

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

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

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**TENAX QIAIF ICAV**

(an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C168824 pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, as may be amended from time to time)

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

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This Prospectus is dated August 4, 2017

## IMPORTANT INFORMATION

### The Prospectus

This Prospectus describes Tenax QIAIF ICAV (the “**ICAV**”), an umbrella-type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C168824 pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, as may be amended from time to time (the “**Act**”). Each sub-fund of the ICAV (each, a “**Fund**”) is a separate portfolio of assets and liabilities maintained by the ICAV.

Individual Funds may be established by the Directors subject to the prior approval of the Central Bank. Each Fund may issue one or more Classes upon prior notification and clearance by the Central Bank. A description of each Fund is contained in a supplement to this Prospectus (each, a “**Supplement**”) and a description of the Classes will be either set out in the relevant Fund Supplement or in Class Supplements. Additional Supplements may be issued from time to time in respect of any additional Funds and Classes. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and a Supplement issued in respect of a Fund or a Class, the Supplement shall prevail.

The latest published annual reports of the relevant Fund will be supplied to Shareholders free of charge on request and will be published as further described in the section of this Prospectus headed “*Auditor, Report and Accounts*”.

### Authorisation by the Central Bank

**The ICAV is both authorised and supervised by the Central Bank. Authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV. Authorisation of the ICAV does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties to the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus nor has the Central Bank reviewed this Prospectus.**

The ICAV has been authorised by the Central Bank to be marketed solely to Qualifying Investors. Accordingly, while the ICAV is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or the degree of leverage which may be employed by the ICAV. The minimum subscription for each Qualifying Investor shall not be less than €100,000 or its equivalent in another currency except in the case of Knowledgeable Persons, as described in the section of this Prospectus entitled “*The Shares, Subscriptions and Commitments*” – “*Qualifying Investors and Knowledgeable Persons Exemption*”, who benefit from an exemption from the Qualifying Investor criteria and minimum subscription requirement.

### Restrictions on Distribution and Sale of Shares

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

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

- (i) an investor who receives appraisal from an EU credit institution, a firm authorised pursuant to Directive 2004/39/EC (Markets in Financial Instruments Directive) (“MIFID”) or a management company authorised pursuant to Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS Directive) that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the ICAV; or
- (ii) an investor who certifies that they are an informed investor by providing the following: confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or confirmation in writing that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.

#### *Italy*

The ICAV can be marketed in Italy exclusively to Italian Qualifying Investors (i) falling into the category of the professional clients, within the meaning of Annex II of MIFID, or (ii) investing at least €500,000.

#### *General*

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

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole. Shares in the ICAV will not be available directly or indirectly to any person, whose holding would cause or be likely to cause the ICAV to be required to register as an “investment company” under the Investment Company Act or to be required to register any Class of Shares under the United States Securities Act of 1933 or similar statute. Any restrictions applicable to Shares or a particular Class shall be specified in this Prospectus or the relevant Supplement. Any person who is holding Shares in contravention of the restrictions set out in this Prospectus or relevant Supplement or, by virtue of his holding, is in breach of the laws and regulations of any jurisdiction shall indemnify the ICAV, the Directors, the AIFM, the Investment Manager, any Distributor, the Administrator, the Depositary and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the ICAV.

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

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

It is expected that to the extent that any Fund is closed-ended, the ICAV shall avail of one or more of the exemptions contained in Article 4 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) from the requirement to publish a prospectus in accordance with the Prospectus Regulation. This Prospectus does not constitute a prospectus published in accordance with the Prospectus Regulation.

### **Reliance on this Prospectus**

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

Investors should not treat the contents of this Prospectus (including any Supplements) as advice relating to legal, taxation, investment or other matters. You should consult your solicitor, accountant, tax adviser or financial adviser.

### **Risk Factors**

The attention of investors is drawn to the potential for above average risk associated with an investment in the ICAV. Accordingly, such investment should only be undertaken by people in a position to take such a risk. **The price of the Shares as well as any income in the ICAV may fall as well as rise. Where the Directors intend to impose a subscription or a redemption charge in respect of a Fund this will be disclosed in the relevant Supplement. The difference between the Subscription Price and Redemption Price of a Fund's Shares means that an investment in a Fund should be viewed as medium to long term. Investors should read and consider the section entitled “Risk Factors” in this Prospectus as well as those outlined in the sub-fund Supplement before investing in the ICAV.**

### **Translations**

This Prospectus and each 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 and Supplement. To the extent that there is any inconsistency between this English language Prospectus and Supplements and the Prospectus and Supplements in another language, this English language Prospectus and Supplements will prevail, except to the extent (but only to the extent) that the law of any jurisdiction where the Shares are sold requires that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus and/or Supplement on which such action is based shall prevail.

## DIRECTORY

### Directors

Massimo Figna  
Furio Pietribiasi  
Frank O'Riordan

### Registered Office

One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

### Correspondent Bank(s)

As disclosed in the  
Supplement

### Alternative Investment Fund Manager

Bridge Fund Management Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Investment Manager

Tenax Capital Limited  
Dominican House  
4 Priory Court  
Pilgrim Street  
London EC4V 6DE  
United Kingdom

### Administrator

CACEIS Ireland Limited  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

### Corporate Secretary

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Depositary

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

### Legal Advisers to the ICAV as to Irish Law

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

### Auditors

Deloitte  
29 Earlsfort Terrace  
Dublin 2  
Ireland

### Head Office

1-3, place Valhubert,  
75013 Paris,  
France

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## DEFINITIONS

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

- “Accounting Date”** means 31 December in each year or such other date as the Directors may from time to time decide in respect of one or more Funds. The Central Bank will be notified in advance of any change in the Accounting Date.
- “Accounting Period”** means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of the ICAV’s registration and, in subsequent such periods, on the day following expiry of the last Accounting Period. The first Accounting Period for the first Fund shall end on December 31, 2017, unless otherwise disclosed in the Fund Supplement.
- “Act”** means the Irish Collective Asset-management Vehicles Act, 2015 as may be amended or re-enacted from time to time.
- “Administrator”** means CACEIS Ireland Limited, or any successor(s) thereto appointed by the ICAV to provide administration services to the ICAV and subject to the requirements of the Central Bank.
- “Administration Agreement”** means the Administration Agreement made between the ICAV, the AIFM and the Administrator dated August 4, 2017 as may be amended or modified from time to time.
- “AIF”** has the meaning given in the AIFM Regulations.
- “AIFM”** means Bridge Fund Management Limited or any successor(s) thereto appointed by the ICAV in accordance with AIFM Legislation.
- “AIFM Agreement”** means the Alternative Investment Fund Management Agreement entered into between the ICAV and the AIFM dated August 4, 2017 as may be amended or modified from time to time.
- “AIFM Directive”** means the European Union Directive on Alternative Investment Fund Managers 2011/61/EU.
- “AIFM Regulations”** means the European Communities (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013), as amended.
- “AIFM Legislation”** means the AIFM Regulations, the AIFM Directive, the Level 2 Regulation, the Act and any applicable regulations made pursuant to any of them, as the case may be.
- “Anti-Money Laundering and Counter Terrorist Financing”** means the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 as amended by the Criminal Justice Act, 2013, as amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.

## **Legislation”**

<b>“Application Form”</b>	means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time which may be referred to in a Supplement for any Fund as a “Subscription Agreement” or a “Capital Commitment Agreement”.
<b>“Auditors”</b>	means Deloitte or any alternative(s) or successor(s) thereto appointed by the ICAV to act as auditors of the ICAV.
<b>“Base Currency”</b>	means the currency of account of the Fund as specified in the Supplement relating to that Fund.
<b>“Business Day”</b>	means in relation to the Fund such day or days as shall be so specified in the relevant Supplement for that Fund.
<b>“Capital Commitment”</b>	means, in respect of each closed-ended Fund and open-ended with limited liquidity Fund, if so determined by the Directors and reflected in the Supplement, the undertaking of each investor to purchase and pay for Shares in the Fund when required to do so by the AIFM or Investment Manager.
<b>“Central Bank”</b>	means the Central Bank of Ireland.
<b>“Class”</b>	means a particular division of Shares of the ICAV issued in respect of a Fund.
<b>“Clear Days”</b>	means in relation to a period of notice that calendar day period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>“Dealing Day”</b>	means in relation to an open-ended Fund or limited liquidity Fund such day or days as shall be specified in the Supplement for that Fund which may be referred to in that Supplement as a “Subscription Day” or a “Redemption Day” as the context may require.
<b>“Dealing Deadline”</b>	means in relation to an open-ended Fund or limited liquidity Fund the time by which a request to purchase or redeem Shares on a Dealing Day must be received as shall be set out in the Supplement for the relevant Fund.
<b>“Debenture”</b>	means debenture stock, bonds and any other securities of an Irish collective asset-management vehicle whether constituting a charge on the assets of the ICAV or not.
<b>“Depositary”</b>	means CACEIS Bank, Ireland Branch or any alternative(s) or successor(s) thereto appointed by the ICAV and approved by the Central Bank to act as depositary of the ICAV.
<b>“Depositary</b>	means the Depositary Agreement made between the ICAV, the AIFM and the

<b>Agreement”</b>	Depository dated August 4, 2017, as may be amended or modified from time to time.
<b>“Distributor”</b>	means any distributor appointed by the AIFM or the ICAV with respect to a Fund (which may include the AIFM or the Investment Manager).
<b>“Directors”</b>	means the directors of the ICAV or any duly authorised committee thereof.
<b>“ERISA”</b>	means the United States Employee Retirement Income Security Act of 1974, as amended.
<b>“ERISA Investor”</b>	means (i) any plan subject to Title I of ERISA (e.g., U.S. corporate plans) (ii) any plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “ <b>Code</b> ”) (e.g., IRAs) and (iii) any passive investment fund whose underlying assets include “plan assets” (generally because plans (described in (i) or (ii) own 25% or more of a class of the ICAV’s equity interests).
<b>“External Valuer”</b>	means an external valuer appointed in accordance with the AIFM Regulations.
<b>“Fund”</b>	means a sub-fund of the ICAV which is established by the Directors from time to time with the prior approval of the Central Bank representing the designation by the Directors of a particular pool of assets separately invested in accordance with the investment objective and policies applicable to such sub-fund.
<b>“ICAV”</b>	means Tenax QIAIF ICAV.
<b>“Independent Valuer”</b>	means such qualified independent valuer(s) as the AIFM may from time to time appoint in respect of one or more Funds to value one or more assets of a Fund pursuant to an agreement made between the AIFM and the relevant valuer. The Independent Valuer may constitute an “External Valuer” for the purposes of the AIFM Regulations and if so the appointment or resignation of such an Independent Valuer will be disclosed in the relevant Fund’s annual reports.
<b>“Initial Offer Period”</b>	means the period, as specified in the relevant Supplement as appropriate, during which Shares in a Fund are offered at their Initial Issue Price and which in the case of a closed-ended Fund may be described as the “Initial Commitment Offer Period”.
<b>“Initial Offer Price”</b>	means the price, as specified in the Supplement for the relevant Fund, at which Shares of a Class of a Fund will be offered during the Initial Offer Period or Shares in a Class are issued for the first time.
<b>“Initial Series”</b>	means Shares in a Class issued during the Initial Offer Period or Shares in a Class issued for the first time.
<b>“Instrument”</b>	means the Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank.

