered into by a Fund may be extremely volatile in the sense that they are subject to sudden fluctuations of varying magnitude and may be influenced by, among other things, government trade, fiscal, monetary and exchange control programmes and policies, national and international political and economic events, and changes in interest rates. The volatility of such instruments, indices or rates, which may render it difficult or impossible to predict or anticipate fluctuations in the value of instruments traded by a Fund, could result in losses.

### **5.9. Interpositioning**

A Fund, from time to time, may execute OTC trades on an agency basis rather than on a principal basis. In these situations, the broker used by a Fund may acquire or dispose of a security through a market-maker or other dealer (a practice known as "interpositioning"). The transaction may thus be subject to both a commission payable to the broker and a markup or markdown included in the price quoted by the dealer. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker, in certain cases, may have greater expertise or capability in connection with both accessing the market and executing a given transaction.

### **5.10. Short Selling**

A Fund may enter into certain FDI transactions to generate Synthetic Short Exposure. The economic effect of these FDIs is the same as a short sale. Accordingly, as well as holding assets that may rise or fall with market values, a Fund may also hold assets or positions that will rise as the market value falls and fall as the market value rises.

### **5.11. Credit Ratings**

Credit ratings of debt securities or credit or reference entities represent the rating agencies' opinions regarding their credit quality and are not a guarantee of future credit performance of such securities. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. Therefore, the ratings assigned to securities by rating agencies may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an issuer's current financial conditions may be better or worse than a rating indicates. Consequently, credit ratings of reference entities or obligors in respect of eligible investments will be used by the Investment Manager only as a preliminary indicator of investment quality, and for the purposes of maintaining any stated ratings criteria of a credit security. Obligations of reference entities which are below investment grade will be more dependent on the credit analysis by the Investment Manager than would be the case with those which are investment-grade.

### **5.12. Credit Risk**

A Fund may also be subject to credit risk, i.e. the risk that an issuer of securities will be unable to pay principal and/or interest when due, or that the value of the security will suffer because investors believe



the issuer is less able to pay. Investment in the obligations of credit securities, portfolios of credit default swaps or instruments, individual credit default swaps and other instruments involves a degree of risk arising from fluctuations in the amount and timing of the receipt of principal and interest by a Fund and the amounts of the claims of creditors and counterparties ranking in priority to the rights of a Fund in respect of such securities, obligations and instruments. In particular, the amount and timing of payments of the principal, interest and other amounts on credit securities and other obligations and instruments will depend upon the detailed terms of the documentation relating to the instrument and on whether or not any issuer thereof or obligor thereunder defaults in its obligations thereunder. A default, downgrade or credit impairment of any of a Fund's investments could result in a significant or even total loss of the Investment.

### **5.13. Credit Exposure to the reference entities under credit default swaps**

The obligation of a Fund directly or indirectly through other instruments and securities to make payments to credit default swap counterparties under credit default swaps and other similar instruments creates significantly leveraged exposure to potential credit events of the relevant reference entities and credits.

A Fund may have the right to obtain from the credit default swap counterparties, the issuer of the instrument or the trustee information in relation to the reference entities or credits or information regarding any obligation of any reference entity. The credit default swap counterparties may have no obligation to keep the issuer, the trustee or a Fund informed as to matters arising in relation to any reference entity, including whether or not circumstances exist under which there is a possibility of the occurrence of a credit event.

A credit default swap counterparty for a particular credit default instrument may be obliged to make a payment upon the designation of an early termination date thereunder. A Fund may be exposed to the credit risk of such credit default swap counterparties with respect to such payments. In the event of the insolvency of any credit default swap counterparty, a Fund will be treated as a general creditor of the credit default swap counterparty and will not have any claim against any reference entity. Consequently, a Fund will be subject to the credit risk of credit default swap counterparty as well as that of a reference entity. As a result, credit default swaps entered into with credit default swap counterparties will subject a Fund to a degree of risk with respect to defaults by credit default swap counterparties as well as to the risk of defaults by the reference entities.

Following the occurrence of a credit event with respect to a reference entity (and subject to the satisfaction of any condition to payment), a Fund may be required to pay to the credit default swap counterparty an amount equal to the relevant settlement amount on the relevant settlement date. Certain of the reference entities and/or reference obligations in respect of the reference entities in respect of credit default swaps contained in the particular portfolio, may be rated below investment grade (or of equivalent credit quality). Under credit default swaps where a Fund has sold protection by reference to any such reference entity or which includes any such reference obligation the likelihood of a Fund being obliged to make payment is greater.

Credit default swaps present risks in addition to those resulting from direct purchases of obligations of the reference entities. Under credit default swaps, a Fund and/or issuer of credit securities will have a contractual relationship only with the relevant credit default swap counterparty, and not with any reference entity. Consequently, the credit default swaps do not constitute a purchase or other

acquisition or assignment of any interest in any obligation of any reference entity. A Fund and/or any issuer, therefore, will have rights solely against each credit default swap counterparty in accordance with the relevant credit default swap and will have no recourse against any reference entities. None of the Fund, the issuer or any other entity will have any rights to acquire any interest in any obligation of any reference entity, notwithstanding the payment by an issuer or a Fund of a credit default swap floating amount to a credit default swap counterparty with respect to the reference entity of a credit default unless the terms of the specific credit default swap provide for a transfer of any obligation upon the occurrence of a credit event. Neither the Fund nor any issuer will directly benefit from any collateral supporting the obligations of the reference entity and will not have the benefit of the remedies that would normally be available to a holder of any such obligation.

There is no assurance that actual payments of any credit default swap amounts will not exceed such assumed losses. If any payments of credit default swap amounts exceed such assumed losses, payment on the respective Share class of notes of an issuer could be adversely affected by the occurrence of synthetic credit events.

#### **5.14. Currency**

Shares are issued and redeemed in the currency of the denomination of that Share class. The underlying instruments held by a Fund may be denominated in those or other currencies. Accordingly, the value of an Investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency. A Fund may enter into back to back currency borrowing or utilise FDIs such as forwards, futures and options to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be undertaken or if undertaken will be effective or beneficial or that there will be a hedge in place of any given time.

#### **5.15. Settlement Risks**

Each Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. For the purpose of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant settlement day. In the event that such settlement monies are not received by the Fund on or by the relevant settlement date, the Fund may have to sell such purchased securities or close out its position under such efficient portfolio management techniques which could result in a loss to the Fund.

#### **5.16. Tax Risk**

Any change in the ICAV's tax status or in taxation legislation could affect the value of the investments held by the ICAV and affect the ICAV's ability to provide the investor return. Potential investors and Shareholders should note that the statements on taxation which are based on advice which has been received by the Directors regarding the law and practice enforced in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantees that the tax position or proposed tax position prevailing at the time investments made in the ICAV will endure

indefinitely. The attention of potential investors is drawn to the taxation risk associated with investment in the ICAV. See Section headed "Taxation".

### **5.17. Trading in Indices, Financial Instruments and Currencies**

The Investment Manager may trade in indices, financial instruments and currencies. The effect of any governmental intervention may be particularly significant at certain times in currency and financial instrument futures and options markets. Such intervention (as well as other factors) may cause all of these markets to move rapidly in the same or varying directions which may result in sudden and significant losses.

### **5.18. Hedging Transactions and Other Methods of Risk Management**

A Fund may utilise financial instruments such as FDIs for investment purposes and for risk management purposes, for example in order to: (i) protect against possible changes in the market value of the portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect a Fund's unrealised gains in the value of the portfolio; (iii) facilitate the sale of any investment; (iv) enhance or preserve returns, spreads or gains on any investment in the portfolio; (v) hedge the interest rate or currency exchange rate on any of a Fund's liabilities or assets; (vi) protect against any increase in the price of any securities a Fund anticipates purchasing at a later date; or (vii) for any other reason that the Investment Manager deems appropriate. Such hedging transactions may not always achieve the intended effect and can also limit potential gains.

While a Fund may enter into such transactions to seek to reduce currency, exchange rate, commodity related and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance by a Fund. For a variety of reasons, a Fund may not obtain a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose a Fund to risk of loss.

### **5.19. Cash Collateral Risk**

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

### **5.20. Collateral Reuse Risk**

Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own use, thereby exposing the Fund to additional risk in respect of the return of the collateral.

### **5.21. High Yield Debt Instruments**

Investment in corporate debt securities is subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Lower rated or unrated securities are more likely to react to developments affecting market and credit risk than are more highly rated securities, which react

primarily to movements in the general level of interest rates. In purchasing such securities, a Fund will rely on the Investment Manager's analysis, judgment and experience in evaluating the creditworthiness of an issuer of such securities. The Investment Manager will consider, among other factors, the issuer's financial resources, its operating history, its sensitivity to economic conditions and trends, the quality of the issuer's management and regulatory matters.

Where a Fund invests in below investment-grade fixed income instruments, these may be rated in the lowest rating categories by Standard and Poor's or by Moody's or be unrated. Fixed income instruments rated in medium to low rating categories of internationally recognised rating services or unrated securities of comparable quality, commonly called junk bonds, are considered speculative and payments of principal and interest thereon may be questionable. In some cases, such securities may be highly speculative, may have poor prospects for reaching investment grade standing and may be in default. As a result, investment in such securities will entail greater speculative risks than those associated with investment in investment-grade bonds. A Fund may purchase corporate debt obligations of issuers not currently paying interest as well as issuers in default.

In the past, economic downturns or increases in interest rates have under certain circumstances caused a higher incidence of default by the issuers of lower quality debt securities. To the extent that the issuer of any lower-quality debt security held by a Fund defaults, a Fund may incur additional expenses in order to enforce its rights under such security or to participate in a restructuring of the obligation. In addition, the prices of lower-quality debt securities generally tend to be more volatile and the market less liquid than is the case with investment grade securities. Adverse economic events can further exacerbate these tendencies. Consequently, a Fund may at times experience difficulty in liquidating its investments in such securities at the prices it desires. There also can be significant disparities in the prices quoted for lower-quality debt securities by various dealers which may make valuing such securities by a Fund more subjective.

## **5.22. Emerging Markets Risks**

Where a Fund invests in or otherwise has or have exposure to companies incorporated in or whose principal operations are in emerging markets, additional risks may be encountered. These include:

- (a) Accounting Risk: there may be little financial or accounting information available with respect to issuers located in certain of such countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers.
- (b) Currency Risk: the currencies in which Investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.
- (c) Country Risk: the value of the assets of a Fund may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.
- (d) Market Characteristics: emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and are not highly regulated. Settlement of transactions may be subject to delay and administrative uncertainties.

- (e) Custody Risk: depositories are not 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 a Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian.
- (f) Disclosure: less complete and reliable fiscal and other information may be available to investors.

### **5.23. Russian Risks**

A Fund may invest a portion of its assets in securities of issuers located in Russia. In addition to the risks disclosed above investments in securities of Russian issuers may involve a particularly high degree of risk and special considerations not typically associated with investing in more developed markets, many of which stem from Russia's continuing political and economic instability and the slow-paced development of its market economy. Investments in Russian securities should be considered speculative. Such risks and special considerations include:

- (a) delays in settling portfolio transactions and the risk of loss arising out of Russia's system of share registration and custody;
- (b) pervasiveness of corruption, insider trading, and crime in the Russian economic system;
- (c) difficulties associated with obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information;
- (d) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt;
- (e) the risk that the Russian tax system will not be reformed to prevent inconsistent, retroactive and/or exorbitant taxation or, in the alternative, the risk that a reformed tax system may result in the inconsistent and unpredictable enforcement of the new tax laws; and
- (f) the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programmes implemented since the dissolution of the Soviet Union.

A risk of particular note with respect to direct investment in Russian securities is the way in which ownership of shares of companies is normally recorded. Ownership of shares (except where shares are held through depositories) is defined according to entries in the company's share register and normally evidenced by "share extracts" from the register or, in certain limited circumstances, by formal share certificates. However, there is no central registration system for shareholders and these services are carried out by the companies themselves or by registrars located throughout Russia. The share registrars are controlled by the issuer of the securities, and investors are provided with few legal rights against such registrars. The law and practice relating to registration of shareholdings are not well developed in Russia and registration delays and failures to register shares can occur, which could expose a Fund to potential loss.

### **5.24. Risk Management Strategies - General**

The success of a Fund's risk management strategies will depend in part upon the Investment Manager's ability correctly to assess the degree of correlation between the performance of the instruments used

in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many securities change as markets change or time passes, the success of a Fund's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for a Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between the hedging instruments utilised and the portfolio holdings being hedged. Such an imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. The Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging and risk management transactions requires skills complimentary to those needed in the selection of the portfolio.

## **5.25. Identification and Exploitation of Investment Strategies**

Depending on the investment objective and policies of the relevant Fund, the success of a Fund's investment activities may depend on the Investment Manager's ability to identify undervalued securities and to exploit price discrepancies in the financial markets, 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 a Fund involves a high degree of uncertainty. A Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer or counterparty, forced redemptions of securities or acquisition proposals, break-ups of planned mergers, unexpected changes in relative values, volatility levels or liquidity conditions or changes in tax treatment.

## **5.26. Credit Securities**

A Fund may invest in bonds or other fixed income securities, including without limitation, commercial paper and "higher yielding" (including non-investment grade and, therefore, higher risk) debt securities. A 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 sectors reflects 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. Below-investment grade debt securities may not be protected by financial covenants or limitation on additional indebtedness. In addition, evaluation of 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 event, such as a recession or reduction of liquidity in the market could severely disrupt 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 an economic event could adversely affect the ability of issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

### **5.27. Investments in Unlisted Securities**

A Fund may invest in unlisted securities. Because of the absence of any trading market for these Investments, it may take longer, or may not be possible, to liquidate these positions. Accordingly, the ability of a Fund to respond to market movements may be impaired and a Fund may experience adverse price movements upon liquidation of its Investments. Although these securities may be resold in privately negotiated transactions, prices realised on these sales could be less than those originally paid by a Fund. Settlement of transactions may be subject to delay and administrative uncertainties. 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. The lack of publicly available information and actively traded markets in unlisted securities will also give rise to uncertainty in valuing such securities.

### **5.28. Swap Agreements**

A Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if consistent with a Fund's investment objective and policy.

Swap agreements tend to shift a Fund's investment exposure from one type of investment to another. For example, if a Fund agrees to exchange payments in US Dollars for payments in Euro, the swap agreement would tend to decrease a Fund's exposure to US Dollar interest rates and increase its exposure to the Euro and its interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity value or other factors that determine the amounts of payments due to and from a Fund. If a swap agreement calls for payments by a Fund, the Fund must be prepared to make such payments when due. In addition, if a counterparty's credit worthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by a Fund.

### **5.29. Credit Default Swaps**

A Fund may enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference obligation has occurred. If an event of default occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for the reference obligation. A Fund may be either the buyer or seller in a credit default swap transaction. If a Fund is a buyer and no event of default occurs, a Fund will lose its investment and recover nothing. However, if an event of default occurs, a Fund (if the buyer) will receive the full notional value of the reference obligation that may have little or no value. As a seller, a Fund will receive a fixed rate of income throughout the term of the contract, which typically is between six months and three years, provided that there is no default event. If an event of default occurs, the seller must pay the buyer the full notional value of the reference obligation. Credit default swap transactions involve greater risks than if a Fund has invested in the reference obligation directly.

### **5.30. Convertible Debt Securities Transactions**

A Fund may acquire Convertible Debt Securities. Losses may occur if the terms of the Convertible Debt Security does not allow for an adjustment in the conversion terms, or a Fund is forced to convert the security earlier than anticipated.

### **5.31. Security**

A Fund may invest in the obligations of an issuer of a credit security which have been secured by an assignment by way of a first fixed security, a first fixed charge and a floating charge in favour of the relevant trustee over the collateral debt securities pursuant to a trust deed. The Fund is subject to the risk that the assignment of the issuer's obligations may take effect as a security interest over the right of the issuer to require delivery of the collateral debt securities from the depositary in accordance with the terms of the particular depositary agreement.

### **5.32. Subordination Risk**

Certain debt investments that may be acquired by a Fund may be subject to certain additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such investments may not be protected by financial covenants or limitations upon additional indebtedness.

### **5.33. Interest Rate Risk**

A Fund may be subject to subject to several risks associated with changes in interest rates on its financings and Investments which may affect profitability.

### **5.34. Increased Interest Payments**

The interest payments on a Fund's financings may increase relative to the interest earned on a Fund's Investments. In a period of rising interest rates, interest payments by a Fund could increase while the interest earned on certain Investments would not change.

### **5.35. Interest Rate Adjustments**

A Fund may rely on short-term financings to acquire Investments with long-term maturities. Similarly, a Fund may acquire investments with short term maturities which are secured by long dated assets. Certain of a Fund's Investments may be adjustable rate instruments in which interest rates vary over time, based upon changes in an objective index (e.g. LIBOR) which generally reflect short-term interest rates. The interest rates on a Fund's financings similarly vary with changes in an objective index but may adjust more frequently than the interest rates of a Fund's Investments.

### **5.36. Certain Securities Markets**

Stock markets in certain countries or sectors 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.



### **5.37. Highly Volatile Instruments**

The price of FDI's instruments, including options are highly volatile. Price movements of forward contracts and other FDI's contracts in which a Fund's assets may be invested are influenced by, amongst other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and financial instrument options. Such intervention often is intended directly to influence prices and may, together with other factors, cause many of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. A Fund is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearing houses.

### **5.38. Highly Volatile Markets**

The prices of financial instruments in which a Fund may invest can be highly volatile. Price movements of forward and other FDI's contracts in which a 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. A Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

### **5.39. Market Liquidity and Leverage**

A Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests which may impair a Fund's ability to adjust its positions. The size of a Fund positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, de-leveraging as a consequence of a decision by the other counterparties with which a Fund enters into FDI's transactions, to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect a Fund's portfolio.

## **GENERAL RISKS**

### **5.40. Business Dependent Upon Key Individuals**

The success of the ICAV and its Funds is significantly dependent upon the expertise of members of the investment management team at the Investment Manager and any future unavailability of any of their services could have an adverse impact on a Fund's performance. The past investment performance of the Investment Manager and any Fund or Funds may not be construed as an indication of the future results of an investment in a Fund.

### **5.41. Investment Management Fee and Performance Fee**

In addition to receiving an investment management fee, the Investment Manager may also receive a performance fee by reference to the appreciation in the Net Asset Value per Share of a particular Share class in a Fund and accordingly the performance fee will increase with regard to unrealised appreciation, as well as realised gains. Accordingly, a performance fee may be paid on unrealised gains which may subsequently never be realised. The performance fee may create an incentive for the Investment

Manager to make investments for a Fund which are riskier than would be the case in the absence of a fee based on the performance of the relevant Share class in a Fund.

#### **5.42. Performance Fee Methodology**

The methodology used by the ICAV in calculating the performance fees in respect of a Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others (as no full equalisation methodology is employed in respect of the performance fee calculation). The methodology may also, in certain circumstances, result in certain Shareholders being charged a performance fee in circumstances where the Net Asset Value per Share of their Shares has not increased over the relevant calculation period as a whole. For a further explanation of the methodology used to calculate performance fees payable in respect of a Fund and the risks involved, please see the Supplement for that Fund.

#### **5.43. Price Fluctuations**

It should be remembered that the value of Shares and the income (if any) derived from them can go down as well as up.

#### **5.44. Investment in Other Funds and Structures**

A Fund may seek to achieve its investment objective and policy through investment in other open and closed-ended funds and structures.

In addition, other clients of the Investment Manager may participate in tranches of credit securities and portfolios of credit default swaps or instruments in which a Fund may invest and investment may also be made by the Investment Manager in such obligations.

#### **5.45. Subscriptions and Redemptions**

Save in the event of a suspension of dealings, subscription applications and redemption requests once submitted may only be withdrawn with the prior consent of the Directors. Any interest earned on subscription monies in respect of a rejected subscription will accrue to the benefit of the relevant Fund.

The Directors may in their absolute discretion charge interest to a Shareholder in such amount as they deem reasonable in respect of late subscription monies received by any Fund or Funds in respect of a subscription. Redemption proceeds will not be paid until all administrative requirements have been met. No interest will be paid on any proceeds retained pending the finalisation of such administrative requirements.

#### **5.46. Umbrella Cash Subscription and Redemption Account ("Collection Account") Risk**

A collection account has been established at umbrella level in the name of the ICAV in each of the currencies in which the share classes of the Funds are denominated (the "**Umbrella Cash Collection Account**").

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account. Investors will be unsecured creditors of such Fund with respect to any cash amount subscribed and held by the ICAV in the Umbrella Cash Collection Account until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of the Fund in respect of which the subscription request was made, or the ICAV, there is no guarantee that the Fund or ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Administrator. Redemption and dividend amounts, including blocked redemption or dividend amounts, will, pending payment to the relevant investor or Shareholder, be held in the Umbrella Cash Collection Account. For as long as such amounts are held in the Umbrella Cash Collection Account, the investors/Shareholders entitled to such payments from a Fund will be unsecured creditors of the ICAV with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of the relevant Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to dividends should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish insolvency and trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds. Accordingly, there is no guarantee that any of the other Funds or the ICAV will recover such amounts, or that in such circumstances such other Funds or the ICAV would have sufficient funds to repay any unsecured creditors.

#### **5.47. Funding Liquidity Risk**

Where Shareholders redeem their shareholding in a Fund in an amount which exceeds the amount of cash or other liquid assets immediately available to fund such redemptions, a Fund may, subject to its discretion to restrict redemptions, seek to liquidate additional assets to fund the redemption costs incurred. This may limit or otherwise affect the ability of a Fund to operate or manage investment positions and strategies within its portfolio and restrict or materially affect investment performance and returns.

#### **5.48. Restrictions on Redemptions**

Investors in a Fund are subject to restrictions relating to the redemption of Shares of the ICAV (as set out in the section entitled "**Temporary Suspension**").

Securities and other instruments in which a Fund may be invested may become illiquid or otherwise may not be readily realisable either by reason, *inter alia*, of the securities or instruments themselves or the investment strategies and/or obligations relating thereto to which the relevant Fund is committed or regulatory reasons.

The Directors may also suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any class of any Fund in the circumstances set out under the section entitled "Temporary Suspension". Directors may also suspend redemptions during any period in which the settlement or redemptions would, in the opinion of the Directors, result in a violation of law or violate any instrument or agreement governing any indebtedness incurred by the relevant Fund.

The imposition of any of the above measures by the Directors may result from the underlying liquidity of a Fund and the valuation of the underlying investments in which it is invested and circumstances in this respect may be subject to a regular and sudden change.

#### **5.49. Valuation**

The price at which investors subscribe and redeem Shares of a Fund and the value with reference to which management and other fees are calculated is calculated with reference to the Net Asset Value of the relevant Fund as more specifically disclosed under "Calculation of Net Asset Value". The Administrator may, however, in the discretion of the Directors (and subject to the approval of the Depositary), follow some other prudent methods of valuation if it considers that under the circumstances such methods should be adopted in order to reflect fairly the values of the relevant investments or liabilities of the relevant Fund.

In addition, special situations affecting the measurement of the Net Asset Value of the assets of a Fund may arise from time to time. Investors should be aware that situations involving uncertainties as to the valuation of such assets could have an adverse effect on the Net Asset Value of a Fund.

The Net Asset Value of a Fund may fluctuate over time according to the performance of a Fund's Investments. A Shareholder may not fully recover his initial investment when he chooses to redeem his Shares or upon compulsory redemption, if the Net Asset Value of a Fund is less than that at the time of investment. The value of the Shares and the income (if any) derived from them, can go down as well as up.

#### **5.50. Portfolio Turnover**

Turnover of a Fund's Investments may or may not be higher than the average for other more traditional portfolios and accordingly the level of commissions paid and other transaction costs is likely to be higher than average, which may adversely affect the returns realised by investors.

### **5.51. Segregated Liability**

The ICAV is structured as an umbrella fund with segregated liability between Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the ICAV is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.

### **5.52. Cybersecurity Risk**

The ICAV and its service providers, Shareholders and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the ICAV and its Shareholders, despite the efforts of the ICAV and its service providers and Shareholders to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of Shareholders' information. For example, unauthorised third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Manager, the Investment Manager, the Administrator, the Depositary or other service providers, Shareholders, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of these systems to disclose sensitive information in order to gain access to Shareholder/service provider data. A successful penetration or circumvention of the security of these systems could result in the loss or theft of a Shareholder's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the ICAV to incur regulatory penalties, reputational damage, additional compliance costs or financial loss.

Similar types of operational and technology risks are also present for the companies in which the Funds may invest, counterparties with which the ICAV engages in transactions and various other parties, which may also give rise to material adverse consequences for the ICAV including a decrease in the value of investments.

### **5.53. Business and Regulatory Risks Associated with Funds**

Legal, tax and regulatory changes could occur during the lifetime of the ICAV and/or its Funds that may adversely affect the ICAV and/or its Funds. The regulatory environment for funds pursuing alternative investment strategies is evolving and changes in the regulation of such funds may adversely affect the value of investments held by a Fund and the ability of each of the Funds to obtain leverage or to pursue its trading strategies. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of FDI transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by governmental and judicial action. Any future legal or regulatory change could substantially and adversely affect a Fund.

#### **5.54. Regulatory Risks Related to U.S. State and Federal Securities Law**

The ICAV and the Funds are not registered as an “investment company” in reliance upon Section 3(c)(7) of the 1940 Act. Section 3(c)(7) of the 1940 Act depends in part, however, on all of the Shareholders who are U.S. Persons being Qualified Purchasers. Section 3(c)(7) under the 1940 Act and the rules of interpretations of the SEC defining Qualified Purchaser are highly complex. As a result, the ICAV and the Funds cannot assure their investors that they will not be deemed an “investment company” for purposes of the 1940 Act and required to register as such thereunder, in which event the ICAV, the Funds and the Manager could be subject to legal actions by regulatory authorities and others and could be forced to terminate. The costs of defending any such action could constitute a material part of the assets of the ICAV and the Funds. Termination could have materially adverse effects on the ICAV, the Funds and the value of the Shares.

Securities and investment businesses generally are regulated comprehensively and intensively under US state and federal laws and regulations. Any investigation, litigation or other proceeding that US state or federal regulatory agencies or private parties undertake that involves the Manager, the Investment Manager, the ICAV or the Funds could require them to spend a significant amount of money and time to address those matters, which could have materially adverse consequences for the ICAV and/or the Funds. In addition, because the ICAV and the Funds’ offering has not been registered under the 1933 Act, and the ICAV and the Funds are not registered under the 1940 Act, the ICAV and the Funds do not have certain regulatory protection available to investors in offerings or entities that are registered under such laws.

#### **5.55. Fraud Risk**

A Fund will be exposed to the risk of fraud by third party service providers to, or the directors, officers or agents of, an investment entity in which a Fund is invested. These risks include fraud or bad faith relating to dealings with, or on behalf, of any investment entity where such officers, agents and third parties may receive direct or indirect benefit from dealings with or for that entity or where fees are received or cash flows handled in respect of that entity.

#### **5.56. Terrorist Action**

There is a risk of terrorist attacks causing significant loss of life and property and damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity which may in turn adversely affect a Fund/s of the ICAV and its/their Shareholders.

#### **5.57. Custodial Risk**

As the ICAV may invest in markets where custodial and/or settlement systems are not fully developed or in financial instruments traded on markets where custodial and/or settlement systems are not fully developed, the assets of the ICAV which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary would have no liability.

## **5.58. Foreign Account Tax Compliance Act**

The ICAV is required to comply with extensive reporting and withholding requirements designed to inform the US Department of the Treasury of US-owned foreign investment accounts. Failure to comply with these requirements will subject the ICAV to US withholding taxes on certain US-sourced income and gains. Shareholders may be requested to provide additional information to the ICAV to enable the ICAV to satisfy these obligations. See section headed "Taxation – Taxation in the United States".

## **5.59. European Economic Risks**

Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns, including in relation to sovereign and non sovereign funding and debt. European, IMF and bilateral emergency funding arrangements have already been extended and/or are contemplated in respect of Member States and European based financial institutions.

These developments have had a negative effect in political terms and also in economic terms and may continue to do so. Financial markets, investor sentiment and credit ratings of institutions and Member States have already been adversely affected and may continue to be so. In addition, investment activity has been affected, as has the willingness and ability of financial institutions to extend credit and to obtain funding.

Member States within the Eurozone, and certain other Member States, are in ongoing discussions with a view to agreeing stricter financial disciplines. However, it remains unclear whether agreement on these matters will be reached, and even if reached, whether adequate measures will be adopted in the short to medium term.

There are increasing concerns that one or more Member States within the Eurozone may not be able to meet their debt obligations or funding requirements. The depressed economic environment and cost of funding may cause short and medium term budget deficits to expand in these economies, further increasing the risk of default. A sovereign default is likely to have adverse consequences for the economy of the Member State and that of Europe and the wider world economy. The affect on creditors of a sovereign default is likely to be adverse.

The probability of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is difficult to predict the precise nature of the consequences of a Member State leaving the Euro as there has been no well-defined legal framework put in place in preparation for such an event. However, it is likely that any Euro- denominated assets or obligations that the ICAV acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies.

These economic developments and their consequences both in Europe and the wider world economy, have significantly increased the risk of market disruption and governmental intervention in markets. Such disruption and intervention may result in unfavourable currency exchange rate fluctuations, restrictions on foreign investment, imposition of exchange control regulations by governments, trade balances and imbalances and social, economic or political instability.

Predicting the consequences of developments of this kind is difficult. Events affecting the Euro could result in either separate new national currencies, or a new single European currency, and consequently the redenomination of assets and liabilities currently denominated in Euro. In such circumstances, there would be a definite risk of the ICAV's Euro-denominated investments becoming difficult to value, which could potentially result in negative consequences for the ICAV including suspension of Net Asset Value valuations and consequently of redemptions. If the redenomination of accounts, contracts and obligations becomes litigious, difficult conflict of laws questions are likely to arise.