<b>“Investment Company Act”</b>	means the United States Investment Company Act of 1940, as amended.
<b>“Investment Manager”</b>	means Tenax Capital Limited.
<b>“Ireland”</b>	means the Republic of Ireland.
<b>“Level 2 Regulation”</b>	Commission Delegated Regulation No. 231/2013 of 19 December, 2012 as may be amended, supplemented or substituted from time to time.
<b>“Management Shares”</b>	a management share in the capital of the ICAV which shall have the right to receive profits or income arising from the acquisition, holding, management or disposal of investments of the ICAV in an amount not to exceed the consideration paid for such management share.
<b>“Member”</b>	a person who is registered as the holder of Shares or Management Shares the prescribed particulars of which have been recorded in the ICAV's register of Shareholders.
<b>“Member State”</b>	means a member state of the European Union.
<b>“Minimum Holding”</b>	means the minimum number or value of Shares which must be held by the Shareholders in a Fund or Class as specified in the Supplement for that Fund as appropriate.
<b>“Minimum Subscription”</b>	means the minimum initial amount which may be subscribed for Shares in a Fund or Class or committed by way of Capital Commitment as specified in the Supplement provided that the minimum initial amount of investment or Capital Commitment in the ICAV shall be not be less than €100,000 or its equivalent in another currency or such higher amount as may be set out in the Supplement for a particular Fund (subject in either case to any exemption therefrom that may, unless prohibited by the Rulebook, be permitted by the Central Bank) and the aggregate of an investor's investments or Capital Commitments in one or more Funds or Classes may not be taken into account for the purpose of satisfying the regulatory minimum subscription requirement, unless otherwise provided in the relevant Supplement.
<b>“Net Asset Value”</b>	means the Net Asset Value of a Fund or attributable to a Class (as appropriate), as described in the section of this Prospectus entitled “ <i>Net Asset Value and Valuation of Assets</i> ”.
<b>“Net Asset Value per Share”</b>	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.
<b>“Ordinary</b>	a resolution of the Members or of the Shareholders of a Fund or Class of Shares in

<b>Resolution</b>	general meeting passed by a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, the Fund or Class of Shares as the case may be.
<b>“OTC”</b>	means Over-the-Counter.
<b>“Paying Agent”</b>	means any paying agent appointed with respect to a Fund as required to be appointed under local regulations in a jurisdiction where the Shares of that Fund are registered for sale.
<b>“Performance Fee”</b>	means as defined in the relevant Supplement.
<b>“Prospectus”</b>	means this prospectus and each Supplement and addenda thereto issued in accordance with the requirements of the Central Bank.
<b>“Qualifying Investor”</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) An investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) (“MiFID”); or</li> <li>(b) An investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or</li> <li>(c) An investor who certifies that they are an informed investor by providing the following: <ul style="list-style-type: none"> <li>(i) Confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or</li> <li>(ii) Confirmation (in writing) that the investor’s business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.</li> </ul> </li> </ul>

Qualifying investors must certify in writing to the ICAV that they meet the minimum criteria listed above and are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested. The Minimum Subscription for Qualifying Investors is €100,000 (or its equivalent in other currencies) (except for “Knowledgeable Persons”) or where disclosed in the Supplement for the relevant Fund, €500,000 (or its equivalent in other currencies). The aggregate of an investor’s investments in different Funds or Classes can generally, unless prohibited by the Rulebook, be taken into account for the purposes of determining this requirement. The Directors may also increase this

amount to take into account legal or regulatory requirements of other jurisdictions and will notify investors subscribing for Shares of any changes in advance of each subscription. The Directors have full discretion to limit investment by an investor who would meet the above criteria, but their investment would result in the legal or beneficial ownership of such Shares by a person in contravention of any restrictions on ownership or might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole.

Within the EU, the ICAV may only be marketed to professional investors as defined in the AIFM Directive unless the Member State in question permits, under the laws of that Member State, the ICAV to be sold to other categories of Qualifying Investors.

<b>“Redemption Charge”</b>	means the charge, if any (which is charged for the benefit of a Fund), to be paid out of the Redemption Price which Shares may be subject to, as specified in the relevant Supplement.
<b>“Redemption Day”</b>	means such day or days in each year as the Directors may from time to time determine in respect of an open-ended Fund or limited liquidity Fund and specified in the relevant Supplement.
<b>“Redemption Deadline”</b>	means the deadline by which completed Redemption Requests must be received by the Administrator in respect of an open-ended Fund or limited liquidity Fund, as described in the relevant Supplement, or such other date as the Directors may determine upon prior notification to the Shareholders in the relevant Fund.
<b>“Redemption Price per Share”</b>	means the price at which a Share may be redeemed in any open-ended Fund or limited liquidity Fund as specified in the section of this Prospectus titled <i>“Matters Relating to Open-Ended Funds and Limited Liquidity Funds”</i> - <i>“Redemptions of Shares”</i> .
<b>“Redemption Request”</b>	means any redemption request to be completed by Shareholders as prescribed by the ICAV from time to time in respect of a particular Fund.
<b>“Reference Currency”</b>	means the currency of account of a Class of Shares as specified in the Supplement relating to the Fund in which such Classes are issued where applicable.
<b>“Rulebook”</b>	means any rulebook issued by the Central Bank in relation to alternative investment funds pursuant to the Act or any regulations, notices or guidance issued by the Central Bank in lieu thereof or supplemental thereto.
<b>“Series”</b>	means Shares of a single Class issued during the Initial Offer Period (the “Initial Series” of each Class) or Shares of a single Class issued on any Dealing Day following the close of the Initial Offer Period.
<b>“Share”</b>	means a participating share or, save as otherwise provided in this Prospectus, a

fraction of a participating share in the capital of the ICAV.

**“Shareholder”** means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.

**“Special Resolution”** means a special resolution of the Members or the Shareholders of a Fund or Class in general meeting passed by a majority of 75 (seventy five) % (per cent) of votes cast in person or by proxy at a general meeting of the ICAV, the Fund or Class as the case may be.

**“Specified US Person”** means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the Code, as a corporation described in paragraph (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the Code; (6) any bank as defined in section 581 of the Code; (7) any real estate investment trust as defined in section 856 of the Code; (8) any regulated investment company as defined in section 851 of the Code or any entity registered with the Securities Exchange Commission under the Investment Company Act (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the Code; (10) any trust that is exempt from tax under section 664(c) of the Code or that is described in section 4947(a)(1) of the Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the Code. This definition shall be interpreted in accordance with the Code.

**“Subscription Day”** means such day or days in each year as the Directors may from time-to-time determine for an open-ended Fund or open-ended Fund with limited liquidity and specified in a Supplement to this Prospectus in respect of the relevant Fund.

**“Subscription Deadline”** means the deadline by which Subscription Requests must be received by the Administrator in respect of an open-ended Fund or open-ended Fund with limited liquidity, as described in the relevant Supplement, or such other date as the Directors may determine upon prior notification to the Shareholders.

**“Subscription** means the price at which a Share will be available for subscription in an

<b>Price per Share</b>	open-ended or open-ended with limited liquidity Fund subsequent to the Initial Offer Period as specified in the section of this Prospectus titled “ <i>The Shares, Subscriptions and Commitments</i> ”.
<b>“Subscription Request”</b>	means any potential investor or Shareholder subscription request completed as prescribed by the ICAV from time to time.
<b>“Supplement”</b>	means a supplement to this Prospectus specifying certain information in respect of a Fund.
<b>“Valuation Day”</b>	means such day or days as disclosed in the relevant Fund Supplement as the Directors may determine and notify to Shareholders in advance. In the case of open-ended funds there shall be at least one Valuation Day in respect of each Dealing Day and provided that, in respect of the Funds which are limited liquidity Funds or closed-ended Funds, there shall be at least one Valuation Day every twelve months.
<b>“Valuation Point”</b>	means such time as shall be specified in the Supplement for the Fund.
<b>“VAT”</b>	means value added tax.



## THE ICAV

### Establishment

The ICAV is an umbrella-type Irish collective asset management vehicle with variable capital and segregated liability between sub-funds registered in Ireland with the Central Bank on May 19, 2017 with registration number C168824 and authorised by the Central Bank, pursuant to Part 2 of the Act.

### Structure

The ICAV is structured as an umbrella-type Irish collective asset-management vehicle potentially consisting of different Funds, with segregated liability between its Funds, each comprising one or more Classes of Shares and one or more Series of each Class.

The Classes of Shares available for purchase in each of the Funds are described in the relevant Supplement or in separate Class Supplements. The Shares issued in each of the Funds will rank pari passu with each other in all respects provided that they may differ as to certain matters including the level of fees and expenses to be charged or otherwise in accordance with the requirements of the Central Bank. Shares in each of the closed-ended Funds or open-ended with limited liquidity Funds may be issued on a Capital Commitment basis, as set out in the relevant Supplement.

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

### Legal implications of an investment in the ICAV

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

- (i) By completing and submitting the Application Form, an investor will have made an offer to subscribe for Shares which, once it is accepted by the ICAV and Shares are issued, has the effect of a binding contract.
- (ii) The applicant will be obliged to make representations, warranties, declarations and certifications in the Application Form relating to its eligibility to invest in a Fund and its compliance with the applicable anti-money laundering laws and regulations. For further details, refer to the section of this Prospectus entitled "*Risk Factors - Limitation on Liability of Shareholders.*"
- (iii) Upon the issue of Shares, an investor will become a Shareholder in a Fund and will be bound by the terms of the Instrument as if the Instrument had been signed and sealed by the Shareholder and contained covenants by the Shareholder to observe all the provisions of the Instrument. Shares are intangible personal property which give the holders thereof certain legal rights.
- (iv) The Instrument is governed by, and construed in accordance with, the laws of Ireland. The Application Form is governed by, and construed in accordance with, the laws of Ireland.

(v) Any judgment for a definite sum obtained against the ICAV in the courts of a foreign (non-Irish) jurisdiction (a “**Foreign Judgment**”) should generally be recognised and enforced by the courts of Ireland without a retrial or examination of the case where Council Regulation EC No.44/2001 on the Jurisdiction and the Recognition of Judgments in Civil and Commercial Matters (the “**2001 Brussels Regulation**”) applies. Where the 2001 Brussels Regulation does not apply, the Foreign Judgment would not automatically be enforced in Ireland and it would be necessary to initiate legal proceedings before a court of competent jurisdiction in Ireland. In such circumstance, an Irish court would generally recognise and enforce such a Foreign Judgment without retrial or examination of the merits of the case provided certain common law principles are complied with.

Subject to the requirements of the Central Bank and the AIFM Legislation, the ICAV on behalf of a particular Fund and/or the AIFM may, together with the Investment Manager and any other investment vehicle which is managed by the Investment Manager, agree with any existing or prospective investor, whether by means of a side letter or other agreement, to waive or modify the application of any of the terms described herein in this Prospectus, any Supplement or in the Application Form or to agree any specific terms with an investor (a “**Side Letter**”). Such investors may include entities or persons who are affiliated with the AIFM or the Investment Manager and/or Shareholders who hold a majority or substantial interest in the ICAV or a Fund. Any such Side Letter may be agreed in accordance with the requirements of the Central Bank and the AIFM Legislation in relation to (but not limited to) the application or calculation of fees, ‘most favoured nation’ provisions, indemnification obligations and/or additional representations, warranties and covenants. The ICAV or the AIFM may agree to provide certain Shareholders with information that is different to the information provided to other Shareholders if such information is required by the laws or regulations or other requirements applicable to such Shareholders. The ICAV or the AIFM will not agree any Side Letter which will alter liquidity provisions, redemption rights or voting rights of any Shareholder and in this regard, will ensure that Shareholders are treated fairly. The Directors and the AIFM shall ensure that any preferential treatment accorded to one or more Shareholders does not result in an overall material disadvantage to other Shareholders of the Fund.

Absent a direct contractual relationship between a Shareholder and a service provider appointed by the ICAV or the AIFM on behalf of the ICAV, a Shareholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Shareholder could potentially bring a claim against such a service provider. Instead, the proper plaintiff in an action against a service provider in such circumstances would be the appointing party.

## **Investment Objective and Policies**

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

## **Matters relating to Closed-Ended Funds**

### *Changes to Investment Objective and Policy*

In the case of a closed-ended Fund where there is no opportunity for Shareholders to redeem their Shares or otherwise exit the Fund, the investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the written approval of all Shareholders of the relevant Fund or on the basis of a Special Resolution passed at a meeting of the Shareholders of the

particular Fund duly convened.

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

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

#### *Fee Increases*

In the case of a closed-ended Fund, any proposed increase in the maximum annual fee payable to the AIFM or the Investment Manager as outlined in the relevant Supplement must comply with the following conditions:

(a) where there is a proposed increase in these fees or charges with no opportunity for Shareholders to redeem or otherwise exit the relevant Fund, any such increase must be approved by way of a Special Resolution; and

(b) where there is a proposed increase in these fees or charges with an opportunity for Shareholders to redeem or otherwise exit the relevant Fund, any such increase must be approved by way of an Ordinary Resolution.