Adverse developments of this nature may significantly affect the value of the ICAV's investments. They may also affect the ability of the ICAV to transact business including with financial counterparties, to manage investment risk and to hedge currency and other risks affecting the ICAV's portfolio and individual Share classes. Fluctuations in the exchange rate between the Euro and the US Dollar or other currencies could have a negative effect upon the performance of investments.

#### **5.60. Need for Independent Advice**

The ICAV, Promoter, Manager and Investment Manager have consulted with counsel, accountants and other experts regarding the formation of the ICAV and each Fund. Each prospective investor should consult its own legal, tax and financial advisors regarding the desirability of an investment in the ICAV and each Fund.

The law firms of GRM Law, William Fry Solicitors and Tannenbaum Helpert Syracuse & Hirschtritt LLP (together, "Counsel") serve as counsel to the ICAV and the Investment Manager, and may serve as counsel to other investment funds sponsored or managed by the ICAV and the Investment Manager. Counsel to the ICAV and the Investment Manager does not represent the Shareholders. Potential investors should seek independent legal counsel before making an investment in a Fund.

In connection with this offering of Shares and ongoing advice to the ICAV and the Investment Manager Counsel has not represented, and will not be representing the Shareholders. No independent counsel has been, nor is it anticipated will be, retained to represent the Shareholders. Counsel's representation of the ICAV and the Investment Manager is limited to those specific matters upon which it has been consulted. There may exist other matters which would have a bearing on the ICAV and the Investment Manager upon which Counsel has not been consulted. Counsel does not undertake to monitor the compliance of the ICAV and the Investment Manager with the investment program, valuation procedures and other guidelines set out herein, nor does it monitor compliance with applicable laws. Additionally, in all cases, including the preparation of this Prospectus, Counsel relies upon information furnished to it by the ICAV and the Investment Manager and does not investigate or verify the accuracy and completeness of such information. In the course of advising the ICAV and the Investment Manager there may be times when the interests of these parties may differ from those of the Shareholders. Counsel does not represent the interests of the Shareholders in resolving such issues.

The foregoing list of risk factors is not complete. Prospective investors should consult with their own financial advisors before deciding to subscribe.



## 6. MANAGEMENT AND ADMINISTRATION

The Directors control the affairs of the ICAV and are responsible for the overall investment policy, which will be determined by them and notified to the Manager. The Manager has delegated certain of its duties to the Investment Manager and the Administrator.

### 6.1. The Directors

The ICAV shall be managed and its affairs supervised by the Directors whose details are set out below. The Directors are all non-executive directors of the ICAV. The ICAV has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from the Directors' negligence, default, breach of duty or breach of trust in relation to the ICAV. The address of the Directors is the registered office of the ICAV.

**Una Bannon (Irish Resident)** has been involved in the financial services industry since 1994 and is a Senior Consultant at KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore funds. Prior to joining KB Associates, from 2008 to 2012 Ms Bannon was Head of Financial Reporting at Northern Trust Securities Services Ireland Limited (previously Bank of Ireland Securities Services Ireland Limited). Previously she was with J.P. Morgan Administration Services (Ireland) Limited where she was Head of Financial and Regulatory Reporting. Ms Bannon holds a Bachelor of Science (Hons) in Management from Trinity College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

**Denise Kinsella (Irish Resident)** is an independent non-executive director of a number of investment funds with over 25 years' experience in international financial services, including over 15 years' executive and management experience in the international funds' industry. She is a former partner of Dillon Eustace Solicitors (1999 to 2005) where she specialised in financial services law and regulation, in particular investment funds. Prior to that (1988 to 1999) she held a number of senior executive roles at Bank of Ireland including Director of Client Services at Bank of Ireland Securities Services (acquired by Northern Trust), Director of Legal Affairs and, in Bank of Ireland Asset Management, Senior Manager. Denise is a past Chairman of the Irish Funds Industry Association and IFIA's legal and regulatory and Central Bank working sub-committees and represented the industry on a number of key funds industry working groups including An Taoiseach's International Financial Services Committee and FEFSI (now EFAMA). She served on the Committee on Collective Investment Governance formed by the Central Bank of Ireland to develop recommendations for good governance practice for funds. She was consulting editor to "Collective Investment Schemes in Luxembourg, Law and Practice" published by Oxford University Press and has lectured on financial services law at the Law Society of Ireland. She graduated in law from Trinity College Dublin (1983), was admitted as a solicitor by the Law Society of Ireland (1987) and holds a diploma in company direction from the Institute of Directors (UK) (2011).

**Douglas Shaw (UK Resident)** has worked in asset management and derivatives since the early 1990's. The majority of his employment history has been in alternatives between niche and large companies. He has been involved in the marketing of funds, creating infrastructure and managing risk. Prior to his current role, Mr. Shaw held various positions at BlackRock Investment Management ("BlackRock") including Head of Alternatives where he launched new hedge funds for existing investment managers. He further progressed within BlackRock to Chief Operating Officer of Fundamental Equity where he was responsible for product development and promotion. He then went

on to a role as Head of Charities where he was responsible for restructuring and leading the charity team which served the investment needs of charities, endowments and foundations. Previous to his employment with BlackRock, he was Chief Operating Officer of a start up global equity long short fund, The Children Investment Fund. This role was preceded by a period as Head of Derivatives at Gartmore Investment Management where he was involved in the start up of the Alphagen hedge fund product range, where the fund realized a range increase of \$3 billion in more than ten strategies over a period of five years.

His extensive experience in derivative sales was a result of his employment with BNP Paribas and Société Générale from 1987 to 1994. In Société Générale he was involved in stock and index warrant and OTC derivatives to UK entities whilst in BNP Paribas he dealt with European warrant and convertible bond sales.

Mr. Shaw represented the UK hedge fund industry to the Treasury Select Committee in February 2009 and served on the European board of Alternative Investment Management Association (AIMA).

Mr Shaw is currently the Chief Operating Officer at Roxbury Asset Management Limited.

The Secretary of the ICAV is Wilton Secretarial Limited.

## **6.2. The Manager**

The ICAV appointed the Manager pursuant to the Management Agreement. Under the terms of the Management Agreement the Manager has responsibility for the management and administration of the ICAV's affairs and the distribution of the Shares, subject to the overall supervision and control of the Directors. The Board of the ICAV retains the discretion to delegate as determined by the Directors.

The Manager has delegated the performance of the investment management functions in respect of the Funds to the Investment Manager and administrative functions to the Administrator. The Secretary of the Manager is Lisa O'Neill.

The Manager is a private company limited by shares and was incorporated in Ireland on 4 December 2006 under registration number 430897. The Manager's ultimate parent company is Clifton Directors Ltd. The Manager has an authorised share capital of €1,000,000 divided into 1,000,000 shares of €1 each and an issued and fully paid share capital of €655,000. The Manager is engaged in the business of providing management, administrative and distribution services to the ICAV.

### Terms of Appointment

Under the Management Agreement the Manager will provide or procure the provision of management, administration and distribution services to the ICAV. The Management Agreement may be terminated by either party on 90 days' written notice to the other party, or such shorter period as may be agreed by the ICAV not to be less than 30 days, or immediately by written notice to the other party if such other party:

- (a) commits any material breach of the Management Agreement that is either incapable of remedy or has not been remedied within thirty days of the non-defaulting party serving notice requiring the defaulting party to remedy the default;

- (b) is unable to perform its duties under Agreement due to a change in applicable laws or regulatory practice;
- (c) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof;
- (d) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues;
- (e) is the subject of an effective resolution for its winding up (except a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party);
- (f) is the subject of a court order for its winding up.

The Management Agreement provides that in the absence of negligence, wilful default, fraud or bad faith, the Manager shall not be liable for any loss or damage arising out of the performance of its obligations and duties under the Management Agreement. The Management Agreement provides further that the ICAV shall indemnify the Manager for any loss or damage suffered in the proper performance of its obligations and duties under the Management Agreement unless such loss arises out of or in connection with any negligence, wilful default, fraud or bad faith by the Manager or its directors in the performance of its duties under the Management Agreement.

#### Directors of the Manager

The Directors of the Manager are:

**Mike Kirby (Irish Resident)** is the 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 to 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, Mr. De Barra 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, Mr. Murphy 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. Mr. Oppermann 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 WillisTowersWatson Ireland (formerly IFG Ireland), she has overall responsibility for investments, operations, trustee services and marketing in WillisTowersWatson Ireland. Her team created the investment strategies followed by WillisTowersWatson clients and also ensure those are implemented correctly. Ms. McConnell 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. Ms. McConnell holds a first class honours degree in Commerce from University College Dublin and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder and holds a certificate in Company Direction from the Institute of Directors (IoD). She is a non-executive director for a number of companies.

Details of the remuneration provisions of the Management Agreement are summarised in the Fees and Expenses section of this Prospectus.

#### Remuneration Policies and Practices

The Manager has established policies and procedures in relation to remuneration which, in the Manager's opinion, are proportionate and consistent with sound and effective risk management in accordance with applicable UCITS requirements. The Manager's policy on remuneration is intended to discourage specified categories of personnel/staff, to the extent that personnel/staff of the Manager fall within those specified categories, from taking risks deemed to be inconsistent with the ICAV's risk profile or which might impair the Manager in complying with the duty to act in the ICAV's best interests.

Details of the Manager's up-to-date policy in respect of remuneration, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits can be accessed from the following website: [www.kbassociates.ie](http://www.kbassociates.ie). A paper copy of the remuneration policy is also available free of charge from the Manager upon request

### **6.3. Investment Manager**

The Manager has appointed Roxbury Asset Management Limited of 2 Savile Row, Third Floor, London W1S 3PA as Investment Manager to provide discretionary investment management services to the ICAV on behalf of the Manager. The Investment Manager is also the Promoter of the Fund.

#### Terms of Appointment

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

The Investment Manager's appointment under the Investment Management and Distribution Agreement may be terminated only:

- (a) by mutual agreement of the parties; or
- (b) the Investment Manager giving not less than ninety days' prior notice of resignation to the Manager and the ICAV; or
- (c) at any time if the Manager or the ICAV shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved by the Investment Manager) or be unable to pay its debts or commit an act of bankruptcy under the

applicable laws or if a receiver is appointed to any of the assets of the Manager or the ICAV or if an administration order is made in relation to the Manager or the ICAV; or

- (d) at any time if the Manager or the ICAV commits any material breach of its obligations under this Agreement and, if such breach is capable of being remedied, fails to remedy such breach within thirty days of receipt of notice from the Investment Manager.; or
- (e) at any time if the Investment Manager shall cease to be permitted by applicable laws to act as such.

The Investment Manager's appointment under the Investment Management and Distribution Agreement may be terminated immediately upon written notice to the Investment Manager from the Manager and the ICAV, if the Investment Manager is no longer permitted under any applicable law to perform its obligations under the Investment Management and Distribution Agreement.

The Investment Manager shall be entitled to delegate all or any of its duties under the Investment Management and Distribution Agreement, provided that the Investment Manager shall remain responsible for the acts or omissions of any such delegates as if such acts or omissions were those of the Investment Manager.

The Investment Manager may from time to time with prior written approval of the Manager, appoint sub-investment managers to a Fund. Details of sub-investment managers will be disclosed in the ICAV's periodic reports and further information will be provided to Shareholders upon request. The sub-investment managers' fees are paid by the Investment Manager out of its fees.

#### **6.4. The Administrator**

The Manager has delegated its responsibilities as administrator, registrar and transfer agent to Apex Fund Services (Ireland) Limited pursuant to the Administration Agreement. The Administrator will be responsible for the day-to-day administration of the ICAV and will provide related fund accounting services (including the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share) and for providing Shareholder registration, transfer agency and related support services.

The Administrator is a private limited company incorporated in Ireland on 26 January 2007, for the purpose of providing administrative services to collective investment schemes such as the ICAV.

##### Terms of Appointment

In the absence of negligence, wilful default, bad faith or fraud, the Administrator shall not be liable to the Manager or the ICAV or the Shareholders for losses incurred as a result of the performance of its duties under the Administration Agreement. The Manager has agreed to indemnify the Administrator out of the assets of the ICAV against all liabilities, damages, costs, claims, and expenses (including and without limitation reasonable legal expenses) which may be brought against, suffered or incurred by the Administrator in the performance of its obligations and duties under the Administration Agreement, except for losses arising out of the negligence, recklessness, fraud, bad faith, wilful default or wilful misconduct of the Administrator in the performance of its duties under the Administration Agreement.

The Administration Agreement may be terminated by any party on 90 days' written notice to the other parties after six months has lapsed from the date the Administration Agreement was entered into or immediately by written notice to the other party if that other party:

- (a) notified shall go into liquidation or receivership or an examiner shall be appointed (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts as they fall due commits any material breach of the Administration Agreement that has not been remedied within thirty days of the non-defaulting party serving notice requiring the defaulting party to remedy the default;
- (b) any party ceases to be permitted to act in its current capacity under applicable laws;
- (c) the Depositary ceases to be engaged as the ICAV's depositary;
- (d) receives notice to the effect that the Manager is no longer the Manager of the ICAV and a replacement Manager has not been appointed.

The Agreement may also be terminated immediately by a party to the Agreement without notice if:

- (a) the other party is no longer permitted to act by the Central Bank;
- (b) the party is (in the opinion of the other parties) in material breach of applicable laws;
- (c) the other party is found to be guilty of misconduct by the Central Bank or any applicable regulatory authority;
- (d) the Depositary ceases to be engaged as the ICAV's depositary .

## **6.5. The Depositary**

The ICAV has appointed Société Générale S.A., Dublin Branch to act as depositary in respect of the ICAV and each of its Funds pursuant to the terms of the Depositary Agreement. The Depositary is a branch of Société Générale S.A., a French public limited company founded in 1864 and which is one of France's leading commercial and investment banking institutions with operations throughout the world and with its head office at 29, boulevard Haussmann, 75009 Paris, France. The Depositary is registered with the Paris Trade and Companies Register under number 552 120 222, is an establishment approved by the French Prudential Control and Resolution Authority (ACPR) and supervised by the French Financial Markets Authority (AMF). Société Générale S.A. is actively engaged in asset management, private banking and corporate and investment financial services throughout the world. Société Générale S.A. provides global custody services to retail, institutional, industrial and corporate clients. As of the end of December 2017 it had approximately EUR 3,904 billion in assets under custody.

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

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

(i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV and the Depositary by the Instrument and the Regulations; and

(ii) otherwise in accordance with the provisions of the Instrument and the Regulations.

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

#### Terms of Appointment

Pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV and to the Shareholders for the loss by the Depositary or a duly appointed third party of any assets that are financial instruments required to be held in custody in accordance with paragraph 4(a) of Regulation 34 of the Regulations (the "**Custody Assets**") unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and in the absence of proof of the loss being caused by such an external event), the Depositary is required to return Custody Assets of an identical type to those lost or the corresponding amount to the ICAV without undue delay. The Depositary Agreement provides that the Depositary will be liable to the ICAV and to the Shareholders in respect of all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the Regulations. In the event of a loss by the Depositary of assets which are not Custody Assets, the Depositary will only be liable to the extent the loss has occurred due to the negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and the Regulations. The ICAV, out of the assets of the relevant Fund, shall indemnify and hold harmless the Depositary and each of its directors, officers, servants, employees and agents against all actions, proceedings, claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the ICAV), demands, losses, damages, costs and expenses (including legal and professional fees and expenses) which may be brought against, suffered or incurred by the Depositary other than as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and Regulations.

The Depositary Agreement also provides that the appointment of the Depositary will continue unless and until terminated by the ICAV or the Depositary giving to the other party not less than 90 days' written notice although in certain circumstances the Depositary Agreement may be terminated immediately by the ICAV or the Depositary provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved in advance by the Central Bank has been appointed and provided further that if within a period of 90 days' from the date on which the Depositary notifies the ICAV of its desire to retire or from the date on which the ICAV notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the ICAV shall apply to the High Court for an order to wind up the ICAV or convene in an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV.



## Delegation

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

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

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

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping duties in respect of financial instruments in custody in countries where it does not have local representation to the third parties listed at Appendix IV. An up-to-date list of which will be made available to Shareholders upon request and/or at the following website: <http://www.securities-services.societegenerale.com/en/who-are/key-figures/financial-reports/financial-report-details/news/global-list-sub-custodians-for-sgss/>

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

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

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

## **6.6. The Distributor**

The Manager has appointed Roxbury Asset Management Limited (the "**Distributor**") as a distributor for the Shares pursuant to the Investment Management and Distribution Agreement.

The Investment Management and Distribution Agreement provides that the Distributor is appointed to distribute and sell Shares and to procure subscribers for Shares. The Distributor agrees to comply with all applicable laws governing the distribution, purchase and sale of the Shares of the Funds or solicitation of an investor including, without limitation, those relating to money laundering. The fees of the Distributor, if any, will be paid by the Manager in such amount as shall be agreed between the parties. The Distributor (and its directors, officers, employees and agents) shall not be liable for any error of judgment or loss arising directly or indirectly out of or in connection with the performance by the Distributor of its duties hereunder unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Distributor. The Distributor's appointment under the Investment Management and Distribution Agreement, shall continue in force until terminated by the Distributor by giving notice in writing to the Manager, the ICAV, Investment Manager (i) giving not less than ninety days' prior notice of such resignation; or (ii) at any time if the Manager or the ICAV shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Distributor) or be unable to pay its debts or commit an act of bankruptcy under the laws of Ireland or if a receiver is appointed of any of the assets of the Manager or the ICAV or if an administration order is made in relation to the Manager or the ICAV; or (iii) at any time if the Manager or the ICAV commits any material breach of its obligations under this Agreement and, if such breach is capable of being remedied, fails to remedy such breach within 30 days of receipt of notice from the Distributor; mutual written agreement of the parties; or (iv) at any time if the Distributor shall cease to be permitted by the applicable laws to act as a Distributor.

#### **6.7. Paying Agents, Local Representatives and Distributors**

The Directors, the Manager or their duly authorised delegates may appoint such paying agents, local representatives and distributors as may be required to facilitate the authorisation or registration of the ICAV and/or the marketing of any of its Shares in any jurisdiction. Such appointments will be made in accordance with the Central Bank Requirements.

#### **6.8. The Auditors**

The auditors of the ICAV are Deloitte.

#### **6.9. Conflicts of Interest**

The Directors, Manager, Investment Manager, Administrator, Depositary, their affiliates, officers and shareholders (collectively the "**Parties**" and each a "**Party**") are or may be involved in other financial investment and professional activities which may on occasion cause conflicts of interest with the management of the ICAV. These include management of other funds, purchases and sales of securities, investment and management consulting, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the ICAV may invest. In particular it is envisaged that the Investment Manager may be involved in advising other investment funds, which may have similar or overlapping investment objectives to or with the Funds of the ICAV. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. In the event that any of the assets of the ICAV would be invested in any such investment funds, the Party involved in providing such management or other advisory services will waive the

preliminary or initial charges, which it may otherwise be entitled to charge for its own account. In relation to such investment of the ICAV's assets, if any commission or fees are or would be received by such Party or Parties by virtue of an investment of the assets of the ICAV in such investment fund, such commission will be paid to the ICAV for its own account.

In addition, the Manager, the Depositary, any delegates or sub-delegates of the Manager or of the Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the foregoing (each a "Connected Person") may each from time to time deal, as principal or agent, with the ICAV provided that such dealings are conducted at arm's length and in the best interests of Shareholders. Transactions entered into with a Connected Person for or on behalf of the ICAV are permitted only in circumstances where at least one of the following conditions is satisfied: (i) the value of the transaction is certified by a person approved by the Depositary (or by the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary being independent and competent; or (ii) execution is on best terms on an organised investment exchange under the rules of the relevant exchange; or (iii) where (i) or (ii) are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary), is satisfied conforms to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders at the date of the transaction. In the case of each transaction entered into with a Connected Person for or on behalf of the ICAV, the Depositary (or the ICAV in the case of a transaction involving the Depositary or an affiliate of the Depositary), shall document the manner in which it has complied with the principles set out at (i) to (iii) above and where a transaction with a Connected Person is conducted in accordance with (iii) above, the Depositary (or the ICAV in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the requirement that such transactions be conducted as if at arm's length and in the best interests of Shareholders at the date of the transaction.

Each Connected Party will provide the Manager with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the ICAV's annual and semi-annual reports in respect of all Connected Party transactions. The appointment of the Manager, Investment Manager, the Administrator and the Depositary in their primary capacity as service providers to the ICAV are excluded from the scope of these Connected Person requirements.

In addition, the Investment Manager's fee is based on a percentage of the Net Asset Value of each Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly.

### **6.10. Meetings**

Shareholders in the ICAV will be entitled to attend and vote at general meetings of the ICAV. The Directors may elect to dispense with the holding of an annual general meeting of the ICAV and have made such election in relation to the first year following its incorporation.

### **6.11. Accounts and Information**

The ICAV's accounting period will end on 30 September in each year.

The ICAV will prepare an annual report and audited financial statements, which will be published within four months of the end of the financial period to which they relate. The ICAV will also prepare a semi-annual report and unaudited half-yearly financial statements made up to 31 March in each year which will be published within two months of the end of the half-year period to which they relate.

The first annual report and audited financial statements of the ICAV will be made up to 30 September, 2016. The first semi-annual report will cover the period ending 31 March, 2016.

Copies of this Prospectus, Supplement, Key Investor Information Document and the annual and half-yearly reports of the ICAV may be obtained from the Administrator at the address given under "Directory" and on the website of the Investment Manager, [www.roxbury-am.com](http://www.roxbury-am.com).

## **7. VALUATION, SUBSCRIPTIONS AND REDEMPTIONS**

### **7.1. Calculation of Net Asset Value**

The Net Asset Value of each Fund will be expressed in its Base Currency. The calculation of the Net Asset Value of each Fund and of each Share class thereof will be carried out by the Administrator in accordance with the requirements of the Instrument, and details are set out under the heading "Statutory and General Information" below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share class in a Fund, the Net Asset Value attributable to each Share class and the Net Asset Value per Share per class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share shall also be made public at the offices of the Administrator during normal business hours and will be published weekly (and will be kept up to date) including on the website of the Investment Manager ([www.roxbury-am.com](http://www.roxbury-am.com)) or in some other manner as may be notified to Shareholders from time to time at the discretion of the Directors, in accordance with the requirements of the Central Bank.

The Net Asset Value attributable to any class of Shares within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value attributable to the Share class by the number of Shares of that class and rounding the result to two decimal places.

Where there are different classes of Shares within a Fund, the Fund's Supplement shall state whether or not a hedging policy is being adopted in respect of any such class of Shares.

### **7.2. Subscription**

The Directors may issue Shares of any class of any Fund on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any Share class together with subscription and settlement details and procedures will be set out in the relevant Supplement. Shares shall be issued at the initial offer price, or, the Subscription Price, plus any charges, as specified in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the ICAV's register of shareholders. Share certificates will not be issued. Each Shareholder will be sent a written trade confirmation confirming ownership of the relevant Shares.

Under the Instrument, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have the power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the ICAV to adverse tax or regulatory consequences and may request further details or evidence of identity from an applicant or holder of Shares.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

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

All subscriptions will be dealt on a forward pricing basis, i.e. by reference to the Subscription Price per Share calculated in respect of a Fund as at the Valuation Point on the relevant Dealing Day. Any applications received after the cut-off time specified in the relevant Supplement will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Directors on an exceptional basis only provided the application is received by the Administrator before the relevant Valuation Point (which for this purpose shall be the close of business in the market that closes first on each Dealing Day).

Shares in the Fund distinguished by minimum initial subscription, minimum holding, minimum redemption requirements and levels of fees and charges levied are as set out in the Schedule to this Supplement. The Directors may, in their discretion, waive the minimum subscription, minimum holding and/or minimum redemption amounts either generally or in a specific case.

Each of the Share Classes in the Fund may be offered a) through distribution agents, platforms or financial intermediaries that are not eligible to receive commissions under local adviser charging rules or that decide not to receive commissions or b) to intermediaries, investing on behalf of individual clients under discretionary mandates, or c) to such other investors as may be determined by the Directors.

#### Application Forms

All applicants applying for the first time for Shares in the ICAV must complete (or arrange to have completed under conditions approved by the Directors) and sign the Application Form prescribed by the Directors in relation to the ICAV and the relevant Share Class of a Fund.

Subsequent applications by existing Shareholders may be made by fax without the requirement to submit original documents or otherwise in writing as may be prescribed by the Directors, in accordance with the requirements of the Central Bank, from time to time provided that there has been no change in the relevant details of the Shareholder. Application Forms may be obtained from the Manager or the Administrator. Application Forms shall (save as determined by the Directors) be irrevocable and may be sent by facsimile at the risk of the applicant. Initial applications can be made by fax provided the original of the Application Form (and supporting documentation in relation to money laundering prevention checks) is sent to arrive promptly at the Administrator's office. Completed Application Forms should be sent to the Administrator by the dealing deadline time specified in the relevant Supplement.

Failure to provide the original Application Form (and supporting documentation in relation to anti-money laundering) by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. Moreover, applicants will not receive redemption proceeds dividend payments or be able to make additional subscriptions until the Administrator has received the original Application Form and anti-money laundering procedures have been completed.

#### Subscription Price

The "**Subscription Price per Share**" shall be ascertained by:

- (a) determining the Net Asset Value of the relevant Fund calculated as of the Valuation Point on the Dealing Day on which the subscription is to be effective;
- (b) dividing that amount by the number of Shares of the Fund in issue at the relevant Valuation Point;
- (c) adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any); and
- (d) adjusting by such amount as may be necessary to round the resulting amount to two decimal places or such other number of decimal places as the Directors may determine.

Where relevant (and disclosed in the Supplement in respect of a Fund) a Sales Fee shall also be payable. The Sales Fee shall be calculated as a percentage of the Subscription Price per Share which will not exceed 5% of the subscription proceeds. Please see Section 8.4 for further details.

#### Initial Offer of Shares

Applications for Shares during an Initial Offer Period must be received (together with cleared funds and all required anti-money laundering documentation) during the relevant Initial Offer Period. All applicants for Shares during an Initial Offer Period must complete (or arrange to have completed under conditions approved by the Directors) the Application Form.

The Initial Offer Price of Shares will be set out in the relevant Fund Supplement.

#### Fractions

Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Price for one Share, provided however that fractions shall not be less than two decimal points or such number of decimal points of a Share as the Directors may determine from time to time. Subscription monies, representing less than the relevant fraction of a Share will not be returned to the applicant but will be retained by the Fund in order to defray administration costs

#### Method of Payment

Subscription payments net of all bank charges should be paid to the Administrator by CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the ICAV in consultation with the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

#### Currency of Payment

Subscription monies are payable in the designated currency of the relevant Share class. Subscriptions may be accepted in a currency other than the designated currency of the relevant Share class at the discretion of the Administrator. Please see Section 7.8 in relation to currency of payment and foreign exchange transactions.

### Timing of Payment

Payment in full in cleared funds in respect of a subscription (including the Sales Fee, if any) must be received no later than the time set out in the relevant Supplement (or within such other periods as may be permitted by the Directors). If payment has not been received by the time for receipt by the Administrator on behalf of the Fund, any allotment of Shares made in respect of such application may be cancelled. In such event and notwithstanding cancellation of the application, the Directors may charge the applicant interest on the outstanding subscription monies at normal commercial rates and for any expense incurred by the ICAV for any loss to the Fund arising out of such non-receipt. In addition, the ICAV will have the right to sell all or any part of the applicant's holding of Shares in any other Fund in order to meet these charges. The ICAV reserves the discretion to require receipt of subscription monies on the Dealing Day that the Shares are to be issued and the ICAV may exercise this discretion, for example, with respect to new investors in a Fund. In exercising this discretion, the ICAV will take into account legal considerations, timing matters and other considerations. Investors will be notified in advance, should the ICAV exercise this discretion.

Subscription monies representing less than the Subscription Price for one Share will not be returned to the applicant. Fractions of up to two decimal places of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price for one Share.

### Registrations and Confirmations

Contract notes confirming ownership will generally be sent to applicants within five Business Days of the relevant Dealing Day, setting out details of the Shares which have been allotted.

## **7.3. Redemption**

Shareholders may redeem their shares in respect of any Dealing Day.

The Directors may also compulsorily redeem Shares according to the provisions of this Prospectus and the Instrument.

If a redemption request is received after the deadline for receipt of requests for redemption for any particular Dealing Day, it shall (subject to Directors' discretion) be treated as a request for redemption in respect of the following Dealing Day and Shares will be redeemed at the Redemption Price as at the Valuation Point relevant to the next following Dealing Day.

If total requests for redemption on any Dealing Day exceed 10% of the Net Asset Value of a Fund whose assets under management as at that Dealing Day exceed the sum of €200 million (or its equivalent), each redemption request in respect of Shares in the Fund may, if in their sole discretion the Directors acting in good faith believe it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not requesting redemption or on grounds of liquidity or other like reason, be reduced "pro rata" so that the total number of Shares for the Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value of the relevant Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Directors shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Directors shall have the same power) until the original request has been satisfied in full. Redemption requests carried forward to any subsequent Dealing Day(s) shall be treated in



accordance with the terms of the Instrument. If redemption requests are so carried forward, the Directors shall ensure that the Shareholders affected thereby are promptly informed.

#### Redemption Price

The "**Redemption Price per Share**" shall be ascertained by:

- (a) determining the Net Asset Value of the relevant Fund calculated as of the Valuation Point on the Dealing Day on which the redemption is to be effective;
- (b) dividing that amount by the number of Shares of the Fund in issue at the relevant Valuation Point;
- (c) deducting such sum as the Directors may consider represents an appropriate figure for Duties and Charges (if any); and
- (d) adjusting by such amount as may be necessary to round the resulting amount to two decimal places or such other number of decimal places as the Directors may determine.