#### *Expiry of Term*

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

(a) as the Directors consider appropriate, taking into account the interests of Shareholders as they deem appropriate, liquidate the Fund's portfolio of investments and return the net proceeds thereof to Shareholders as and when such proceeds become available through distributions or the compulsory repurchase of Shares, and, following such liquidation, terminate the Fund and apply to the Central Bank for revocation of the Fund's approval. Such liquidation shall commence immediately upon expiry of the Closed-Ended Period of the Fund unless extended as described in sub-paragraph (d) below;

(b) repurchase all outstanding Shares in the relevant Fund and will apply to the Central Bank for revocation of the relevant Fund's approval provided that, if the relevant Fund is the last Fund of the ICAV, the Directors will apply to the Central Bank for revocation of the ICAV's authorisation;

(c) convert the relevant Fund into an open-ended Fund, the relevant subscription and redemption details of which shall be in accordance with the requirements of the Central Bank and specified in an addendum to this Prospectus or in a new Prospectus or supplement to this

Prospectus issued upon such conversion and as determined by a duly convened and held general meeting of Shareholders of that Fund; or

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

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

### **Matters relating to Open-Ended Funds and Funds with Limited Liquidity**

#### *Changes to Investment Objective and Policy*

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

#### *Fee Increases*

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

#### *Subscription for Shares*

In the case of any open-ended Fund or limited liquidity Fund, following the close of the Initial Offer Period, Shares will be available for subscription on each Subscription Day at the Subscription Price per Share, which will be calculated by reference to the Net Asset Value per Share. The Net Asset Value per Share will be calculated as of the Valuation Point on or immediately preceding the relevant Dealing Day. The AIFM will make the Subscription Price per Share in relation to each Class available promptly to Shareholders on request.

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

### *Redemption of Shares*

Details of the Redemption Days for any open-ended Fund or limited liquidity Fund and notice periods, fees and related information relevant to the redemption or conversion of Shares in such Fund will be set out in the relevant Supplement.

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

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

Redemptions will be paid at such time as the relevant Fund is able to realise sufficient assets to settle the redemptions in full or in part as is more particularly described in the Supplement for the relevant Fund. Redemption proceeds can only be paid into an account of record specified in the original Application Form submitted. Any amendments to Shareholders' payment instructions can only be effected by way of original documentation.

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

### *Operation of Cash Accounts*

Your attention is drawn to the section of this Prospectus entitled "Risk Factors" – "Operation of Cash Accounts".

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

In respect of Funds which deal on up to a monthly basis if the number of Shares to be redeemed on any Redemption Day equals one tenth or in the case of a quarterly dealing Fund, one quarter or more of the total number of Shares of a Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth or in the case of a quarterly dealing Fund, one quarter of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Redemption Day shall be reduced pro rata and the Shares to which the original request relates will be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Shares to which the original request related have been redeemed or cancelled and the relevant Shareholder may submit a new request for the following Redemption Day.

### *Limited Liquidity Funds – Deferred Redemptions*

Redemption requests in respect of Funds that are not open-ended and have limited liquidity will, in usual circumstances, be accepted and processed in the normal way. However, the Directors or their delegate may at their discretion refuse to redeem any Shares on any Redemption Day if the Fund does not expect to be in a position to receive sufficient funds from the liquidation of underlying investments and, if they so refuse, the requests for redemption on such Redemption Day shall be reduced pro rata and the Shares to which the original request relates will be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Shares to which the original request related have been redeemed or cancelled and the relevant Shareholder may submit a new request for the following Redemption Day. Further detail on any permitted deferral of redemptions in a limited liquidity Fund will be disclosed in the Supplement for the relevant Fund.

Deferred Redemptions which have been carried forward from an earlier Redemption Day shall in accordance with the requirements of the Central Bank (subject always to the foregoing limits) be complied with either (i) in priority to later requests or (ii) on a pari passu basis in each case as more particularly described in the Supplement for the relevant Fund provided always that in the case of an open-ended Fund any such treatment of Deferred Redemptions for a particular Fund shall be applied consistently throughout the life of such relevant Fund.

### *In Specie Redemptions*

The Directors may, with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets of a Fund having a value (which shall be determined conclusively by the Directors in good faith and approved by the Depositary) equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer. A determination to provide redemption in specie may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Fund. In this event the Directors will, if requested, sell the assets on behalf of the Shareholder and the cost of this sale may be charged to the Shareholder. The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors and approved by the Depositary and redemptions in specie shall only be made if the Depositary is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to Shareholders and any such asset allocation must be approved by the Depositary.

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

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

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

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

be dependent upon circumstances relating to, inter alia, investment in underlying assets.

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

### **Investment Restrictions**

Each Fund must comply with the limits on investments contained in the Rulebook applicable to Qualifying Investor AIFs, this Prospectus and the relevant Supplement (if any). The Directors may impose further restrictions in respect of any Fund. The Central Bank has detailed below the following investment restrictions applicable to the ICAV and each of its Funds, in addition to those (if any) set out in its Supplement.

- 1 The ICAV, or the AIFM in connection with all of the collective investment schemes it manages, may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. This requirement does not apply to investments in other investment funds. It may also be disapplied where a Fund is a venture capital, development capital or private equity fund provided its Supplement indicates its intentions regarding the exercise of legal and management control over underlying instruments.
- 2 The ICAV on behalf of a Fund may not raise capital from the public through the issue of debt securities. That does not preclude the issue of notes (including, but not limited to, Debentures) by the ICAV, on a private basis, to lending institutions to facilitate financing arrangements.
3. Unless otherwise provided in the Supplement of a particular Fund that meets with the Central Bank's rules relating to loan originating Qualifying Investor Alternative Investment Funds, the ICAV is not permitted to grant loans. This is without prejudice to the right of a Fund to acquire debt securities. It will also not prevent Funds from acquiring securities which are not fully paid or from entering into bridge financing arrangements where the financing extended to the Fund is backed by sufficient legally binding commitments to discharge the financing within a time period determined by the at least simultaneous triggering of obligations on Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into. Furthermore, a Fund may finance the operations of a wholly owned subsidiary (established in accordance with the Central Bank's requirements) by way of loan. The ICAV may not act as a guarantor on behalf of third parties.

### *Funds investing in other funds*

The Central Bank imposes restrictions on a Fund's investments in other funds as summarised below.

### *General*

4. Where a Fund invests in a collective investment scheme which is managed by the AIFM (or of its duly appointed delegates or sub-delegates), or by an associated or related company of the AIFM (or of its duly appointed delegates or sub-delegates), the manager of the scheme, in which the

investment is being made, must waive any preliminary/initial/redemption charge which it would normally charge.

5. Where a Fund (the “Investing Fund”) invests in the units of other Funds (each a “Receiving Fund”), the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund’s assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) may not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund’s assets, such that there shall be no double charging of annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision also applies to an annual fee charged by the Investment Manager (and any of its duly appointed delegates) where such fee is paid directly out of the assets of the ICAV (if applicable). For the avoidance of doubt, if the target investment funds are not sub-funds of the ICAV, this paragraph 5 does not apply.

#### *Fund of Funds*

6. A Fund may invest up to 100% of its assets in other funds, subject, generally (and as clarified in paragraph 7 below) to a maximum of 50% of net assets in any one underlying unregulated fund. A Fund must not make investments which circumvent this restriction, for example, by investing more than 50% of net assets in two or more unregulated investment funds which have identical investment strategies. A Fund to which this paragraph applies may not invest more than 50% of net assets in another investment fund which itself invests more than 50% of net assets in another investment fund.

#### *When the Fund invests more than 50% of net assets in one other investment fund*

7. A Fund may invest more than 50% of its net assets in a single unregulated underlying fund provided that the Fund imposes a minimum subscription/commitment limit in excess of €500,000 or its equivalent in other currencies and the relevant Supplement contains certain disclosures relating to such underlying fund prescribed by the Rulebook. In addition, such Fund may invest in one or more underlying funds which themselves invest more than 50% of their respective net assets in one or more underlying funds.

#### *Use of Subsidiaries*

8. A Fund may, subject to the prior approval of and in accordance with the requirements of the Central Bank, establish and invest through wholly owned companies where the AIFM, together with the Investment Manager, considers it necessary or desirable to do so for the purpose of entering into transactions or contracts and/or holding certain of the investments or other property of a Fund. None of the investment restrictions set out in this Prospectus or relevant Supplement shall apply to investment in or deposits with or loans to any such subsidiary company and the investments or other property held by or through any such entity shall be deemed for such purposes to be held directly for a Fund. The names of any such subsidiary companies shall be disclosed in the annual report of the Fund.



### *OTC counterparties*

9. In accordance with the AIFM Legislation, when selecting and appointing counterparties, the AIFM is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services. When selecting counterparties in an OTC derivatives transaction, in a securities lending or in a repurchase agreement, the AIFM is required to ensure that those counterparties fulfil all of the following conditions:

- (a) they are subject to ongoing supervision by a public authority;
- (b) they are financially sound;
- (c) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the AIFM or the Fund.

When appraising financial soundness, the AIFM is required to take into account whether or not the counterparty is subject to prudential regulation, including sufficient capital requirements, and effective supervision.

### *Securitisation positions*

10. In accordance with the AIFM Legislation, a Fund shall assume exposure to the credit risk of a securitisation only if the originator, sponsor or original lender has explicitly disclosed that it retains, on an ongoing basis, a material net economic interest, which in any event shall not be less than 5%.

### *Private Equity restrictions*

11. Certain restrictions apply pursuant to Regulations 27 to 31 inclusive of the AIFM Regulations in relation to any Fund which pursues a policy of taking control of certain types of EU companies.

Investment restrictions are deemed to apply at the time of purchase of the investments and continue thereafter. If these restrictions are subsequently 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 the remedying of that situation, taking due account of the interests of Shareholders.

### **Borrowing and Leverage**

Where specified in the relevant Supplement, a Fund may borrow from brokers, banks and others on a secured or unsecured basis, and may employ leverage to the extent deemed appropriate by the Investment Manager. Leverage may take the form of loans (including trading on margin) and investments in derivative instruments that are inherently leveraged, in addition to other forms of direct or indirect borrowings. A Fund also may borrow for cash management purposes, including in anticipation of additional subscriptions/commitments and to fund redemptions, and may do so when deemed appropriate by the Investment Manager. A Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed or otherwise accessed.

The borrowing and leverage limit for each Fund (if applicable) will be set out in the relevant Supplement for each Fund. The maximum leverage to be employed by the Funds will be set out in the relevant Supplement, calculated in accordance with;

- (i) the gross method (i.e. the sum of the absolute value of all positions of the Fund save for certain position such as, inter alia, cash and highly liquid instruments); and
- (ii) the commitment method (i.e. the sum of the absolute value of all positions of the Fund including, inter alia, derivatives but netting and hedging can be taken into account).

Each method will be calculated in accordance with the Level 2 Regulation.

For the purpose of providing margin or collateral in respect of a Fund's investment activities, the Fund may transfer, mortgage, charge or encumber any assets or cash forming part of its assets. The ICAV may also charge, pledge, mortgage or otherwise encumber its assets or any part thereof as security for its borrowings.

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

### **Changes to Investment and Borrowing Restrictions**

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

### **Efficient Portfolio Management**

Where specified in the relevant Supplement, the ICAV may, on behalf of each Fund, employ techniques and instruments for efficient portfolio management purposes in accordance with the investment objective of the Fund. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the relevant Fund. The ICAV may also employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. Additional techniques and instruments which the ICAV may use in respect of a Fund will be set out in the relevant Supplement. For the purpose of providing margin or collateral in respect of transactions in such techniques and instruments, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

### **Hedged Classes**

Where specified in the relevant Supplement, the ICAV may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the Reference Currency of a particular Class (including Side Pocket Classes (as defined herein)) against the relevant Fund's Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Over-hedged or under-hedged positions may arise due to factors outside of its control. Unless otherwise permitted in the Supplement for the relevant Fund such over-hedged positions will not be permitted to exceed 110% of the Net Asset Value of the Class. Share Classes denominated in a currency

other than the Base Currency shall not be leveraged otherwise than within the permitted limit disclosed. Further, in that regard, hedged positions will be kept under review with the aim of ensuring that over-hedged positions do not exceed the permitted level and that positions materially in excess of 100% will not be carried forward to the next month. Subject to the provisions outlined above, a Class will not be leveraged as a result of currency hedging transactions. The annual report of the Fund will indicate how transactions undertaken on behalf of a Fund to provide protection against exchange rate risks have been utilised. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Reference Currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

## **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends/distributions for each Fund will be specified in the relevant Supplement. Any change to the distribution policy will be disclosed in a revised Supplement and notified to Shareholders in advance.