Where relevant (and disclosed in the Supplement in respect of a Fund) a Redemption Fee shall also be payable. The Redemption Fee shall be calculated as a percentage of the Redemption Price per Share which will not exceed 1.5% of the redemption proceeds. Please see section 8.5 for further details.

#### **7.4. Procedures for Redemptions**

A redemption request in the form of a signed redemption form must be received by the Administrator by the time set out in the relevant Supplement. (or in exceptional circumstances, such later time/or date as the Directors shall determine in respect of a specific application before the relevant Valuation Point. Instructions by facsimile or such other means in accordance with the requirements of the Central Bank will be accepted only where payment is made to the account of record.

## **7.5. Payment of Redemption Monies**

### Method of Payment

Redemption payments will be sent by CHAPS, SWIFT or telegraphic transfer at the risk and expense of the Shareholder to the bank account detailed on the Application Form or in exceptional circumstances as subsequently notified to the Administrator in writing. The Administrator will not make redemption payments to a party other than the Shareholder.

### Currency of Payment

Shareholders will be repaid in the designated currency of the relevant Share class. In the case of a partial redemption of a Shareholder's holding, the Administrator will advise the Shareholder of the remaining Shares held by him.

### Timing of Payment

Redemption proceeds in respect of Shares will be paid by the time set out in the Supplement and, in any event, within ten Business Days of the relevant Dealing Deadline provided that the original Application Form (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed has been received. Redemption proceeds will be sent by telegraphic transfer at the risk and expense of the Shareholder to the Shareholder's designated bank account.

## **7.6. Operation of the Subscription and Redemption Collection Accounts**

A collection account has been established at umbrella level in the name of the ICAV in each of the currencies in which the share classes of the Funds are denominated (the "**Umbrella Cash Collection Account**"). All subscriptions into and redemptions and dividends due from the Funds will be paid into the Umbrella Cash Collection Account.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds, the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscription amounts paid into the Umbrella Cash Collection Account will be paid into an account in the name of the relevant Fund on the contractual settlement date. Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor to the account from which they were received within five (5) Business Days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account.

Redemptions, including blocked redemptions, will be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder/investor.

Failure to provide the necessary complete and accurate documentation in respect of subscriptions, redemptions or dividends, and / or to make payment into the Umbrella Cash Collection Account or the correct Cash Collection Account, as appropriate, is at the investor's risk.

The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The Manager and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account which identifies the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of monies attributable to another Fund due to timing differences.

## **7.7. Subscriptions/Redemptions in Specie**

### Subscription in Specie

The Directors may issue Shares of any Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an application form as required under this Prospectus and/or otherwise satisfied all the requirements of the Directors and the Administrator as to such person's application;
- (b) the nature of the investments transferred into the Fund are such as would qualify as investments of such Fund in accordance with the Investment objectives, policies and restrictions of such Fund;
- (c) no Shares shall be issued until the investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the ICAV. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties or Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

### Redemption in Specie

- (a) The Directors may, provided that they are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders and with the agreement of a Shareholder whose Shares in any Fund are being redeemed, elect that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.
- (b) If the discretion conferred upon the Directors by paragraph (a) is exercised, the Directors shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and the amount of cash to be paid to the Shareholder. The allocation of Investments in satisfaction of an in specie redemption request shall be subject to the approval of the Depositary. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder.
- (c) If a redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of a Fund the Directors may in their sole discretion redeem the Shares by way of exchange for Investments and in such circumstances the Directors will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder. The cost of such a sale may be charged to the Shareholder. It is not the intention of the Directors to charge this cost.

### **7.8. Currency of Payment and Foreign Exchange Transactions**

Where payments in respect of the purchase or redemption of Shares or dividend payments are tendered or requested in a currency other than the currency of denomination of the relevant Fund/Share class of the Fund, any necessary foreign exchange transactions will be arranged by the Investment Manager for the account of and at the risk and expense of the investors. Such transactions shall take place, in the case of subscriptions, at the time cleared funds are received, in the case of redemptions, at the time the request for redemption is received and accepted, and in the case of dividends, at the time of payment. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the ICAV's bankers. The value of the Shares denominated in a currency other than the Base Currency of the relevant Fund will be subject to exchange rate risk.

### **7.9. Compulsory Redemption**

All the Shares of the ICAV or the Shares of any Fund or class of Shares may be compulsorily redeemed:

- (a) where Shares are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time specified by the Directors;
- (b) where, in the opinion of the Directors, such redemption would eliminate or reduce the exposure of the ICAV or its Shareholders to adverse tax or regulatory consequences or if Shares are held by a Shareholder who is not a Qualified Holder;

- (c) where not less than 75% of the Shareholders (voting at the meeting either in person or by proxy) approve of the redemption of the Shares at a general meeting of the relevant Share class of which not less than 21 days notice has been given;
- (d) at the discretion of the Directors, after the first anniversary of the first issue of Shares of the relevant class if the Net Asset Value of the relevant class falls below the minimum Fund level set out in a Fund's Supplement for a period of ten (10) Business Days or more;
- (e) at the discretion of the Directors, if the Fund ceases to be listed on a stock exchange;
- (f) a Shareholder has not completed the anti-money laundering procedures to the satisfaction of the ICAV and/or the Administrator; or
- (g) at the discretion of the Directors acting reasonably, upon the provision of reasonable notice to a Shareholder.

The ICAV may deduct Duties and Charges and a Redemption Fee from the proceeds of any such compulsory redemption prior to remitting same to a redeeming Shareholder.

#### **7.10. Switching Between Funds**

Shareholders have the ability to switch into another class of Shares in the Fund or a different sub-fund subject to the requirements as specified below. On the establishment of any new Fund (or class thereof) the Directors shall specify the switching rights relating to such Fund (or class thereof), where such rights are different to those set out in this section.

Switching may be effected by application to the Administrator on such switching form as may be prescribed by the Directors.

If a switch from a Share class or Fund (the "**Original Share Class**" or "**Original Fund**" as the context requires) to another class or Fund (the "**New Share Class**" or "**New Fund**" as the context requires) would result in a Shareholder holding a number of Shares in the Original Share Class or Original Fund with a value of less than the minimum holding as set out in the Supplement for the relevant class or Fund, the ICAV (or the Administrator on its behalf) may, at its discretion, switch the whole of the applicant's holding of Shares in the class or Fund or refuse to effect any switch. The Shareholder must also meet the minimum redemption requirements set out in the Supplement for the Original Share Class or Original Fund and the minimum subscription requirements set out in the Supplement for the relevant Fund or New Fund. No conversions will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended. The general provisions on procedures for redemptions will apply equally to conversion.

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

$$A = \frac{B \times (C \times D \times F)}{E}$$

Where:

- A =the number of Shares of the New Share Class or New Fund to be allotted;
- B =the number of Shares of the Original Share Class or Original Fund to be switched;
- C = the Redemption Price per Share of the Original Share Class or Original Fund in respect of the Valuation Point on the relevant Dealing Day;
- D = if relevant, the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds where the Base Currencies of the relevant Funds are different. Where the Base Currencies of the relevant Funds are the same,  $D=1$ ;
- E = the Subscription Price per Share of the New Share Class or New Fund in respect of the Valuation Point on the relevant Dealing Day plus the current switching fee (of up to 1% of the Redemption Price of the Shares in the Original Share Class or Original Fund); and
- F = if relevant, the switching factor to be applied to switching between Funds with different settlement dates. This factor will be determined by the Administrator as being derived from the borrowing rate of interest (which may be retail or business depending on the volume of switching) where the settlement date for Shares in the New Fund is earlier than the settlement date for Shares in the Original Fund. In such circumstances, this factor shall operate to compensate the New Fund for late settlement. In all other cases, including where the settlement dates of the relevant Funds are the same,  $F=1$ .

The length of time for completion of a switch will vary depending on the Funds or Share classes involved and the time when the switch is initiated. In general, the length of time for completion of a switch will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired.

### **7.11. Data Protection**

Prospective investors should note that, by completing the Application Form they are providing to the ICAV personal information which may constitute personal data as defined in the Data Protection Legislation and they are giving their explicit consent to the processing of such personal data as described in this section and the Application Form. Further, by completing the Application Form, they are confirming that they have fully explained to any third party whose personal data is disclosed by them to the ICAV the purposes and use for which that information has been obtained and how the information may be used, in the same detail as set out in this Prospectus and that each such person has explicitly consented to such.

For the purposes of the Data Protection Legislation, the data controller in relation to any personal data of prospective investors is the ICAV.

This data will be used for the purposes set out the Application Form and for matters including administration of the investors account, transfer agency, statistical analysis and research. Furthermore, by signing the Application Form, investors acknowledge that they are providing their consent to the ICAV, its delegates and its or their duly authorised agents/data processors and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data 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 and to contact prospective investors by post, telephone, e-mail, fax or other means regarding their investments and financial needs;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to carry out and comply with tax reporting requirements;
- (e) to comply with legal and regulatory obligations applicable to the investor and the ICAV;
- (f) for disclosure to the U.S. Internal Revenue Service to meet the ICAV's obligations under FATCA as further disclosed in the section entitled "Taxation" below; and/or
- (g) for other legitimate business interests of the ICAV.

Such personal data may be processed by:

- (a) the ICAV, its delegates and its or their agents/data processors and any of their respective related, associated or affiliated companies;
- (b) third parties including technology providers, legal advisers, financial advisers, auditors, the Revenue Commissioners, the Garda Síochána and regulatory bodies including but not limited to the Central Bank; and/or
- (c) any third parties who provide services to the ICAV.

The processing of such personal data may include the transfer of data out of the EEA to a country which does not have equivalent data protection to that of the EEA including, without limitation, the countries outside the European Economic Area. By submitting personal data, a prospective investor agrees to this transfer, storing or processing.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the ICAV. The ICAV may charge a fee for this which will not exceed €6.35. Investors also have a right to amend and rectify any inaccuracies in their personal data held by the ICAV, the right to object to the use of their data and the right to block any specific uses of their data by making a request to the ICAV at its registered office.

The ICAV undertakes to hold any personal information provided by investors in accordance with Data Protection Legislation.

By signing the Application Form, prospective investors consent to the recording of telephone calls that the ICAV make to and receive from the Manager, Administrator, the Depositary or the Investment Manager and their delegates or duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes. Prospective investors also consent to the ICAV, the Manager or the Investment Manager sending information about other investment services to them by letter, telephone or other reasonable means of communication. Investors understand that they have a right not to receive such information.

### **7.12. Anti-Money Laundering**

Measures aimed at the prevention of money laundering may require an applicant for Shares to verify their identity to the ICAV or Administrator. Amendments to a Shareholder's details and payment instructions will only be effected on receipt of original documentation. Depending on the circumstances of each application, verification may not be required where the application is made through a recognised intermediary. This exception will only apply if the intermediary in question is regulated by the relevant regulatory body within a country recognised by Ireland as having equivalent anti- money laundering regulations.

By way of example, an individual may be required to produce a copy of a passport or other photographic identity document and a copy of a non-photographic identity document such as a utility bill or bank statement. In the case of corporate applicants this may require production of a copy of the Certificate of Incorporation (and any change of name) and of the Memorandum and Articles of Association (or equivalent), and of the names and residential and business addresses of some or all directors and beneficial owners. The ICAV or the Administrator may request further documentation to be provided upon written request.

The details given above are by way of example only and the ICAV or the Administrator will request such information and documentation as it considers is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the ICAV or Administrator (as delegate of the ICAV) may refuse to accept the application or any subsequent application and the subscription monies relating thereto or may refuse to settle a redemption request or pay dividends until proper information has been provided. Investors should note specifically that redemption proceeds will not be paid to a third party account (other than in exceptional circumstances approved by the ICAV).

Each applicant for Shares acknowledges that the ICAV and the Administrator shall be held harmless against any loss arising as a result of a failure to process an application for Shares, or a delay settling redemption proceeds, if such information and documentation as has been requested by the ICAV or the Administrator (as delegate of the ICAV) has not been provided by the applicant.

Each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not resident in a prohibited country or territory and is not an individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

### **7.13. Transfer of Shares**

Shares are (save as hereinafter specified and subject to such other conditions as may be set out in the relevant Supplement) freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees must complete an application form and



provide such other information (e.g. as to identity) as the ICAV or its delegates may reasonably require. The Directors may decline to register any transfer of a Share:

- (a) where they are aware or believe that such transfer would result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the ICAV to adverse tax, legal or regulatory consequences; or
- (b) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a minimum holding as set out in the Supplement for the relevant Fund.

#### **7.14. Temporary Suspensions**

The ICAV may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any Share class of any Fund:

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being prejudicial to, or detrimental to the interests of, owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated;
- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the ICAV or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the ICAV is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the ICAV;
- (f) during any period in which a counterparty with which the ICAV has entered into a swap transaction is unable to make any payment due or owing under the swap, including where it is unable to repatriate or exchange at a reasonable rate the proceeds of its underlying hedge;
- (g) during any period when the Directors, in their discretion, consider suspension to be required or in the interests of the ICAV, a Fund or the Shareholders of a Fund; or

- (h) during any period during which the Directors, in their discretion, consider suspension to be required for the purposes of effecting a merger, amalgamation or restructuring of a Fund or of the ICAV.

The ICAV, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the ICAV will immediately (and in any event during the Business Day on which the suspension occurred) notify the Central Bank and any other competent authority in a Member State or other country in which Shares are marketed and published in such publication(s) as the Directors may determine.

## **8. FEES AND EXPENSES**

### **8.1. General**

Each Fund shall bear its attributable proportion of the organisational expenses of the ICAV.

All fees and expenses relating to the establishment of the ICAV and the fees of the professional advisers to the ICAV (establishment expenses) not exceeding €200,000 will be borne by the ICAV and will be amortised over the first 60 months of the lifetime of the respective Fund or such other period as the Directors may determine and will be charged as between the various Share classes thereof established by the ICAV within the amortisation period and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable and provided that each Fund thereof will bear its own direct establishment costs. If the effect of this accounting treatment becomes material in the future and there is a requirement to write off the unamortised balance of establishment and organisational costs, the Directors will reconsider this policy. On an ongoing basis, the Investment Manager may, at its total discretion, offer to reimburse the Fund for some of these establishment expenses. Any such offer will be subject to the acceptance of the same by the Directors and will be documented on an individual basis. For avoidance of doubt, there is no obligation on the Investment Manager to make such an offer.

Details of other fees and expenses relating to the ICAV and Shareholders are set out in the relevant Supplement, for each Fund.

Value added tax (if any) on fees payable by the ICAV will be borne by the ICAV.

### **8.2. Manager's Fee**

The fees which may be charged by the Manager to each Share class of each Fund are set out in the relevant Supplement.

### **8.3. Investment Manager's Fee**

The fees which may be charged by the Investment Manager to each Share class of each Fund are set out in the relevant Supplement.

The Investment Manager shall also be entitled to be reimbursed all reasonable, properly vouched out-of-pocket expenses incurred by the Investment Manager in the performance of his duties and responsibilities under the Investment Management and Distribution Agreement. The Investment Manager is responsible for the fees of any advisers it utilizes.

### **8.4. Sales Fee**

The Directors may, at their discretion, impose a Sales Fee not exceeding 5% of the Subscription Price per Shares. The Directors may, at their discretion, reduce or waive such Sales Fee or differentiate between applicants as to the amount of such Sales Fee. A Sales Fee may be imposed with respect to a particular Fund or Share class as set forth in the Supplement for the relevant Fund, which may be below the maximum fee of 5% of the subscription proceeds of Shares.

### **8.5. Redemption Fee**

A Redemption Fee not exceeding 1.5% of the redemption proceeds of Shares being redeemed may be imposed with respect to a particular Fund or class as set out in the Supplement for the relevant Fund. The Directors may, at their discretion, reduce or waive such Redemption Fee or differentiate between applicants as to the amount of such Redemption Fee.

In the event of a Redemption Fee being charged, Shareholders should view their investment as medium to long-term.

### **8.6. Switching Fee**

Shareholders of a class of Shares within a Fund may switch to a class of Shares within the Fund or such other fund, at the Directors discretion, provided however that all of the criteria applicable to switching between funds as set out in the Prospectus are complied with. Shareholders may be subject to a switching fee as set forth in the Supplement for the relevant Fund and which shall be calculated as a percentage of the Redemption Price of Shares in the original fund. It is not currently the intention of the Directors to charge a switching fee.

### **8.7. Administrator's and Depositary's Fees**

The Administrator and Depositary will be entitled to receive fees calculated as a percentage of the Net Asset Value of each Fund for the provision, respectively, of administration, accounting, trustee and custodial services to the ICAV as set out in the relevant Supplement. Each Fund may be subject to a monthly minimum fee in respect of administration, accounting and trustee services.

The Administrator will also be entitled to receive certain other fees, including for financial reporting services in respect of the ICAV and for each Fund in respect of transfer agency services in respect of the relevant class of Shares.

The Administrator and Depositary will also be reimbursed by the ICAV out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by them. The Depositary will also be paid by the ICAV out of the assets of the relevant Fund for transaction fees (which will not exceed normal commercial rates) and fees and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary.

The fees and expenses of the fund will be accrued at each Dealing Day and are payable monthly in arrears.

### **8.8. Directors' Fees**

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors provided that no Director may be paid in excess of €25,000 in any one financial year, without the approval of the Board. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the ICAV.

## **8.9. Operational Expenses**

The ICAV may also pay out of the assets of each Fund:

- (a) any fees in respect of circulating details of the Net Asset Value (including publishing prices), Net Asset Value per Share and Net Asset Value per Share per class;
- (b) stamp duties;
- (c) the Central Bank's industry funding levy;
- (d) taxes;
- (e) corporate secretarial fees;
- (f) rating fees (if any);
- (g) execution only brokerage or other expenses of acquiring and disposing of Investments;
- (h) all expenses incurred in relation to the registration of any Investments into and transfer of any Investments out of the name of the ICAV, a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any Investment or the custody of Investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (i) all expenses incurred in the collection of income and administration of the ICAV;
- (j) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (k) fees and expenses of the auditors, tax, legal and other professional advisers of the ICAV;
- (l) fees and expenses of any portfolio monitoring and/or proxy voting agents;
- (m) fees connected with listing of Shares on any stock exchange;
- (n) fees and expenses in connection with any marketing material, services, advertisements of the ICAV and the Shares issued or to be issued, the distribution of Shares and costs of registration and agency fees (which shall be at normal commercial rates) of the ICAV in jurisdictions outside Ireland;
- (o) all fees of any sub-distributors, applying agents or local representatives (which shall be at normal commercial rates) required to facilitate the authorisation or registration of the ICAV and/or any Fund and the marketing of Shares in any jurisdiction;
- (p) costs of preparing, printing and distributing the Prospectus, any Supplements, Key Investor Information Documents, reports, accounts and any explanatory memoranda;
- (q) any necessary translation fees;

- (r) any costs incurred as a result of periodic updates of the Prospectus of the ICAV, and of any Supplement or Key Investor Information Document, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (s) in respect of each financial year of the ICAV in which expenses are being determined, such proportion (if any) of any establishment expenses as are being amortised in that year;
- (t) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (u) any interest on any borrowings of the ICAV;
- (v) fees connected with the winding-up of the ICAV, any Fund or termination of any class of Shares;
- (w) all fees and expenses of the Directors and any Directors' insurance premia;
- (x) any other fees and expenses relating to the management and administration of the ICAV or attributable to the ICAV's Investments;
- (y) all costs and expenses incurred by the ICAV and any of their appointees.

The above expenses shall be charged as between each Fund and Share class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to each Fund (and Share class or Share classes thereof, if appropriate) in respect of which they were incurred or, 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 pro rata to the Net Asset Value of the Funds. Expenses of the ICAV which are directly attributable to a specific Share class or Share classes of Shares are charged against the income available for distribution to the holders of such Shares. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period. On an ongoing basis, the Investment Manager may, at its total discretion, offer to reimburse the Fund for some of these operating expenses. Any such offer will be subject to the acceptance of the same by the Directors and will be documented on an individual basis. For avoidance of doubt, there is no obligation on the Investment Manager to make such an offer.

## **9. ALLOCATION OF ASSETS AND LIABILITIES**

The Instrument contains the following provisions regarding the operation of a Fund:

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, and shall not (save as provided in the Acts) be used to discharge directly or indirectly the liabilities of or claims against any Fund and shall not be available for any such purpose;
- (d) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it is derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have the power at any time and from time to time, subject to the approval of the Auditors, to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between the Funds pro rata to their Net Asset Value.

## **10. TAXATION**

### **10.1. 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 have citizenship, residence, domicile or otherwise be subject to tax.***

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

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

### **10.2. 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.

### **10.3. Definitions**

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

#### **"Courts Service"**

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

#### **"Equivalent Measures"**

apply to an investment undertaking where the Irish Revenue Commissioners have given the investment undertaking notice of approval in accordance with Section 739D(7B) of the Taxes Act and the approval has not been withdrawn.

**"Exempted Irish Investor"** means:

- (a) an Intermediary;
- (b) 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;



- (c) a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- (d) an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- (e) an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- (f) a special investment scheme within the meaning of Section 737 of the Taxes Act;
- (g) a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- (h) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- (i) a qualifying management company (within the meaning of Section 739B of the Taxes Act);
- (j) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a specified company within the meaning of Section 734(1) of the Taxes Act;
- (l) 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;
- (m) an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act;
- (n) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (o) the National Asset Management Agency;
- (p) 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;
- (q) the National Pensions Reserve Fund Commission;
- (r) a company that is or will be 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
- (s) any other Irish Resident or Irish Ordinary Resident 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;

provided that a Relevant Declaration is in place.

**"Foreign Person"** means a person who is neither an Irish Resident nor an Irish Ordinary Resident for tax purposes who has provided the ICAV with the Relevant Declaration under Schedule 2B of the Taxes

Act and in respect of whom the ICAV is not in possession of any information that would reasonably suggest that the Relevant Declaration is incorrect or has at any time been incorrect.

**"Intermediary"** means a person who:

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

**"Ireland"** means the Republic of Ireland (the State).

**"Irish Ordinary Resident"** means

- (a) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- (b) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

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

- (a) An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.
- (b) An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident.

**"Irish Resident"** means

- (a) in the case of an individual, means an individual who is resident in Ireland for tax purposes; or
- (b) in the case of a trust, means a trust that is resident in Ireland for tax purposes; or
- (c) in the case of a company, means a company that is resident in Ireland for tax purposes.

#### Residence – Individual

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

- spends 183 days or more in Ireland in that tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

## Residence – Company

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

### *Companies incorporated on or after 1 January 2015*

Finance Act 2014 introduced changes to the above residency rules. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

### *Companies incorporated prior to 1 January 2015*

The Irish tax rules for companies incorporated prior to 1 January 2015 provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. 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 carried 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 taxation treaty country;
- or
- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

## Residence – Trust

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

**"Personal Portfolio Investment Undertaking (PPIU)"** means an investment undertaking, under the terms of which some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by – the investor, a person acting on behalf of the investor, a person connected with the investor, a person connected with a person

acting on behalf of the investor, the investor and a person connected with the investor, or a person acting on behalf of both the investor and a person connected with the investor.

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

**"Relevant Declaration"** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying this Prospectus.

**"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.

**"Taxable Irish Person"** means any person, other than

- (a) a Foreign Person; or
- (b) an Exempted Irish Investor.

**"Taxes Act"** means the Taxes Consolidation Act 1997 (of Ireland) as amended.

#### **10.4. The ICAV**

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

The Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. On that basis, the ICAV is not chargeable to Irish tax on its income and gains.

However, a 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 or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of appropriate tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period.

No tax will arise on the ICAV in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that the necessary signed 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.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Revenue Commissioners and the approval has not been withdrawn. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event does not include:

- (a) an exchange by a Shareholder, effected by way of any arm's length bargain within the ICAV of Shares in the ICAV for other Shares in the ICAV;
- (b) any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated for the purposes of Chapter 1A in Part 27 of the Taxes Act by the Irish Revenue Commissioners;
- (c) a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, civil partners or former civil partners, subject to certain conditions;
- (d) 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 where a gain arises on the occurrence of a chargeable event, 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 such beneficial owner 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.

Where the chargeable event is the ending of a Relevant Period, the ICAV has the option of electing to value the Shares at certain dates other than at the date of the deemed eight year disposal itself.

Where less than 10% of the Net Asset Value of Shares in the ICAV is held by Taxable Irish Persons, the ICAV will elect not to deduct tax on the happening of a chargeable event on the ending of a Relevant Period and the ICAV will advise the Irish Revenue Commissioners of this election. The ICAV is deemed to have made this election once it notifies Shareholders in writing that it will make the required report. Shareholders who are Taxable Irish Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners on a self-assessment basis. Such Shareholders should contact the Administrator to ascertain whether the ICAV has made such an election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

To the extent that any tax arises on the happening of a chargeable event which is the ending of a Relevant Period, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the ICAV, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares does not exceed 15% of the total value of the

Shares in the ICAV. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners.

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 an investment undertaking (within the meaning of Section 739B of the Taxes Act) beneficially entitled to the dividends which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

Anti avoidance provisions apply where an investment undertaking is regarded as a PPIU in respect of Irish tax resident individual Shareholders. In such circumstances any payment to a Shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

Please see the "Shareholders" section below dealing with the tax consequences for the ICAV and the Shareholders of chargeable events in respect of:-

- (a) Shareholders who are neither Irish Resident nor Irish Ordinary Resident;
- (b) Shareholders who are either Irish Resident or Irish Ordinary Resident; and
- (c) Shares held by the Irish Courts Service.

## **10.5. Shareholders**

### **Shareholders who are neither Irish Resident nor Irish Ordinary Resident**

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 Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. In the absence of a Relevant Declaration or approval from Revenue to operate Equivalent Measures, 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 Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Irish Ordinary Resident no tax will have to be deducted by the ICAV on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such person and the ICAV is not in possession of any information that would reasonably suggest that the information contained therein is not, or is no longer materially correct or if the Directors have received approval from the Revenue Commissioners that Equivalent Measures are in place.

A gain shall not be treated as arising to the ICAV on the happening of a chargeable event in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would

reasonably suggest that the information contained therein is not, or is no longer materially correct. 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 the Shares or gains made on disposal of the Shares.

Where taxes are withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholder, Irish legislation does not provide for a refund of tax except in the following circumstances:

- i. The appropriate tax has been correctly returned by the ICAV and within one year of making of the return the ICAV can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the ICAV.
- ii. Where a claim is made for a refund of Irish tax under Section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

### **Shareholders who are Irish Resident or Irish Ordinary Resident**

Unless a Shareholder is an Exempted Irish Investor and provides a Relevant Declaration to that effect or unless the Shares are purchased by the Courts Service or the Shareholder is a corporate which has provided a declaration of its corporate status, tax at the rate of 41% will have to be deducted by the ICAV on distributions and gains arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder. Tax at a rate of 41% will also be required to be deducted by the ICAV on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder. Tax at a rate of 25% will have to be deducted by the ICAV where the Shareholder is a company regardless of the nature of the distribution and the Shareholder has provided a formal declaration of its corporate status.

In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the ICAV on payments received. Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such a Shareholder may be liable to capital gains tax in the year assessment in which the Shares are disposed of. Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the ICAV. Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or a gain on any encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

## **Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the ICAV on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the ICAV, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the ICAV with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

### **10.6. Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the ICAV falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), and 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, either the Shareholder disposing of the Shares is neither domiciled nor Ordinarily Resident in Ireland or the disposition is not subject to Irish law; and
- (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

### **10.7. Stamp Duty**

Generally, 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 Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

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 of the Taxes Act) which is registered in Ireland.

No stamp duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the TCA, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

### **10.8. Exchange of Information**

**The following is a general discussion of the application of the Foreign Account Tax Compliance Act and the Common Reporting Standard to the ICAV, as well as existing and prospective investors or Shareholders. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder's particular situation. Investors should consult their independent tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the**



**Shares, including the tax consequences under United States federal laws (and any proposed changes in applicable law).**

The Common Reporting Standard ("CRS")

Ireland and a number of other jurisdictions have entered or propose to enter into multilateral arrangements modelled on the Common Reporting Standard ("CRS") for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development ("OECD"). The CRS is effective in Ireland from 1 January 2016 and this requires the ICAV to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Shareholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as "FATCA". The thrust of these provisions is that details of US investors holding assets outside the US will ultimately be reported by financial institutions to the US Internal Revenue Services ("IRS") as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime is effective from 1 July 2014. The basic terms of FATCA appear to include the ICAV as a 'Financial Institution', such that, in order to comply, the ICAV may require all Shareholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on 21 December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions 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 financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the ICAV may require investors to provide the ICAV with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the ICAV. Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their particular circumstances.

Although the ICAV will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the ICAV pursuant to FATCA, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected.

Information Requirements for the purposes of FATCA and the CRS

Each investor agrees to provide the ICAV with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the ICAV as may be necessary for the ICAV to comply with its obligations under FATCA and the CRS.

## **11. STATUTORY AND GENERAL INFORMATION**

### **11.1. Registration, Registered Office and Share Capital**

The ICAV was registered in Ireland on 18 August 2015 as an Irish collective asset-management vehicle with variable capital, segregated liability between its Funds and with limited liability.

The registered office of the ICAV is c/o 6<sup>th</sup> Floor, 2 Grand Canal, Dublin 2 Ireland.

The authorised share capital of the ICAV is 2 Subscriber Shares of €1 each and 5,000,000,000,000 Shares of no par value. Roxbury Asset Management Limited hold the two Subscriber Share.

Neither the subscriber shares nor the Shares carry pre-emption rights.