Pending payment to the relevant Shareholder, dividend payments may be held in Cash Redemptions Accounts in the name of the relevant Fund and will be treated as an asset of the relevant Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstances will not be held on trust for the relevant Shareholder). In such circumstances, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the ICAV until paid to the Shareholder. In the event of an insolvency of the relevant Fund or the ICAV, there is no guarantee that the relevant Fund or the ICAV will have sufficient funds to pay unsecured creditors in full.

Your attention is drawn to the section of this Prospectus entitled “Risk Factors” – “Operation of Cash Accounts” below.

In the event that distributions payable cannot be paid out to a Shareholder, for example where anti-money laundering documentation is not provided or a Shareholder cannot be contacted, it is the responsibility of the Shareholder to ensure all necessary documentation and information required to resolve the issue is provided promptly and is complete and accurate, so that the distributions payable may be released in a timely manner.

Dividends which remain unclaimed for six months following the expiry of early termination of the relevant Fund's Term will be forfeited automatically. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the ICAV.

## **Liquidity Management Policy**

The AIFM has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of each Fund and to ensure the liquidity profile of the investments of each Fund will facilitate compliance with its underlying obligations. The AIFM's liquidity policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the relevant Fund. The liquidity management systems and procedures employed include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the relevant

Fund.

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

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

To the extent applicable, details of the redemption rights of Shareholders, including redemption rights of Shareholders in normal and exceptional circumstances and existing redemption arrangements are set out in the Supplement for the relevant Fund.

### **Indemnities**

The ICAV has agreed to indemnify, in certain circumstances, its Directors, its Corporate Secretary, the AIFM, the Investment Manager, the Distributor (if any), the Administrator and the Depositary, and, in certain circumstances, counterparties to, or other parties involved in, a Fund's investment activities such as counterparties and brokers (each such person being an "**Indemnified Person**"). The ICAV may advance to any Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action or legal proceeding.

### **Side Pockets**

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

Clause 5.06 (b) of the Instrument outlines the provisions whereby, in certain circumstances, the Directors, taking into account the interests of all Shareholders and acting in accordance with the requirements of the Central Bank, may create and issue at their discretion from time to time, a new Class or Classes of Shares ("**Side Pocket Class**") to which assets and liabilities of a Fund which become illiquid or otherwise difficult to value or realise are allocated at the discretion of the Directors. Shares in such Side Pocket Class ("**Side Pocket Shares**") shall be redeemable by the ICAV and/or by the holders thereof only when so determined by the Directors.

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

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

## MANAGEMENT AND ADMINISTRATION

### Directors of the ICAV

The powers of management of the ICAV and the powers of management of the ICAV's assets are vested in the Directors pursuant to the Instrument. The Directors have delegated the day to day management and running of the ICAV to the AIFM. The AIFM in turn has delegated certain of its portfolio management and risk management functions to the Investment Manager.

The Directors will oversee the operations of the ICAV. All of the Directors are non-executive. The address of the Directors is the registered office of the ICAV. A summary of the experience and backgrounds of each of the Directors is outlined below.

#### *Mr. Massimo Figna*

Mr. Figna, an Italian national and UK resident, has approximately 20 years' experience in the European insurance and banking industries. He graduated with a first class degree in Economics in 1995 and completed a master's course in actuarial mathematics in the same year. He subsequently undertook the Securities Representative Certificate in 1999 and the Investment Management Certificate - Part 2 Investment Practice in 2004. Mr. Figna is a qualified chartered accountant and auditor in Italy. Between September 1993 and April 1995 Mr. Figna taught financial mathematics to accounting students. From December 1995 to December 1997 Mr. Figna was engaged as an auditor and consultant in the financial sector by Arthur Anderson S.p.A in Milan. He then worked as an equity analyst in the Italian insurance sector for Banca S. PaoloIMI in Milan until September 1999. From September 1999 to September 2004 Mr. Figna was an Executive Director with UBS in London and was one of the top five ranked insurance sector analysts in the 2003 Thomson Extel Survey of investment professionals.

#### *Mr. Furio Pietribiasi*

Mr. Pietribiasi, an Italian national and Irish resident, is an experienced professional in the financial industry with extensive knowledge in traditional and alternative investments and he has been in Ireland with Mediolanum since late 1998, covering a number of roles, including Head of Investments, Head of product development in Europe and General Manager of the Asset Management Company. Since 2008 he has been heading all Mediolanum operations in Ireland and Luxembourg where he is a member of the board of directors of the Mediolanum companies. Mr. Pietribiasi has been Chairman of the Board of Directors of the Irish Association of Investment Managers for a number of years. He started his career in investment management in Mediolanum Gestione Fondi in Milan and prior to that he worked in one of the leading legal and fiscal professional practice in Italy. Mr. Pietribiasi holds a MSc in Finance and Economics.

#### *Mr. Frank O'Riordan*

Mr O'Riordan, an Irish national and Irish resident, is currently President of the Securities and Investments Institute in Ireland and Director/Trustee of the AIB Group Pension Scheme, a role that he has held since 2012. He is also chair of the Investment Committee of the AIB Group Pension Scheme responsible for the monitoring of its investment managers and the overall asset strategy of the Scheme. Mr O'Riordan serves on a number of advisory boards and has provided consultancy advice to asset management and fund management companies. Mr. O'Riordan joined AIB Investment Managers Ltd. ("AIBIM"), the asset management subsidiary of the AIB Group in 1987. Initially, Mr. O'Riordan was responsible for the

management and development of AIBIM's investment services in Ireland, the UK and the US. He was subsequently appointed as a Board Member of AIBIM in 2002 and in 2006 was named Chief Executive and Chief Investment Officer. During this time, Mr. O'Riordan was also Chairman of AIB Funds Management Ltd, responsible for AIB's funds business incorporating an extensive suite of investment funds. Mr. O'Riordan retired from this position in 2012 following the sale of AIBIM. Mr. O'Riordan graduated from University College Dublin (UCD) with Honours in Economics in 1977. He completed a Master's degree in Economics at UCD in 1979.

The ICAV shall be managed and its affairs supervised by the Directors all of whom are non-executive directors of the ICAV and whose details are set out above.

The address of the Directors is the registered address of the ICAV.

### **Alternative Investment Fund Manager**

The ICAV has appointed Bridge Fund Management Limited as its alternative investment fund manager pursuant to the AIFM Agreement and Bridge Fund Management Limited is responsible on a day-to-day basis, under the supervision of the Directors, for the management of the ICAV's affairs and distribution of the Shares. The AIFM is a privately owned company incorporated with limited liability in Ireland on 16 December 2015 with registration number 573961. The AIFM is authorised by the Central Bank to act as a fund management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended and an Alternative Investment Fund Manager (AIFM) pursuant to the AIFM Regulations. Its principal business is acting as manager of investment funds. In accordance with the requirements of the Central Bank, the AIFM may delegate certain of its investment management functions to the Investment Manager in accordance with AIFM Legislation. The AIFM has appointed the Investment Manager to act as discretionary investment manager of the ICAV and non-exclusive distributor of the Shares. The AIFM may appoint one or more other non-exclusive distributors. The liability of the AIFM to the ICAV will not be affected by the fact that it has delegated certain of its functions.

The AIFM has remuneration policies, procedures and practices which are consistent with and promote sound and effective risk management. They apply to staff whose professional activities have a material impact on the risk profile of the AIFM or the ICAV and are designed not to encourage risk-taking which is inconsistent with the risk profile of the ICAV.

Save where otherwise disclosed to investors in accordance with the AIFM Legislation, the AIFM has not appointed an External Valuer to perform the valuation function set down in the AIFM Regulations and such function shall be carried out by the AIFM. The assets and liabilities of the ICAV will be calculated by the Administrator in accordance with the valuation policy of the AIFM consistent with the provisions outlined in this Prospectus and the Supplement for the relevant Fund.

The AIFM's corporate secretarial function is provided by the Secretary.

The AIFM may act as manager of, and/or provide other services to, other funds or clients established in Ireland or elsewhere any of which may be competing with the ICAV in the same markets.

The Directors of the AIFM are as follows:

### *David Dillon*

David Dillon is a solicitor having qualified in 1978. He is a graduate of University College Dublin (Bachelor of Law) and has an MBA from Trinity College Dublin. David was a founding partner of the law firm Dillon Eustace. David is a director of a number of Irish based investment and fund management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial and financial services law. He is a former Chairman of the Investment Funds Committee (Committee I) of the International Bar Association, past Chairman of the Irish government's IFSC Funds Working group and a member of the IFSC's Clearing Group. He was a member of the Certified Accountant Accounts Awards Committee. He is currently on the organising committee of the Globalisation of Investment Funds organised by the ICI and the IBA. He worked with the international law firm of Hamada and Matsumoto (now Mori Hamada and Matsumoto) in Tokyo during 1983/1984. Mr. Dillon speaks regularly at international fora.

### *Paul MacNaughton*

Paul McNaughton has over 30 years experience in the banking/finance, fund management and securities processing industries. In addition, Paul spent 10 years with IDA (Ireland) both in Dublin and in the USA marketing Ireland as a location for multinational investment. He went on to establish Bank of Ireland's IFSC Funds business before joining Deutsche Bank to establish their funds business in Ireland. He was overall Head of Deutsche Bank's Offshore Funds business, including their hedge fund administration businesses primarily based in Dublin and the Cayman Islands, before assuming the role of Global Head of Deutsche's Fund Servicing business worldwide. Paul left Deutsche Bank in August 2004 after leading the sale of Deutsche's Global Custody and Funds businesses to State Street Bank and now acts as an advisor and non-executive director for several investment companies and other financial entities. Paul is a director of the Irish Stock Exchange Limited. Paul holds an Honours Economics Degree from Trinity College Dublin. He was the founding Chairman of Irish Funds, formerly the Irish Funds Industry Association and a member of the Irish Government Task Force on Mutual Fund Administration.

### *Patrick Robinson*

Patrick Robinson has over 15 years' experience in the asset management and funds services industry. Patrick began working as a consultant with Bridge Consulting Limited, an affiliate of the AIFM, in October 2009, before becoming Chief Executive Officer in August 2014. Patrick has an in-depth knowledge of UCITS and AIFM requirements and has project managed fund launches to include providing assistance on product development. He has established the risk, compliance and operational infrastructures of a number of asset management firms. Patrick joined Bridge Consulting Limited from RBS Fund Services (Ireland) Ltd where he headed the Operations Team responsible for the supervision and oversight of a variety of managers and service providers contracted to funds managed by RBS FSI. Prior to this Patrick worked with Olympia Capital (Ireland) Ltd where he managed the fund accounting operations for an array of clients with a diverse range of alternative fund products. He holds a Masters degree in Finance and Investment from the University of Ulster.

### *Hugh Grootenhuys*

Hugh Grootenhuys graduated from the University of Cambridge where he read Geography and Land Economy. Mr. Grootenhuys worked for the Schroder Banking Group for eighteen years where he obtained a wide range of investment banking experience. He worked for Schrodgers in Tokyo and Singapore, as well as

London, and spent the majority of his time in the international equity capital markets group. In Singapore, he was the director responsible for Schrodgers' South East Asian capital markets business. Mr. Grootenhuis joined Waverton Investment Management Limited ("Waverton", previously called J O Hambro Investment Management Limited) in 1999 as a director of new business. While with Waverton, he was responsible for marketing Waverton's private client business as well as structuring new long only and hedge fund vehicles. In May 2007 he was appointed head of all the funds business and joined the executive board. In June 2009 he was appointed Chief Executive Officer and acted in this capacity until July 2015. Mr. Grootenhuis was appointed as a Special Advisor to S.W. Mitchell Capital LLP in January 2016 to assist with the development of its business, including governance and oversight. Mr. Grootenhuis is also a director of the S.W. Mitchell Capital plc, Dublin range of UCITS funds, and SWMC European Fund and SWMC Small Cap European Fund, Cayman long/short funds.