### **11.2. Share Rights**

The holders of Shares shall:

- (a) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;
- (b) be entitled to such dividends as the Directors may from time to time declare; and
- (c) in the event of a winding up or dissolution of the ICAV, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

The holders of Subscriber Shares shall not be entitled to any dividend whatsoever in respect of their holding of Subscriber Shares.

### **11.3. Voting Rights**

This is dealt with under the rights attaching to the Shares referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or proxy.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the ICAV in a general meeting will require a simple majority of the votes cast by the Shareholders voting in person or (being a corporation) is present by duly authorised representative by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or (being a corporation) is present by duly authorised representative or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the ICAV.

#### **11.4. Instrument**

The sole object for which the ICAV is established is the collective investment in transferable securities and/or other liquid financial assets referred to in the Regulations, of capital raised from the public and which operates on the principle of spreading investment risk in accordance with the Regulations.

The following section is a summary of the principal provisions of the Instrument of the ICAV not previously summarised in this Prospectus.

#### **11.5. Alteration of share capital**

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

#### **11.6. Issue of Shares**

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Acts) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the ICAV.

#### **11.7. Variation of rights**

Whenever the share capital is divided into different classes of Shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding Shares issued in that Share class (and at the adjourned meeting the necessary quorum shall be one person holding Shares of that Share class or his proxy).

The special rights attaching to any Shares of any class shall not (unless the conditions of issue of such class of Shares expressly provide otherwise) be deemed to be varied by the creation or issue of other Shares ranking *pari passu* therewith.

#### **11.8. Directors**

Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, *inter alia*, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or committees of Directors or general meetings or separate meetings of holders of any class of Shares or otherwise in connection with the business of the ICAV. Any Director who devotes special attention to the business of the ICAV, for example serving on an audit committee of the Board if one is established, may be paid such extra remuneration as the Directors may determine (see the section headed "Fees and Expenses" above in relation to Director's fees).

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

- (b) Subject to the provisions of the Acts, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the ICAV or any subsidiary or associated company thereof or in which the ICAV or any subsidiary or associated company thereof is otherwise interested;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the ICAV or in which the ICAV is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the ICAV for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit
- (c) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the ICAV. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including but not limited to any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).
- (d) There is no provision in the Instrument requiring a Director to retire by rotation or by reason of any age limit and no share qualification for Directors.
- (e) The number of Directors shall not be less than two.
- (f) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two.
- (g) The office of a Director shall be vacated in any of the following circumstances i.e. if:
  - (i) he ceases to be a Director by virtue of any provisions of the Acts or becomes prohibited by law from being a Director;
  - (ii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (iv) he resigns from his office by notice to the ICAV;

- (v) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
- (vi) by a resolution passed by a majority of the Directors he is requested to vacate office;
- (vii) the ICAV by ordinary resolution so determines; or
- (viii) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and a majority of the Directors pass a resolution that he has by reason of such absence vacated office.

The ICAV may also, as a separate power, in accordance with and subject to the provisions of the Acts, by ordinary resolution of the Shareholders, remove any Director (including a managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Instrument or in any agreement between the ICAV and any such Director.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of a voluntary arrangement, nor has a receiver been appointed to any asset of such Director; or
- (iii) been a director with an executive function in a company that, while he/she was such a director or within 12 months after he/she ceased to be such a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or was subject to company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

### **11.9. Borrowing powers**

The Directors may exercise all the powers of the ICAV to borrow or raise money (including the power to borrow for the purpose of repurchasing Shares) and to hypothecate, mortgage, charge or pledge its undertaking, property and assets or any part thereof, but only in accordance with the provisions of the Regulations.

### **11.10. Dividends**

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Acts, the Directors may from time to time if they think fit, declare and pay dividends on a class or classes of Shares. If the Directors so resolve and, in any event, on the winding up of the ICAV or on the total redemption of Shares, any dividend which has remained unclaimed for six years shall be forfeited and become the property of the relevant Fund.

#### **11.11. Distribution of assets on a liquidation**

- (a) If the ICAV shall be wound up, the liquidator shall, subject to the provisions of the Acts, apply the assets of the ICAV on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) firstly, in the payment to the Shareholders of each Share class of a sum in the currency in which that Share class is designated or in any other currency selected by the liquidator as nearly as possible equal of such Share class (at the prevailing rate of exchange) to the Net Asset Value of the Shares held by such Shareholders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the ICAV (if any) not comprised within any of the Funds and not (save as provided in the Acts) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds remaining after any recourse thereto under sub- paragraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the holders of each class of Shares of any balance remaining in the relevant Fund, such payment being made in proportion to the numbers of Shares held;
  - (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the Net Asset Value of each Fund and within each Fund to the Net Asset Value of each Share class and in proportion to the number of Shares held in each class.

#### **11.12. Termination of Funds**

The Directors, in their sole and absolute discretion, may terminate a Fund in any of the following events:

- (a) a Fund shall cease to be authorised or otherwise officially approved;
- (b) if there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;

- (c) if there is any change in material aspects of the business, in the economic or political situation relating to a Fund or the ICAV which the Directors consider would have material adverse consequences on the investments of the Fund; or
- (d) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions.

### **11.13. Indemnities**

To the extent permitted by the Acts and the Regulations, the Directors (including alternates), Secretary and other officers of the ICAV shall be indemnified by the ICAV against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of negligence or wilful misconduct).

### **11.14. Valuation**

The assets of the ICAV and the calculation of the Net Asset Value of the Shares:

- (a) The Net Asset Value of a Fund shall be determined (except in the case of suspension) as at each Valuation Point and shall be the value of all the assets comprised in a Fund less all the liabilities attributable to the Fund calculated in accordance with the Regulations.
- (b) The assets of the ICAV shall be deemed to include (i) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (ii) all bills, demand notes, certificates of deposit and promissory notes, (iii), all bonds, forward currency transactions, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for difference, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other Investments and securities owned or contracted for in respect of the ICAV; (iv) all stock and cash dividends and cash distributions to be received in respect of the ICAV and not yet received by the ICAV but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined, (v) all subscription payments due but not yet received by the ICAV, (vi) all interest accrued on any interest-bearing securities attributed to the ICAV except to the extent that the same is included or reflected in, the principal value of such security, (vii) all other Investments of the ICAV, (viii) the establishment costs attributable to the ICAV and the cost of issuing and distributing Shares of the ICAV in so far as the same have not been written off; and (ix) all other assets of the ICAV of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.
- (c) The valuation principles to be used in valuing the ICAV's assets are as follows:
  - (i) the Directors shall be entitled to use the amortised cost method of valuation, whereby Investments are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, the amortised cost method of valuation may only be used in



relation to Funds which comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis the market valuation is carried out in accordance with the Central Bank's guidelines. Money market instruments may be valued on an amortised cost basis, in accordance with the Central Bank's requirements;

- (ii) the value of any Investment which is quoted, listed or normally dealt in on a Regulated Market, including units or shares in exchange-traded funds, shall (save in the specific cases set out in paragraph (i) above or in the relevant paragraphs below) be based on the closing mid-market price on such Regulated Markets as at the last Valuation Point or the last traded price when no closing mid-market price is available, provided that:
  - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such Investments) and once selected a market shall be used for future calculations of the Net Asset Value of that Investment unless the Directors otherwise determine;
  - B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which, for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary ); and
  - C. in the case of any Investment which is quoted, listed or normally dealt in or on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment;
- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value therefor estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
- (iv) the value of any Investment which is a share of, unit of or participation in an open-ended collective investment scheme shall be the latest available net asset value for the Investment as published by the collective investment scheme in question or, where such Investment is quoted, listed or dealt in on a Regulated Market, may be a value determined in accordance with the provisions of paragraph (c)(ii) above;
- (v) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full

in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;

- (vi) deposits/cash in hand shall be valued at their principal/face/nominal amount plus accrued interest from the date on which the same were acquired or made;
- (vii) treasury bills shall be valued at the closing mid-market price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value therefor estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
- (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the closing mid-market price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (ix) the value of any futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value thereof estimated with care and good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
- (x) the value of any OTC FDI contracts shall be:
  - A. the quotation from the counterparty provided that such quotation is provided on at least a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
  - B. an alternative valuation as the Directors may determine in accordance with the requirements of the Central Bank. This may be a valuation that is provided on at least a daily basis by a competent person (which may be the ICAV) or an independent pricing vendor provided that the appointed party has adequate means to perform the valuation appointed by the Directors and approved for that purpose by the Depositary (or a valuation by any other means, provided that the value is approved by the Depositary). The valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such alternative valuation must be reconciled to that of the counterparty on a monthly basis. Where significant differences arise on the monthly reconciliation, these must be promptly investigated and explained;
- (xi) Notwithstanding the foregoing provisions, OTC FDI contracts may, alternatively be valued in accordance with the requirements of relevant regulations and/or the requirements of the Central Bank of Ireland;

- (xii) forward foreign exchange and interest rate swaps contracts may be valued in accordance with the previous paragraph or by reference to freely available market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation);
  - (xiii) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Depositary may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;
  - (xiv) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary;
  - (xv) the Directors may, in order to comply with any applicable accounting standards, present the value of any assets of the ICAV in financial statements to Shareholders in a manner different to that set out in this section.
- (d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

#### **11.15. Money Laundering**

The Directors of the ICAV, the Investment Manager and the Administrator have a responsibility to regulators for compliance with money laundering regulations and, for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity and/or to fulfil other requirements. Until satisfactory proof of identity is provided and/or those requirements are fulfilled, the Directors reserve the right to withhold issuance redemption and approval of transfers of Shares and payment of dividends.

In case of delay or failure to provide satisfactory proof of identity, the ICAV may take such action as they see fit including the right to redeem issued Shares compulsorily.

#### **11.16. Commissions**

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the ICAV in connection with the issue or sale of any capital of the ICAV.

#### **11.17. Inspection of Documents**

Copies of the following documents may be obtained during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the offices of the ICAV in Dublin.

- the Instrument of the ICAV;
- the Prospectus of the ICAV;

- the Key Investor Information Document;
- the latest annual and semi-annual reports of the ICAV (where issued).

#### **11.18. Litigation**

The ICAV is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the ICAV since its registration.

#### **11.19. Miscellaneous**

- (a) The ICAV does not have, as at the date of this Prospectus, any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.
- (b) The ICAV does not have, nor has it had since its registration, any employees.
- (c) No Director has any interest in any assets which have been acquired or disposed of by or leased to the ICAV or are proposed to be acquired by, disposed of or leased by the ICAV, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the ICAV.
- (d) The ICAV has not and does not intend to purchase or acquire, nor agree to purchase or acquire, any real property.

## **APPENDIX I**

### **STOCK EXCHANGES AND REGULATED MARKETS**

With the exception of permitted investment in unlisted securities investment will be restricted to those stock exchanges and markets listed below in this Prospectus or revision thereof each of which stock exchange and market is regulated, operates regularly, is recognised and is open to the public. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved markets and exchanges:

1. All stock exchanges of the Member States of the EU, Australia, Canada, Hong Kong, Japan, New Zealand, Norway, Switzerland and the United States;

2. The following stock exchanges:

Argentina	Bolsa de Comercio de Buenos Aires Mercado Abierto Electronico S.A.
Brazil	BM&F BOVESPA S.A.
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange
India	Bombay Stock Exchange National Stock Exchange of India
Kenya	Nairobi Securities Exchange
Mexico	Bolsa Mexicanade Valores(Mexican Stock Exchange) Mercado Mexicano de Derivados
Morocco	Bourse de Casablanca
Nigeria	Nigerian Stock Exchange
Russia	Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS)
Singapore	Singapore Exchange Limited
South Africa	JSE Limited
Taiwan	Taiwan Stock Exchange GreTai Securities Market Taiwan Futures Exchange
Tunisia	Bourse des Valeurs Mobilieres de Tunis
Turkey	Istanbul Stock Exchange Turkish Derivatives Exchange
United Arab	Abu Dhabi Securities Exchange

Emirates	Dubai Financial Market
	NASDAQ Dubai Limited

3. Any approved derivative market:-

- (a) within the European Economic Area, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland and the United States on which financial derivative instruments are traded;
- (b) the following markets:

China	China Financial Futures Exchange
	China Foreign Exchange Trade System
	Shanghai Futures Exchange
India	OTC Exchange of India
	Multicommodity Exchange of India Ltd.
	National Commodity & Derivatives Exchange Ltd.
Indonesia	Jakarta Futures Exchange (Bursa Benjangka Jakarta)
	Jakarta Negotiated Board
The Republic of Korea	Korea Exchange (Futures Market)
Malaysia	Bursa Malaysia Derivatives Exchange (Mdex)
Mexico	Mexican Derivatives Exchange (Mercado Mexicana de Derivados)
Singapore	Singapore Exchange Derivatives Clearing Limited
	Catalist
South Africa	Alternative Exchange
	South African Futures Exchange
Taiwan	Taiwan Futures Exchange
	Gretai Securities market
Thailand	Agricultural Futures Exchange of Thailand
	Thailand Futures Exchange
Turkey	Turkish Derivatives Exchange

4. The following regulated markets:

- (a) the markets organised by the International Capital Market Association;
- (b) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion";

- (c) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- (d) the OTC market in Japan regulated by the Securities Dealers Association of Japan;
- (e) NASDAQ in the United States;
- (f) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the Securities and Exchange Commission;
- (g) the French market for "Titres de Creance Negotiable" (OTC market in negotiable debt instruments);
- (h) the OTC market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;
- (i) the Second Marche of the stock exchange set up in France in accordance with the laws of France;
- (j) the market in the United Kingdom known previously as the "Grey Market" that is conducted through persons governed by the United Kingdom Financial Conduct Authority's Market Conduct Sourcebook;
- (k) the markets organised by the International Securities Market Association;
- (l) NASDAQ Europe (the European Association of Securities Dealers Automated Quotation);
- (m) the Chicago Mercantile Exchange (CME) and the Chicago Board of Trade (CBOT);
- (n) the Singapore Exchange (SGX);
- (o) the Sydney Futures Exchange (SFE);
- (p) the Hong Kong Futures Exchange (HKFE);
- (q) the Korea Exchange (Futures Market);
- (r) the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority Inc. (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation).

For the purposes of investment in FDIs, a Fund will only invest in FDIs dealt in Regulated Markets in the European Economic Area ("**EEA**") referred to above or in any of the other non-EEA markets referred to above.

Investment in Russia, if any, will only be made in securities that are listed or traded on the Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS).

## **APPENDIX II**

### **INVESTMENT AND BORROWING RESTRICTIONS**

Investment of the assets of the relevant Fund must comply with the Regulations and by the Central Bank Requirements which provide:

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

Investments of each Fund are confined to:

- 1.1. Transferable securities and money market instruments, as prescribed by the Central Bank Requirements, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operating regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3. Money market instruments, in accordance with the Central Bank Requirements, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs as set out in the Central Bank's guidance "*UCITS Acceptable Investment in other Investment Funds*".
- 1.6. Deposits with credit institutions as prescribed by the Central Bank Requirements.
- 1.7. FDIs as prescribed by the Central Bank Requirements.

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

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



money market instruments held in issuing bodies in each of which it invests more than 5%, is less than 40%.

- 2.4. The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. To avail of this provision the prior approval of the Central Bank is required.
- 2.5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6. The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7. Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988, or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Depositary.

- 2.8. The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

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

- 2.9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - (a) investments in transferable securities or money market instruments;
  - (b) deposits, and/or
  - (c) counterparty risk exposures arising from OTC derivatives transactions.
- 2.10. The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11. Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12. Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

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

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.

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

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

- 3.1. Investments made by a Fund in units of a UCITS or other CIS may not exceed, in aggregate, 10% of the assets of the Fund, and any CIS in which a Fund invests may not itself invest more than 10% of net assets in other CIS.
- 3.2. Notwithstanding the provisions of section 3.1, where the Supplement of a Fund states that it may invest more than 10% of its assets in other UCITS or CIS, the following restrictions shall apply instead of the restrictions set out at section 3.1 above:
  - (a) a Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other CIS;
  - (b) a Fund's Investments in AIFs may not, in aggregate, exceed 30% of a Fund's Net Asset Value;
  - (c) a Fund may not invest in a UCITS or other CIS which is not itself prohibited from investing more than 10% of its net asset value in other CIS.
- 3.3. When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.

- 3.4. Where a commission (including a rebated commission) is received by the Fund's manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
- 3.5. The following investment restrictions apply where a Fund invests in other Funds of the ICAV (it being noted that no Fund may invest in another Fund which is itself a "fund of funds"):
- (a) a Fund will not invest in a Fund which itself holds shares in other Funds within the ICAV;
  - (b) a Fund investing in such other Fund will not be subject to subscription or redemption fees;
  - (c) the Investment Manager will not charge a management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund (this provision also applies to the annual fee charged by the Investment Manager where this fee is paid directly out of the assets of the ICAV); and
  - (d) investment by a Fund in another Fund will be subject to the limits set out in paragraph 3.1 above (where the investing Fund is not a fund of funds) and 3.2 above (where the investing Fund is a fund of funds).

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

A Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria specified by the Central Bank Requirements and is recognised by the Central Bank

The limit of 20% may be raised to 35% and applied to a single issuing entity, where this is justified by exceptional market conditions.

#### **5. General Provisions**

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

NOTE: The limits laid down in (b), (c) and (d) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3. 5.1 and 5.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (d) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
  - (e) Shares held by the ICAV in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.
- 5.4. A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5. The Authority may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12 and 3.1 and 3.2(b) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6. If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- 5.7. Neither the ICAV, nor the Investment Manager may carry out uncovered sales of:
- (a) transferable securities;
  - (b) money market instruments<sup>1</sup>;
  - (c) units of CIS; or

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<sup>1</sup> Any short selling of money market instruments by a UCITS is prohibited.

(d) financial derivative instruments.

5.8. A Fund may hold ancillary liquid assets.

## **6. FDI**

6.1. The UCITS global exposure (as prescribed by the Central Bank Requirements) relating to FDIs must not exceed the Central Bank's requirements as set out in Guidance Notice 3/03.

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

6.3. UCITS may invest in FDIs dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

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

## **7. Borrowing Restrictions**

The Regulations provide that the ICAV in respect of each Fund:

(a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;

(b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit:

(i) is denominated in the Base Currency of the Fund and

(ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

## **APPENDIX III**

### **DEFINITION OF U.S. PAYER AND U.S. TAXATION**

#### **1. U.S. Person**

A **"U.S. Person"** for the purpose of this Prospectus is a person who is: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of a "Non-United States person" as used in CFTC Rule For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of "U.S. person" in Rule 902 and qualifies as a "Non-United States person" under CFTC Rule 4.7.

"U.S. person" under Rule 902 of Regulation S under the 1933 Act includes the following:

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

Notwithstanding the preceding paragraph, "U.S. person" under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion

with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a

U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

- (k) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;
- (l) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (m) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (n) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and
- (o) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

## **2. U.S. Taxpayer**

**"U.S. Taxpayer"** includes (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor who is not a U.S. Person may nevertheless be considered a "U.S. Taxpayer" under U.S. federal income tax laws.



**APPENDIX IV**  
**LIST OF SUB-DELEGATES**

The Depositary has delegated custody and safekeeping of the ICAV's assets to the following third-party delegates in the referenced markets as sub-custodians of the ICAV's assets:

<b>Country</b>	<b>Sub-custodians</b>
<b>ARGENTINA</b>	Banco Santander Río S.A. – Buenos Aires
<b>AUSTRALIA</b>	CITIBANK - Melbourne
<b>AUSTRIA</b>	Unicredit Bank Austria AG - Vienna
<b>BAHRAIN</b>	HSBC Bank Middle East Limited -Manama
<b>BELGIUM</b>	ESES - EUROCLEAR
<b>BENIN</b>	SG BCI - Abidjan
<b>BOTSWANA</b>	Standard Chartered Bank Mauritius- Ebene
<b>BRAZIL</b>	SANTANDER SECURITIES SERVICES BRASIL DISTRIBUIDORA DE TÍTULOS E VALORES
<b>BULGARIA</b>	Société Générale Expressbank AD - Varna
<b>BURKINA FASO</b>	SG BCI - Abidjan
<b>CANADA</b>	ROYAL BANK OF CANADA - Toronto
<b>CHILE</b>	Banco Santander Chile, S.A. - Santiago
<b>CHINA Shanghai</b>	HSBC Bank (China) Company Limited. - Shanghai
<b>CHINA Shenzhen</b>	HSBC Bank (China) Company Limited - Shenzhen
<b>COLOMBIA</b>	Itau Securities Services Colombia S.A Sociedad Fiduciaria
<b>CROATIA</b>	SPLITSKA BANKA - Split
<b>CYPRUS</b>	BNP Paribas Securities Services,Athens Branch
<b>CZECH REP.</b>	KOMERCNI BANKA – Prague
<b>DENMARK</b>	NORDEA Bank Danmark A/S
<b>EGYPT</b>	Qatar National Bank Alahli
<b>ESTONIA</b>	NORDEA Bank AB (publ), Finnish Branch
<b>FINLAND</b>	NORDEA Bank AB (publ), Finnish Branch
<b>France</b>	ESES - EUROCLEAR
<b>GERMANY</b>	DEUTSCHE BANK - Frankfurt
<b>GERMANY</b>	EUROCLEAR BANK SA/NV - (Brussels)
<b>GERMANY</b>	Societe Generale S.A. Frankfurt am Main
<b>GHANA</b>	Standard Chartered Bank Mauritius Limited- Ebene

<b>GREECE</b>	BNP Paribas Securities Services S.A., Athens Branch
<b>GUINEE BISSAU</b>	SG BCI - Abidjan
<b>HONG KONG</b>	DEUTSCHE BANK Hong-Kong
<b>HUNGARY</b>	KBC Securities - Budapest
<b>ICELAND</b>	Landsbankinn, HF
<b>INDIA</b>	SBI-SG Global Securities Services Pvt. Ltd
<b>INDONESIA</b>	STANDARD CHARTERED Bank, Jakarta
<b>IRELAND</b>	EUROCLEAR BANK SA/NV - (Brussels)
<b>ISRAEL</b>	BANK HAPOALIM B.M. - Tel-Aviv
<b>ITALY</b>	SGSS SPA - Milan
<b>IVORY COAST</b>	SG BCI - Abidjan
<b>JAPAN</b>	THE HONG KONG & SHANGHAI BANKING CORP.Limited - Tokyo
<b>JORDAN</b>	STANDARD CHARTERED -Amman
<b>KENYA</b>	Standard Chartered Bank Mauritius Limited- Ebene
<b>KOREA (south)</b>	THE HONG KONG & SHANGHAI BANKING CORP.Limited - Seoul
<b>KUWAIT</b>	HSBC Bank Middle East Limited – Kuwait City
<b>LATVIA</b>	SWEDBANK AS - Riga
<b>LITHUANIA</b>	AB SEB Bankas Vilnius
<b>LUXEMBOURG</b>	SOCIETE GENERALE BANK & TRUST - Luxemburg
<b>MALAYSIA</b>	HSBC Bank Malaysia Berhad, Kuala Lumpur
<b>MALI</b>	SG BCI - Abidjan
<b>MAURITIUS</b>	The Hongkong and Shanghai Banking CORP. Limited - Port Louis
<b>MEXICO</b>	Banco Santander México SA- Mexico
<b>MOROCCO</b>	Societe Generale Marocaine de Banques (SGMG SG), Casablanca
<b>NETHERLANDS</b>	Euroclear Bank
<b>NEW-ZEALAND</b>	CitiBank Melbourne
<b>NIGER</b>	SG BCI - Abidjan
<b>NIGERIA</b>	STANDARD CHARTERED Bank NIGERIA Limited-Lagos
<b>NORWAY</b>	Nordea Bank AB (publ), filial i Norge
<b>OMAN</b>	HSBC Bank Middle East Limited - Ruwi
<b>PERU</b>	CITIBANK DEL PERU SA, Lima
<b>PHILIPPINES</b>	HONG-KONG & SHANGHAI BANKING CORP. Limited - Manila

<b>POLAND</b>	Société Générale S.A. Branch in Poland
<b>PORTUGAL</b>	BNP Paribas Securities Services SA - Paris
<b>QATAR</b>	HSBC Bank Middle East Limited - Doha
<b>ROMANIA</b>	BANQUE ROUMAINE DE DEVELOPPEMENT (BRD)- Bucharest
<b>RUSSIA</b>	ROSBANK - Moscow
<b>SAUDI ARABIA</b>	HSBC Saudi Arabia Ltd – Riyadh
<b>SENEGAL</b>	SG BCI - Abidjan
<b>SERBIA</b>	Societe Generale Banka Srbija AD Beograd
<b>SINGAPORE</b>	HONG-KONG & SHANGHAI BANKING CORP.Limited - Singapore
<b>SLOVAKIA</b>	CSOB - Bratislava
<b>SLOVENIA</b>	SKBB BANKA DD - Ljubljana
<b>SOUTH AFRICA</b>	SOCIETE GENERALE - Johannesburg
<b>SPAIN</b>	SOCIETE GENERALE - Madrid
<b>SWEDEN</b>	NORDEA Bank AB (publ)
<b>SWITZERLAND</b>	Societe Generale, Zurich Branch
<b>TAIWAN</b>	HONG KONG & SHANGHAI BANKING CORP. Limited - Taipei
<b>THAILAND</b>	HONG KONG & SHANGHAI BANKING CORP.Limited - Bangkok
<b>TOGO</b>	SG BCI - Abidjan
<b>TUNISIA</b>	Union Internationale de Banque (UIB)- Tunis
<b>TURKEY</b>	Türk Ekonomi Bankasi A.S. Istanbul
<b>UKRAINE</b>	Unicredit Bank Austria AG - Vienna
<b>UN. ARAB EMIR.</b>	First Abu Dhabi Bank PJSC
<b>UNIT.KINGDOM</b>	EUROCLEAR BANK SA/NV - (Brussels)
<b>UNIT.KINGDOM</b>	HSBC PIC, London
<b>UNITED STATES</b>	BROWN BROTHERS HARRIMAN - New York
<b>UNITED STATES</b>	BNP PARIBAS SECURITIES SERVICES - NEW YORK BRANCH
<b>UNITED STATES</b>	CITIBANK NA
<b>URUGUAY</b>	Citibank NA - London
<b>VIETNAM</b>	HSBC Bank (Vietnam) Limited - Hanoi

The above list is for information only and its contents are subject to change. The above list is intended neither to influence the ICAV's investment decisions nor to amend or supplement any agreement governing the ICAV's relations with the Depositary. Neither the above list nor any of its contents may

be disclosed to any third party or used for any other purpose without the proper written consent of the Depositary. The Depositary has gathered the information from a source it considers reliable, however, it cannot be responsible for inaccuracies, incomplete information or updating of the information furnished hereby.

## **APPENDIX V**

### **INFORMATION FOR INVESTORS IN SPECIFIC JURISDICTIONS**

#### **1. SWITZERLAND**

##### **Additional information concerning the distribution of the ICAV in Switzerland**

The Shares of the ICAV shall be distributed in Switzerland exclusively to qualified investors as defined by Article 10 § 3 of the Collective Investment Scheme Act 2006, as amended, ("CISA") and Article 6 of the Collective Investment Scheme Ordinance 2006, as amended, ("CISO") ("Qualified Investors"). The ICAV has not been and will not be registered with the Swiss Financial Market Supervisory Authority ("FINMA").

- The representative of the ICAV in Switzerland is Hugo Fund Services SA, 6 Cours de Rive, CH-1204 Geneva. The offering documents, articles of association and audited financial statements can be obtained free of charge from the Representative. The place of performance for Shares of the ICAV offered or distributed in or from Switzerland is the registered office of the Representative. The courts of the canton of Geneva shall have jurisdiction in relation to any disputes arising out of the duties of the Representative. Any dispute related to the distribution of Shares of the ICAV in and from Switzerland shall be subject to the jurisdiction of the registered office of the distributor.
- The Paying Agent in Switzerland is Banque Heritage SA, 61 Route de Chêne, CH-1207 Geneva, Switzerland. Shares may be subscribed and/or redeemed with the Paying Agent. A handling commission will be charged by the Paying Agent. If a subscription or redemption is made through the Paying Agent, instructions and money must be received by the paying agent at least 24 hours before the appropriate dealing cut-off time.
- The fees and expenses associated with the representation, paying agency and other distribution items may be charged to the ICAV. As applicable, the actual amount of such fees and expenses will be disclosed in the audited financial statements.

In distributing Shares of the ICAV in Switzerland, the Manager is authorized to pass on distribution fees to the distributors and sales partners listed below:

- Distributors subject to authorization as defined in Article 19 al. 1 of the CISA (Swiss or foreign distributors regulated in their home jurisdiction)
- Distributors that are not required to obtain an authorization as defined under Article 19 al 1 of the CISA and article 8 of CISO (financial intermediaries regulated by FINMA, banks, insurance companies, fund managers, representatives)
- Sales partners who place Shares in the ICAV with their customers exclusively through a written commission-based investment management or advisory mandate (e.g. independent asset managers or advisors).

When a retrocession payment may give rise to a conflict of interest, the recipient of the retrocession must ensure transparent disclosure and inform investors, unsolicited and free of charge, of the amount of retrocession it may receive for distribution. Upon request, the recipient must disclose the actual amount of retrocession received for distributing the ICAV to the investor requiring information.

The Manager may grant rebates to investors in Switzerland. The purpose of a rebate is to reduce the fees or costs incurred by a certain investor. Rebates are permitted provided that they are paid from management fees and do not represent an additional charge on the fund assets; they are granted on the basis of objective criteria and, all investors in Switzerland who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent. The objective criteria for the granting of rebates by the ICAV is the volume subscribed by the investor. At the request of the investor, the Manager must disclose the detailed criteria and the terms of such rebates free of charge.

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