A summary of the terms of the AIFM Agreement is set out in the section of this Prospectus headed "Material Contracts".

### **Investment Manager**

The AIFM has appointed Tenax Capital Limited (the "Investment Manager") as its investment manager and non-exclusive distributor pursuant to the Investment Management Agreement.

The Investment Manager has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. The fees and expenses of any sub-distributor appointed by the Investment Manager which are discharged out of the assets of the ICAV shall be at normal commercial rates.

The Investment Manager is an investment management company incorporated in England and Wales on 30 July, 2004. Its principal business is to provide specialist investment management services. It is authorised by the FCA as an Alternative Investment Fund Manager (AIFM) pursuant to Directive 2011/61/EU as implemented in the United Kingdom ("AIFMD"). The Investment Manager acts as investment manager of the ICAV on the basis of its freedom to provide portfolio management services cross-border within the EU pursuant to its permissions under Article 6(4) the AIFMD.

The Investment Manager may act as investment manager of and/or adviser to other funds or clients established in Ireland or elsewhere or as manager of and/or adviser to other funds or clients in the future any of which may be competing with the ICAV in the same markets.

Further information regarding the Investment Manager is available at <https://www.tenaxcapital.com>.

### **Depository**

The ICAV has appointed CACEIS Bank, Ireland Branch as Depository pursuant to the Depository Agreement.

CACEIS Bank acting through its Ireland branch (CACEIS Bank, Ireland Branch) is a public limited liability company (société anonyme) incorporated under the laws of France, having its registered office located at 1-3, place Valhubert, 75013 Paris, France, registered with the French Register of Trade and Companies. It is an authorised credit institution supervised by the European Central Bank (ECB) and the Autorité de



contrôle prudentiel et de résolution (ACPR). It is further authorised to carry out banking activities in Ireland through its Ireland branch.

The Depositary's duties include the following:-

- (i) safekeeping the assets of each Fund which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (ii) ensuring that each Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Shares of the relevant Fund have been received;
- (iii) carrying out its oversight functions and ensuring that issues, redemptions and cancellations and the valuation of the Shares of the Funds are calculated in accordance with the AIFM Legislation;
- (iv) carrying out the instructions of the ICAV, unless they conflict with the AIFM Legislation;
- (v) ensuring that in transactions involving the assets of a Fund any consideration is remitted to the relevant Fund within the usual time limits; and
- (vi) ensuring that each Fund's income is applied in accordance with the AIFM Legislation.

#### *Depositary Liability*

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

The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the AIFM Legislation.

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

#### *Delegation*

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the AIFM Legislation and on the terms set out in the Depositary Agreement however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The performance of the safekeeping function of the Depositary in respect of certain of the ICAV's assets has been delegated to certain delegates. The list of the Depositary's delegates is available from the Depositary and may be updated from time to time.

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

#### *Conflicts*

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an

affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the ICAV. These services may include currency hedging services as well as acting as acting as counterparty to OTC transactions and providing credit facility arrangements to the ICAV. The Depositary maintains a conflict of interest policy to address this.

The Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws. Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed.

Up-to-date information regarding the Depositary's identity, a description of its duties, its delegation of any of its duties and the applicable conflicts of interests will be made available to investors on request.

The Depositary in no way acts as guarantor or offeror of the ICAV's Shares or any underlying investment. The Depositary is a service provider to the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV.

### **Administrator**

The ICAV has appointed CACEIS Ireland Limited as administrator and registrar of the ICAV pursuant to the Administration Agreement with responsibility for the day-to-day administration of the ICAV's affairs including the calculation of the Net Asset Value per Share of each Fund and the preparation of the financial statements of each Fund, subject to overall supervision of the AIFM.

The Administrator was incorporated in Ireland as a private limited company on 26 May 2000 with registered number 327980 and is authorised by the Central Bank. The Administrator is owned by CACEIS which is a joint venture between Credit Agricole S.A. (85%) and Natixis S.A. (15%). The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes.

### **Secretary**

The ICAV has appointed Tudor Trust Limited as its secretary. Tudor Trust Limited is a private company, limited by shares, incorporated in Ireland and its affiliated with Dillon Eustace, the Irish legal advisors of the ICAV.

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

Local laws/regulations in EEA Member States may require the appointment of paying agents / information agents / representatives / distributors / correspondent banks ("**Paying Agents**") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or

redemption monies or dividends via an intermediate entity rather than directly to or from the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to;

- (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV or the relevant Fund; and
- (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

Fees and expenses of Paying Agents appointed by the ICAV and/or the AIFM which will be at normal commercial rates will be borne by the ICAV or the Fund in respect of which a Paying Agent has been appointed.

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

Details of the Paying Agents appointed may be set out in the relevant Fund or Country Supplement and will be updated upon the appointment or termination of appointment of Paying Agents.

### **External Valuer**

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the ICAV can be performed. The AIFM may appoint an External Valuer in this regard.

### **Fair Treatment of Shareholders**

In all of their decisions the ICAV and the AIFM shall ensure fair treatment of Shareholders in the ICAV and that any preferential treatment accorded by the ICAV or the AIFM to one or more Shareholders does not result in an overall material disadvantage to other Shareholders. At the date of this document, no Shareholder has obtained or been given the right to obtain such preferential treatment.

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

## CONFLICTS OF INTEREST

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

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

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

Each of the AIFM or Investment Manager or any of its affiliates may contract or enter into any financial or other transaction with any Shareholder of the ICAV or with any company or body any of whose shares or securities are held by or for the account of the ICAV and may be interested in any such contracts or transaction.

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

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

- (a) a certified valuation by a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms on an organised investment exchange under their rules; or
- (c) where (a) and (b) above are not practical, execution on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform to the principles that the transaction is negotiated at arm's length and is in the best interests of the Shareholders.

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

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

None of the Directors, or their connected persons, has any interest, direct or indirect, in the share capital of the ICAV.

### **Soft Commissions**

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

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

Where the AIFM, the Investment Manager or any of their delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, permitted derivative instruments or techniques and instruments for a Fund, the rebated commission shall be paid to the relevant Fund. The Investment Manager may share some or all of its management fee or performance fee with one or more intermediaries such as sub-distributors or introducers. The AIFM, the Investment Manager or their respective delegates may be reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred in this regard. It is not anticipated that any Fund will have material opportunities for brokerage recapture in connection with trading in securities.

## **FEES AND EXPENSES**

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

In accordance with the Instrument, the ICAV shall procure that the Administrator shall keep on its behalf separate books and records in which all transactions relating to each Fund shall be recorded and all fees, expenses and liabilities attributable to the particular Fund shall be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. A description of the fees and expenses attributable to a Fund will be detailed in the Supplement for the relevant Fund. . An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or using other methods that will be fair and equitable to investors, provided that fees and expenses attributable solely to a particular Fund or Class shall be borne solely by the relevant Fund or Class. The following disclosures relate to fees and expenses which are generally borne by the ICAV as a whole being attributable to one or more Funds and applied on a pro rata basis by the Directors in their discretion and in accordance with the Instrument.

### **Fees and Expenses of the service providers to the ICAV**

#### *AIFM Fee*

Details of the AIFM Fee payable in respect of a particular Fund will be set out in the relevant Fund Supplement.

#### *Administrator Fee*

Details of the Administrator's fees and expenses in respect of a particular Fund will be set out in the relevant Fund Supplement.

#### *Depository Fee*

Details of the Depository's fees and expenses in respect of a particular Fund will be set out in the relevant Fund Supplement.

#### *Investment Management Fee*

Details of the Investment Management Fee and Performance Fee payable to the Investment Manager will be set out in the relevant Fund Supplement.

### **Establishment Expenses**

The fees and expenses relating to the establishment and organisation of the ICAV including the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) shall be borne by the AIFM. All fees and expenses relating to the establishment and organisation of the initial Funds including the fees of the relevant professional advisers (including legal, accounting and taxation advisers) may be borne by the initial Funds or by certain classes of Shares in the initial Funds as more particularly described in the Supplement for each of the initial Funds.

## Operating Expenses and Fees

Save where otherwise disclosed in the Supplement for a Fund, each Fund will pay all the operating expenses and the fees hereinafter described as being payable to the extent that such operating expenses and fees are attributable to it or, if attributable to the ICAV as a whole, on a pro rata basis to be borne by each Fund or a particular Class of such Fund. Expenses paid by each Fund or a Class thereof throughout the duration of the ICAV, in addition to fees payable to the AIFM, the Investment Manager, the Administrator and the Depositary include but are not limited to:

- (a) auditor's and accountant's fees;
- (b) lawyers fees and other professional advice;
- (c) commissions, fees and reasonable and properly vouched out-of-pocket expenses payable to any placement agent, structuring agent, paying agent, representative, correspondent bank, Distributor or sub-distributor of the Shares (which fees may be material) and money laundering reporting officer;
- (d) merchant banking, stockbroking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services' fees and expenses, fees and charges of clearing agents and interest on debit balances and other bank charges;
- (e) fees and expenses of any Independent Valuer and other service providers acting with respect to the relevant Fund(s) as agreed with the Directors and disclosed in the relevant Fund Supplement;
- (f) taxes or duties imposed by any fiscal or regulatory authority, including the annual fees of the Central Bank;
- (g) costs of preparation, translation and distribution of all prospectuses, reports, certificates (if any), confirmations of purchase of Shares and notices to Shareholders;
- (h) expenses of Shareholders' meetings;
- (i) insurance premia;
- (j) custody and transfer expenses;
- (k) any other expenses, including clerical costs of issue or redemption of Shares;
- (l) the cost of preparing, translating, printing and/or filing in any language the Instrument, and all other documents relating to the ICAV or a Fund including registration statements, prospectuses, explanatory memoranda, annual and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the ICAV, a Fund or the offer of Shares and the cost of delivering any of the foregoing to the Shareholders;
- (m) the cost of publication of notices in local newspapers in any relevant jurisdiction;
- (n) the total costs of any amalgamation or reconstruction relating to the ICAV or a Fund;
- (o) the fees, costs and expenses associated with the termination of any Fund or the winding up of the ICAV;
- (p) all fees payable in respect of investments in collective investment schemes including, without limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees in respect of each collective investment fund in which a Fund invests, except where this is not permitted by the Central Bank;
- (q) any fees, costs or expenses of the ICAV in accordance with the Instrument; and
- (r) any fees incurred in respect of specific tax advice received in respect of particular assets of a Fund,

in each case plus any applicable VAT.

Any such expenses may be deferred and amortised by the ICAV, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of each Fund will be

provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV as a whole shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund. Fees or expenses attributable only to a particular Class shall be borne solely by that Class.

### **Directors' Fees**

The Instrument provides that the Directors shall be entitled to a fee by way of remuneration at a rate to be determined from time to time by the Directors. The annual fee paid to each Director in respect of the ICAV shall not exceed such amount as may be determined by the Directors each year and such fees shall be borne by all Funds pro rata. The Directors may also be entitled to receive an additional annual fee in respect of a particular Fund which shall be disclosed in the Supplement for the relevant Fund and may be compensated for any additional work undertaken in certain circumstances. In addition, each Director will be reimbursed for any reasonable and properly vouched out-of-pocket expenses.

### **Remuneration Policy**

The AIFM has remuneration policies, procedures and practices which are consistent with and promote sound and effective risk management. They apply to staff whose professional activities have a material impact on the risk profile of the AIFM or the ICAV and are designed not to encourage risk-taking which is inconsistent with the risk profile of the ICAV.

### **Fees payable in respect of investment in Underlying Collective Investment Schemes**

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

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



## THE SHARES, SUBSCRIPTIONS AND COMMITMENTS

### General

Shares may be issued on any Subscription Day or in the case of a limited liquidity Fund or closed-ended Fund where Shares are issued on a Capital Commitment basis as specified in the Supplement for the relevant Fund. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the Supplement for the relevant Fund, or the Reference Currency attributable to the particular Class.

### *Shares and Classes*

The Shares and Classes issued in respect of a Fund will be set out in the relevant Supplement together with the relevant Reference Currency of the particular Classes.

Shares may be issued on a fully drawn down basis or on a Capital Commitment basis, as set out in the relevant Supplement.

In order to facilitate the equitable allocation of the Performance Fee between Shareholders, Shares of each Class may be issued in Series.

### *Initial Subscription*

Shares may be subscribed for during the Initial Offer Period at the Initial Issue Price per Share or on a Capital Commitment basis. The Initial Offer Period and the Initial Issue Price per Share of a Fund shall be specified in the relevant Supplement. The Initial Offer Period may be shortened or extended by the Directors in their sole discretion subject to the requirements of the Central Bank and as may otherwise be disclosed in the relevant Supplement. After the close of the Initial Offer Period, and unless otherwise disclosed in the relevant Supplement, Shares in a Fund will be issued at the Net Asset Value per Share of the relevant Class. In the case of Shares issued in Series, Shares of the Initial Series (issued during the Initial Offer Period or Shares in a Class issued for the first time) will be issued at the Initial Offer Period for that Class. Shares of a Series issued subsequent to the close of the Initial Offer Period (or otherwise after Shares of that Class have already been issued) will be issued at the Net Asset Value of the Initial Series.

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

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

### *Subsequent Subscriptions*

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

## **Subscription Procedure**

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

In the case of Funds offering Shares other than on a Capital Commitment basis, Subscription Requests received prior to the relevant Subscription Deadline for any Subscription Day will generally be processed on that Subscription Day. Any Subscription Requests for Shares issued other than on a Capital Commitment basis received after the Subscription Deadline for a particular Subscription Day will be processed on the following Subscription Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Subscription Deadline for processing on that Subscription Day provided that such Subscription Requests have been received prior to the Valuation Point for the particular Subscription Day.

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

Initial applications should be made using an Application Form obtained from the Administrator and may, be made by fax or via email as a pdf attachment subject to prompt transmission to the Administrator of the original signed Application Form, and such other documentation (to include documentation relating to money laundering prevention checks) as may be required by the ICAV or the Administrator. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription monies relating thereto or cancel Shares already issued, in which case the subscription monies (or balance thereof) may be returned without interest, or representing a lesser sum than the subscription monies originally paid where the monies have been subject to negative interest rates, to the account from which the monies were originally debited, or may refuse to settle a Redemption Request until proper information has been provided. Each applicant for Shares acknowledges that the ICAV, the Directors, the AIFM, the Investment Manager and the Administrator shall be held harmless against any loss arising as a result of a failure to process its application for Shares if such information and documentation as has been requested by the Administrator or the ICAV has not been provided by the applicant or has been provided in incomplete form.

For the avoidance of doubt, no redemptions will be paid until the original Application Form and such other papers as may be required by the ICAV and the Administrator have been received and all anti-money laundering procedures have been completed.

Subsequent applications to purchase Shares may be made to the Administrator by fax or via email as a pdf attachment and such applications should contain such information as may be specified from time to time by the ICAV or its delegate.

Once completed Subscription Requests have been received by the Administrator, they are irrevocable except with the consent of the ICAV or during such period when the determination of the Net Asset Value is suspended.

Title to Shares (and Management Shares) will be evidenced by the entering of the Shareholder's name on

the ICAV's register of Shareholders and no certificates will be issued. Investors will be sent written confirmation of ownership of Shares. Amendments to a Shareholder's registration details and/or payment instructions may only be made following receipt of original written instructions from the relevant Shareholder.

### **Operation of Cash Accounts**

Your attention is drawn to the section of this Prospectus entitled "Risk Factors" – "Operation of Cash Accounts" below.

### **Transfer Rights**

Shares and Management Shares are transferable as set out under the heading "*Transfer of Shares*".

### **Voting Rights**

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

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

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

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole. Please see the section of this Prospectus entitled "*Restrictions on Distribution and Sale of Shares*" for further information. Any restrictions applicable to a Fund or Class shall be specified in the Supplement for the relevant Fund for the relevant Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding, in the opinion of the Directors, might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the ICAV, the AIFM, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the ICAV.

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

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

Central Bank, waive the Minimum Subscription with respect to the following:-

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

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

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

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

### **Liability Statement**

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

### **Fractions**

Subscription monies representing less than the Subscription Price per Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Subscription Price per Share for one Share, provided however, that fractions shall not be less than 0.001 of a Share, or as otherwise determined by the Directors. Subscription monies, representing less than 0.001 of a Share, or as otherwise determined by the Directors, will not be returned to the investor but will be retained by the ICAV in order to defray administration costs.

### **Method of Payment**

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

by virtue of having been subject to negative interest rates.

### **Currency of Payment**

Subscription monies shall be paid in the Base Currency of the relevant Fund or the Reference Currency of the relevant Class.

### **Timing of Payment**

Save where otherwise disclosed in the relevant Supplement or where Shares are subscribed for on a Capital Commitment basis, payment in respect of subscriptions must be received in cleared funds into the relevant bank account as outlined in the Application Form prior to the Valuation Point. In all cases the ICAV and its delegate reserve the right to defer the issue of Shares until proper receipt and clearance of funds by the ICAV. If payment in cleared funds in respect of a subscription has not been received prior to the Valuation Point, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment. The ICAV may waive the Subscription Deadline provided cleared funds are received prior to Valuation Point.

### **“In Specie” Subscriptions**

The ICAV may during the Initial Offer Period of a Fund or on any Subscription Day or following a call for capital in a Fund that issues Shares on a Capital Commitment basis, allot Shares in any Fund or Class on terms that settlement shall be made by the vesting in the ICAV, to be attributed to the relevant Fund, of assets of the type in which the subscription monies for the relevant Shares may be invested in accordance with the investment objective, policy and restrictions of the relevant Fund and otherwise upon such terms as the ICAV may think fit provided that:

- (a) no Shares shall be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary's satisfaction;
- (b) any such exchange shall be effected on terms that the number of Shares to be issued shall be the number (including, at the ICAV's discretion, fractions of Shares) which would have been issued at the Subscription Price per Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the ICAV set out below in the section entitled “Net Asset Value and Valuation of Assets” including such sum as the Directors may consider represents an appropriate provision for duties and charges arising in connection with the vesting of the assets or property;
- (c) there may be paid to the incoming Shareholder out of the assets or property of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (d) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

## **Abusive Shareholder Dealing Practices**

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

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

## **Swing pricing**

Subscriptions or redemptions in a Fund or Share Class can create dilution of the Fund's or the Share Class's assets if Shareholders subscribe or redeem at a price that does not necessarily reflect the real dealing and other costs that arise when the Investment Manager buys or sells assets to accommodate net subscriptions or net redemptions. In order to protect the interests of the existing Shareholders of a Fund or a Share Class, a swing pricing mechanism may be adopted as appropriate if disclosed, and as further described, in the Supplement of the Fund. If the net subscriptions and redemptions based on the last available Net Asset Value on any Valuation Day exceed a certain threshold of the value of a Fund or a Share Class on that Valuation Day, as determined and reviewed on a periodic basis by the AIFM in consultation with the Investment Manager, the asset value may be adjusted respectively upwards or downwards to reflect the dealing and other costs that may be deemed to be incurred in buying or selling assets to satisfy net daily transactions. The Directors may, in consultation with the AIFM and the Investment Manager, apply a swing pricing mechanism across any Fund or Share Class as described in the Supplement of the relevant Fund. The extent of the price adjustment will be set by the Directors, in consultation with the AIFM and the Investment Manager, to reflect estimated dealing and other costs.

## **Anti-Dilution Levy**

In order to preserve the value of the underlying assets of a Fund, and unless otherwise provided for in the relevant Fund Supplement, the Directors reserve the right to impose an "Anti-Dilution Levy" representing a provision for:

- (a) Market spreads; the difference between the prices at which assets are valued and/or bought or sold;
- (b) Differences that may arise due to movement in the prices of assets between the Valuation Point and the time at which the assets are bought or sold; and
- (c) Duties and charges and other dealing costs relating to the acquisition or disposal of assets.

The Anti-Dilution Levy may be applied in the event of a net subscription or redemption position on any particular Dealing Day. If an Anti-Dilution Levy is utilised, the Levy will in the case of a subscription be

deducted from the subscription amount and in the case of a redemption deducted from the redemption amount.

The Directors may, in addition, apply a provision for market spreads and duties and charges in any other case where it considers such a provision to be in the best interests of a Fund and in accordance with the requirements of the Central Bank. Any such sum will be paid into the account of the relevant Fund.

### **Suspension**

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

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

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

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

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

The Administrator reserves the right to request such information and documentation as is necessary to identity, verify the source of wealth and supporting documentation for the source of wealth of an applicant. In the event of delay or failure by the applicant to produce any information and documentation required for verification purposes, the Administrator may not process the application and return all subscription monies and/or payment of redemption proceeds may be delayed and none of the ICAV, the Fund, the Directors, the Depositary, the AIFM, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay redemption proceeds where the requisite information and documentation for verification purposes has not been produced by a Shareholder.

Each subscriber and Shareholder will be required to make such representations as may be required by the ICAV in connection with applicable anti-money laundering programmes, including representations that such subscriber or Shareholder is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and 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. Such subscriber or Shareholder shall also represent that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene U.S. Federal, State or international laws and regulations, including any applicable anti-money laundering laws and regulations. Each applicant will also be required to represent that it is not listed or directly or indirectly affiliated with any person, group or entity listed on the European Union consolidated list of persons, groups and entities that are subject to Common Foreign and Security Policy ("**CFSP**") related financial sanctions, which can be found on the European Commission's website, and that it is not subject to any CFSP sanctions programmes. Each applicant will 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, or European Union laws and regulations including, in each case, anti-money laundering laws and regulations.

The Administrator may disclose information regarding investors to such parties (e.g., affiliates, attorneys, auditors, administrators or regulators) as it deems necessary or advisable to facilitate the transfer of the Shares, including but not limited to being in connection with anti-money laundering and similar laws. The Administrator or other service providers may also release information if directed to do so by the investors in the Shares, if compelled to do so by law or in connection with any government or self-regulatory organisation request or investigation. In connection with the establishment of anti-money laundering procedures, the Directors may implement additional restrictions on the transfer of Shares.

The Directors and the Administrator may impose additional requirements from time to time to comply with all applicable anti-money laundering laws and regulations, including the USA Patriot Act.

### **Data Protection Information**

Prospective investors should note that by completing the Application Form they are providing personal information to the ICAV, which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification, administration, statistical analysis, market research, to comply with any applicable legal or regulatory requirements and, if an applicant's consent is given, for direct marketing purposes. Data may be disclosed to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. By signing the Application Form, investors consent to the obtaining, holding, use, disclosure and processing of data for any one or more of the purposes set out in the Application Form. Shareholders have a right to obtain a copy of their personal data kept by the ICAV on payment of a fee and the right to rectify any inaccuracies in personal data held by the ICAV.

A full list of data protection requirements and consents are detailed in the data protection section of the Application Form.



## **COMPULSORY REDEMPTIONS AND CONVERSIONS**

### **Compulsory Redemption of Shares/Deduction of Tax**

The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of (i) any person who is not a Qualifying Investor or Knowledgeable Person or (ii) any person in breach of any restrictions on ownership from time to time as set out herein or (iii) if the holding of Shares by any person is unlawful or (iv) if the holding of Shares by any person might result or results in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole or (v) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; or (vi) a person who is, or any person who has acquired such Shares on behalf of, or for the benefit of US Person in contravention of applicable laws and regulations; or (vii) any person, whose holding would cause or be likely to cause the ICAV to be required to register as an “investment company” under the Investment Company Act or to register any class of its securities under the United States Securities Act, 1933 or similar statute. The ICAV may also redeem any Shares held by any person who holds less than the Minimum Holding or does not, within seven days of a request by or on behalf of the ICAV, supply any information or declaration required under the terms hereof to be furnished. Any such redemption will be effected on a Business Day determined by the Directors and notified in advance to Shareholders at the Net Asset Value per Share calculated as of the Valuation Point with respect to the relevant Business Day on which the Shares are to be redeemed. The ICAV may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of this Prospectus entitled “Taxation” and in particular the section therein headed “Irish Taxation” which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will 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 an event giving rise to a charge to taxation. Additional circumstances in which Shares may be compulsorily redeemed may be set out in the Supplement.

### **Total Redemption**

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

- (a) on the giving by the ICAV of not less than four nor more than twelve weeks' notice expiring on a Dealing Day to Shareholders of that Fund or Class of its intention to redeem such Shares; or
- (b) if the holders of 75% in value of the Shares in issue in the relevant Fund or Class resolve at a meeting of Shareholders of that Fund Class duly convened and held that such Shares should be redeemed.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of Shares to cover the costs associated with the subsequent termination of the relevant Fund or the liquidation of the ICAV.

## **Suspension**

The Directors may declare a suspension of the redemption of the Shares in certain circumstances as described in the section headed “*Suspension of Valuation of Assets*”.

## **Conversion of Shares**

Subject to the Minimum Subscription and Minimum Holding requirements of a Fund or Class, Shareholders will be entitled to exchange Shares of one Class in a Fund for Shares in any other Class of the same Fund then in existence or agreed to be brought into existence as set out in the relevant Supplement. Shareholders will only be entitled to exchange Shares on a Dealing Day and subject to and in accordance with the procedures set out in the relevant Supplement.

## NET ASSET VALUE AND VALUATION OF ASSETS

### General

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

The assets and liabilities of each Fund shall be deemed to include the assets and liabilities of any wholly owned subsidiary or intermediate vehicle (including but not limited to companies, partnerships, trusts, special purpose vehicles) of the ICAV established or acquired for the benefit of the Fund (including where established or acquired on a layered basis) and all references to a Fund shall be deemed to include references to any such wholly owned investment vehicle or subsidiary or intermediate vehicle (including but not limited to companies, partnerships, trusts, special purpose vehicles), accordingly. Details of any wholly owned subsidiaries or intermediate vehicles shall be disclosed in the Funds' annual reports.

The Net Asset Value per Share shall be calculated on or as at the Valuation Day as at the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to 3 decimal places (or such other number of decimal places as the Directors may determine).

Ultimate responsibility for the valuation of assets of the ICAV rests with the Directors. The valuation function shall be carried out by the AIFM (provided that the valuation task is functionally independent from the portfolio management and that its remuneration policy and other measures ensure that conflicts of interest are mitigated and that undue influence upon the employees of the AIFM is prevented) or by an External Valuer appointed by the AIFM. An External Valuer must be independent from the ICAV, the AIFM and any other persons with close links to the ICAV or the AIFM. The liability of the AIFM to the ICAV shall not be affected by the fact that it has appointed an External Valuer and the AIFM shall ensure that the External Valuer shall be liable to the AIFM for any losses suffered by it as a result of the External Valuer's negligence or intentional failure to perform its tasks.

The valuation methodology used for particular assets in respect of one or more Funds may be set out in the relevant Supplement. In the event of a conflict between the disclosure in that regard in a Supplement and the disclosure set out below, the Supplement shall prevail with respect to the relevant Fund.

The value of the assets of a Fund shall be determined on or as at each Valuation Day as at the Valuation Point as follows:-

- (a) Securities which are quoted, listed or traded on a stock exchange or market save as hereinafter provided at (g), (h) and (i) will, unless otherwise set out in the relevant Fund Supplement, be valued at closing mid prices as at the Valuation Point or, if no closing price is available, at the last known market mid prices. Where a security is listed or dealt in on more than one stock exchange or market the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the AIFM determines provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on stock exchange or market, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount as at the Valuation Point provided that the Directors shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on stock exchange or market or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the AIFM or (ii) by an External Valuer. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by or on behalf of the AIFM whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by (i) the AIFM, or (ii) an External Valuer. Derivative contracts which are not traded on a regulated market including without limitation swap and option contracts may be valued either using the counterparty valuation or an alternative valuation calculated by the AIFM or by an External Valuer.
- (e) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price as at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken.
- (f) Notwithstanding paragraphs (a) and (b) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collection investment scheme or, if listed or traded on a stock exchange or market, in accordance with (b) above.
- (g) The AIFM may value any security using the amortised cost method.
- (h) The AIFM may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

- (i) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the AIFM shall determine to be appropriate.
- (j) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the AIFM with care and in good faith or by an External Valuer.
- (k) If the AIFM, in consultation with the Directors, deems it necessary a specific investment may be valued under an alternative method of valuation.

In the event that a particular Fund invests in a type of asset with a particular valuation methodology not covered by the above disclosure, the Directors may set out such methodology in the relevant Supplement.

There shall be deducted from the assets of the relevant Fund:

- (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the ICAV in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors or their delegates consider fair and reasonable as of the relevant Valuation Point;
- (ii) such sum in respect of tax (if any) on net capital gains realised on the investments of the relevant Fund as in the estimate of the Directors will become payable;
- (iii) the amount (if any) of any distribution declared but not distributed in respect thereof;
- (iv) the remuneration of the Administrator, the Depositary, the AIFM, the Investment Manager, and any other providers of services to the ICAV accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
- (v) the total amount (whether actual or estimated by the Directors or their delegates) of any other liabilities properly payable out of the assets of the relevant Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
- (vi) an amount as of the relevant Valuation Point representing the projected liability of the relevant Fund in respect of costs and expenses to be incurred by the relevant Fund in the event of a subsequent liquidation;
- (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
- (viii) any other liability which may properly be deducted.

## **Suspension of Valuation of Assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of the Fund and/or the issue and redemption of Shares in a Fund:

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

Any suspension of valuation shall be notified by or on behalf of the Directors to the Central Bank immediately and in any event within the working day on which such suspension takes place.

**Publication of Net Asset Value per Share**

Shareholders are advised that the Net Asset Value per Share, the Subscription Price per Share and the Redemption Price per Share as applicable will be available promptly on request from the Administrator during normal business hours.

## RISK FACTORS

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. In addition, different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a Fund or Class which are additional to those described in this section may be disclosed in the Supplement. Prospective investors should review this Prospectus and each Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain the loss of their investment. Past performance of the Investment Manager or a Fund should not be relied upon as an indicator of future performance. The securities and instruments in which Funds invest are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

### General

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

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

Investors, when completing an Application Form, will be required to certify in writing that they are Qualifying Investors and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose the entire sum invested. Prospective purchasers of the Shares should ensure that they understand the nature of such Shares and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, accounting, regulatory and financial evaluation of the merits and risks of investment in such Shares and that they consider the suitability of such Shares as an investment in the light of their own circumstances and financial condition. An investment in a Fund should not in itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. The Investment Manager makes discretionary investment decisions on behalf of each Fund. Investment decisions will be reflective of, inter alia, the judgment, experience, and expertise of personnel of the Investment Manager. Investment decisions may involve the use of statistical methods, trading models, and quantitative research tools depend upon the accurate forecasting of major price moves or trends and no assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

#### *Limitation on liability of Shareholders*

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



### *Lack of Operating History*

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

### *Substantial Charges*

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

### *Redemption Risk*

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

### *Dependence on Key Personnel*

The success of the Fund will be highly dependent on the financial and managerial expertise of the AIFM, the Investment Manager, any and their personnel. Although the AIFM and the Investment Manager, will devote a significant amount of their respective efforts to the relevant Fund, they actively manage investments for other clients and are not required to (and will not) devote all of their time to the Fund's affairs.

### *Management Risk*

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

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

### *Diverse Shareholders*

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

for another Shareholder, especially with respect to any Shareholder's individual tax situation. In selecting and structuring investments appropriate for a Fund, the Investment Manager is required to have regard to the investment objective of such Fund and not the individual objectives of the Shareholders.

### *Cyber Security Risk*

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

### **General Investment Risk**

#### *Concentration of Investments*

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

#### *Changes in Interest Rates*

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

### *Exchange Control and Repatriation Risk*

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

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

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of Shareholder protection or information to Shareholders as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-depositaries in such markets may be exposed to risk in circumstances in which the Depositary will have no liability.

### *Political and Economic Risk*

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

### *Brexit*

The ICAV faces potential risks associated with the result of the referendum on the United Kingdom's continued membership of the European Union, which took place on 23 June 2016 and which resulted in a vote for the United Kingdom to leave the European Union. The decision to leave could result in substantial volatility in foreign exchange markets which may have a material adverse effect on the ICAV. The vote for the United Kingdom to leave the European Union may set in train a sustained period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit. It may also destabilise some or all of the other 27 members of the European Union and/or the Eurozone which may also have a material adverse effect on the ICAV, its service providers and counterparties.

### *Liquidity Risk*

All or most of the securities or instruments invested in by a Fund may be un-listed and un-rated and consequently liquidity within the portfolio be very low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. A Fund may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### *Leverage Risk*

Changes in overall market leverage, deleveraging as a consequence of a decision by a counterparty to reduce the level of leverage available, or the liquidation by other market participants of the same or similar positions, may adversely affect a Fund's portfolio. Potential investors should be aware that under such circumstances, the Net Asset Value of a Fund may be adversely affected.

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

### *Credit Risk*

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

### *Counterparty Risk*

The Funds will be subject to the risk of the inability of their counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Funds may pass cash or other assets to their counterparties as margin or collateral. At any one time, the Funds may be exposed to the creditworthiness of their counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of a counterparty, the Funds might not be able to recover cash or assets of equivalent value in full. Such counterparty risk includes the risks relating to the insolvency, administration, liquidation or other formal protection from creditors of the Depositary.

### *Currency Risk*

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of a Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either

on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

#### *Investing in Fixed Income Securities*

Investment in fixed income securities, if any, is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

#### *Cross-Fund Liabilities*

The ICAV may comprise more than one Fund. Pursuant to the Act, any liability attributable to a Fund may only be discharged out of the assets of that Fund and the assets of other Funds of the ICAV may not be used to satisfy the liability. Notwithstanding the foregoing, there is no guarantee that recourse between Funds will be restricted in every case or that such liabilities will be identified or capable of being solely attributable to the Fund. There is no guarantee that a person will not take proceedings against the ICAV claiming entitlement to the assets of one or more Funds. There is no guarantee that segregation of Funds under Irish law will be recognised in other jurisdictions.

#### *Cross Class Liabilities*

Although the Instrument requires the establishment of separate Class accounts for each Class of Shares in a Fund and the attribution of assets and liabilities to the relevant Class account, if the liabilities of a Class exceed its assets, creditors of the ICAV may seek to have recourse to the assets attributable to the other Classes in a Fund. It is not possible to ensure the segregation of liabilities between Classes in a Fund.

#### *Underlying Funds Risk*

Where specified in the relevant Supplement, a Fund may have the ability to invest substantially all of its assets in one or more underlying investment funds. The risks associated with investing in such underlying investment funds will closely relate to the risks associated with the investments held by the underlying funds. The ability of such Fund to achieve its investment objective will depend upon the ability of the underlying funds to achieve their respective investment objectives. There can be no assurance that the investment objective of any underlying fund will be achieved. The Net Asset Value of a Fund will fluctuate in response to changes in the net asset values of the underlying fund(s) in which it invests. The extent to which the investment performance and risks associated with a Fund correlate to those of a particular underlying fund

will depend upon the extent to which a Fund's assets are allocated from time to time for investment in the underlying fund, which may vary.

#### *Valuation Risk*

The AIFM may consult the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds.

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

#### *Performance Fee Risk*

Where specified in the Supplement for the relevant Fund, a Fund may pay a Performance Fee to the Investment Manager. Performance Fees payable may be based on net realised and net unrealised gains and losses and income and as a result, Performance Fees may be allocated on unrealised gains and income which may subsequently never be realised.

#### *Lower-rated securities*

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

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

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

#### *Taxation Risk*

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

residence or nationality of the Shareholder and such laws and practices may change from time to time.

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the ICAV or any Fund's ability to achieve its investment objective, (ii) the value of the ICAV or any Fund's investments or (iii) the ability to pay returns to Shareholder or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and, and, as applicable, in any Supplement, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely.

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

Shareholders and prospective investors' should consult their tax advisers with respect to their particular tax situations and the tax consequences of an investment in a particular fund. Additionally, attention is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section headed "Taxation".

#### *Foreign Account Tax Compliance Act*

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

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

Prospective investors and Shareholders should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the ICAV.

#### *Common Reporting Standard*

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Ireland has legislated to implement the CRS. As a result the ICAV will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the ICAV.

#### *Custody Risks*

Some of the Funds may invest in markets where custodial and/or settlement systems are not fully developed. The assets 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 risks that a Fund trading in more developed markets would not ordinarily be subject to.

Some of the Funds may invest in assets which are not required by the AIFM Legislation to be maintained in safe-keeping by the Depositary or an agent of the Depositary but which may be held in the name of the Fund. Such assets may not be as well protected as they would be had they been held in safe-keeping by the Depositary or one of its agents.

#### *Operation of Cash Accounts*

Subscription monies delivered by an investor to the Fund prior to the relevant Dealing Day or prior to the end of the Initial Offer Period are required to be wired to the account details in the Application Form. Subscriptions will not be processed and Shares will not issue until all anti-money laundering documentation has been received. Subscription monies received prior to the Dealing Day will not be subject to the Investor Money Regulations 2015 or any equivalent client asset protection regime and shall not form part of the assets of the relevant Fund until transferred to the Fund’s account. This is on the basis that the relevant bank account is the Depositary’s “nostro” or general cash account and is not a collection account within the meaning of the Investor Money Regulations 2015, i.e. it is not designated as a subscription/redemption account and is not an account which is opened to hold monies for the benefit of an investor in the Fund. Accordingly, investors should note that prior to transfer to the Fund account investors may be exposed to the creditworthiness of the relevant credit institution where subscription monies are held and the ICAV shall have no fiduciary duties to the investor in respect of such monies.



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

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

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes, as described above, will result in a delay in the settlement of dividend payments (if any). In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the ICAV or the Administrator, as applicable, is satisfied that its anti-money-laundering and client identification purposes have been fully complied with, following which such dividend will be paid. In the event of the insolvency of the Fund before such monies are transferred to the Shareholder there is no guarantee that the Fund will have sufficient funds to pay its unsecured creditors in full. Investors who are due dividend proceeds which are held in the Fund's account will rank equally with other unsecured creditors of the Fund and will be entitled to pro-rata share of any monies made available to all unsecured creditors by the insolvency practitioner.

**Details of specific risks attaching to a Fund or Class which are additional to those described in this section will be disclosed in the Supplement for the relevant Fund.**

## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the ICAV or its current or future Funds or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of the ICAV or its current or future Funds if one or more were to be considered an IREF. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.***

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

Dividends, interest and capital gains (if any) which the ICAV 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 repayment.

### Irish Taxation

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

### Definitions

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

#### **“Exempt Irish Investor”**

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

- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“**PRSA**”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

**“Intermediary”** means a person who:-

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

**“IREF”**

means an Irish non-UCITS regulated fund or, where that non-UCITS regulated fund is an umbrella fund, a sub-fund of the regulated fund—

(a) in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from certain Irish real estate type assets (“IREF assets”), or

(b) where paragraph (a) above does not apply, it would be reasonable to consider that the main purpose, or one of the main purposes, of the fund or the sub-fund, as the case may be, was to acquire IREF assets or to carry on activities involving IREF assets, the profits or gains of which, apart from the specific exemption set out in the legislation dealing with regulated funds, would be chargeable to income tax, corporation tax or capital gains tax, including, but without limitation to the generality of the preceding words, activities which would be regarded as (i) dealing in or developing land, or (ii) a property rental business;

and where this applies to a sub-fund of an umbrella fund, for the purposes of the calculation, assessment and collection of any tax due, each sub-fund of such umbrella scheme shall be treated as a separate legal person;

**“Ireland”** means the Republic of Ireland

## **“Irish Resident”**

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

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

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

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

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

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

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

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

### **“Ordinarily Resident in Ireland”**

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2017 to 31 December 2017 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2020 to 31 December 2020.

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

**“Recognised Clearing System”** means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

**“Relevant Asset”** means;

- Irish land (which for the avoidance of doubt includes houses and buildings) ;
- Irish minerals or any rights, interests or other assets in relation to mining or minerals or the searching for minerals; or
- Exploration or exploitation rights in an area designated by order under section 2 of the Continental Shelf Act, 1968.

**“Relevant Declaration”** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

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

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

### **The ICAV**

The ICAV will be regarded as resident in Ireland for tax purposes provided that the ICAV is incorporated in Ireland and is not, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a country other than Ireland. 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 (1) of the Taxes Act. Under current Irish law and practice, the ICAV is not chargeable to Irish tax on its income and gains.

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

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

If the ICAV becomes liable to account for tax if a chargeable event occurs, the ICAV shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

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

## **Shareholders Tax**

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

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

Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

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

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

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the ICAV satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

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

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

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

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

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place and where it has not elected to be taxed at the 41% rate) will be required to be deducted by the ICAV from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is

Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place and where it has not elected to be taxed at the 41% rate) will have to be deducted by the ICAV on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Shareholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the ICAV at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Shares since purchase or since the previous exit tax applied, whichever is later.

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

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

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



## *Other*

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

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

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

## *Personal Portfolio Investment Undertaking*

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

## *Equivalent Measures*

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

## **Stamp Duty**

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

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

## **Reporting**

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

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system.

## **Capital Acquisitions Tax**

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

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

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and

- ii) that person is either resident or ordinarily resident in Ireland on that date.

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

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

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which will be updated on an ad-hoc basis) were first issued by the Irish Revenue Commissioners on 1 October 2014 with the most recent version being issued in May 2016.

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

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

## **Common Reporting Standards**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (the “**Standard**”) which therein contains the Common Reporting Standard (“**CRS**”). The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial

Account Information and the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) provides the international framework for the implementation of the CRS by participating jurisdictions. In this regard, the CRS was implemented into Irish law by the inclusion of relevant provisions in Finance Act 2014 and 2015 and the issuance of Regulation S.I. No. 583 of 2015.

The main objective of the CRS is to provide for the annual automatic exchange of certain financial account information between the relevant tax authorities of participating jurisdictions.

The CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between both reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS has a significantly wider ambit due to the multiple jurisdictions participating in the regime.

Broadly speaking, the CRS will require Irish Financial Institutions to identify Account Holders resident in other participating jurisdictions and to report specific information in relation to these Account Holders to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the ICAV will be considered an Irish Financial Institution for the purposes of the CRS.

For further information on the CRS requirements of the ICAV, please refer to the "Customer Information Notice" set out below.

#### *Customer Information Notice*

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

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

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

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

- The name, address, jurisdiction of residence, tax identification number and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence

procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person.

- The account number (or functional equivalent in the absence of an account number).
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the date of closure of the account.
- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.
- The currency in which each amount is denominated.

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

In addition to the above, the Irish Revenue Commissioners and Irish Data Protection Commissioner have confirmed that Irish Financial Institutions (such as the ICAV) may adopt the “wider approach” for CRS. This allows the ICAV to collect data relating to the country of residence and the tax identification number from all non-Irish resident Shareholders. The ICAV can send this data to the Irish Revenue Commissioners who will determine whether the country of origin is a participating jurisdiction for CRS purposes and, if so, exchange data with them. The Irish Revenue Commissioners will delete any data for non-participating jurisdictions.

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

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

All capitalised terms above, unless otherwise defined in this paragraph, shall have the same meaning as they have in the Standard and EU Council Directive 2014/107/EU (as applicable).

***The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in a Fund. Prospective investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in a Fund.***

## GENERAL INFORMATION

### Incorporation and Share Capital

- (a) The ICAV was registered in Ireland on May 19, 2017 as an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank with registration number C168824, pursuant to Part 2 of the Act.
- (b) The Instrument provides that the ICAV's sole object is the collective investment of its funds in property with the aim of giving Shareholders the benefit of the results of the management of its investments.
- (c) The registered office of the ICAV is as stated in the Directory at the front of this Prospectus.
- (d) The share capital of the ICAV shall be divided into share capital of 500,000,000,000 (five hundred billion) ordinary participating Shares of no nominal value ("Shares") and 300,000 (three hundred thousand) ordinary management shares of no nominal value ("Management Shares") provided that the share capital of the ICAV shall at any time be equal to the value for the time being of the issued share capital of the ICAV. Shares shall have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the ICAV. Management Shares shall be issued and redeemed at 1 Euro each. The Directors have the power to issue, grant Shares and Management Shares and issue Debentures on such terms and conditions as they see fit but subject to and in accordance with the Instrument, this Prospectus, the requirements of the Central Bank and the Act.
- (e) No share capital of the ICAV has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.
- (f) As at the date of this Prospectus, no Fund has commenced operations and no accounts therefore have been made up and no dividends have been declared.

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

The Instrument enables the capital of the ICAV to be divided into different Classes of Shares with any preferential, deferred or special rights or privileges attached thereto.

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the ICAV is being wound up, be varied or abrogated with the sanction of an Ordinary Resolution passed at a general meeting of the Shareholders of that Class or Fund. The Directors may treat all or some Classes of Shares or Funds as forming one Class of the ICAV and organise a meeting accordingly if they consider that such Classes or Funds would be affected in the same way by the proposals under consideration.
- (b) A resolution in writing signed by all the Members of the ICAV, or all of the Shareholders of a Fund or Class for the time being entitled to attend and vote on such resolution at a general meeting (or being bodies corporate by their duly appointed representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV, Fund or Class duly

convened and held and may consist of several instruments in like form each executed by or on behalf of one or more Members, and if described as a Special Resolution, shall be deemed to be a Special Resolution.

- (c) The rights attaching to the Shares shall not, unless otherwise expressly provided by the terms of issue of the Shares, be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue or by the liquidation of the ICAV or any Fund and distributions of its assets to Shareholders in accordance with their rights.
- (d) There are no rights of pre-emption upon the issue of Shares or Management Shares in the ICAV.
- (e) The Instrument enables the ICAV to create side pockets in any of its Funds if the investments of a Fund become illiquid or otherwise difficult to value or realise or were illiquid or otherwise difficult to value or realise at the date they were acquired.

## Voting Rights

The following rules relating to voting rights apply:

- (a) Classes of Shares may be issued with voting rights ("**Voting Shares**") or restrictions on voting rights, including no voting rights ("**Non-Voting Shares**").
- (b) In accordance with the requirements of the Central Bank, Shareholders who hold Non-Voting Shares should be able to request the re-designation of their Non-Voting Shares to Voting Shares, which Shares will in all other respects rank pari passu, without being subject to a fee.
- (c) Management Shares carry voting rights. Every holder of Management Shares shall be entitled to one vote in respect of all Management Shares held by him, whether a resolution put to the vote of a meeting of Members is to be decided by a show of hands or by poll.
- (d) A meeting of Members duly convened and held shall, subject to any rights or restrictions attached to any Shares or Management Shares held by them, including as to voting rights attaching thereto, be competent by Special Resolution to sanction any amendment to the provisions of the Instrument.
- (e) Fractions of Shares or Management Shares do not carry voting rights.
- (f) On a poll votes may be given either personally or by proxy.
- (g) The voting provisions and any additional provisions in the Instrument with respect to meetings shall apply mutatis mutandis to separate meetings of the Fund or Class of Shareholders at which a resolution varying the rights of Shareholders in such Fund or Class is tabled save provisions regarding a quorum which are detailed below under "**Meetings**".
- (h) To be passed, Ordinary Resolutions of the ICAV or of a Fund or of a particular Class will require a simple majority of the votes cast by the Members of the ICAV or Shareholders of the Fund or Class as the case may be voting in person or by proxy at the meeting at which the resolution is proposed. Special Resolutions will require a majority of not less than 75% of the Members present in person or

by proxy and voting in general meeting in order to pass a Special Resolution including a resolution to amend the Instrument.

- (i) The voting rights, quorum provisions and proceeding at general meetings are set out above and below and in the Instrument. In summary, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by at least two Members present in person or by proxy or any Member or Members present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the ICAV shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **Meetings**

- (a) The Directors may convene extraordinary general meetings of the ICAV at any time. The Directors shall convene the ICAV's first general meeting within 18 months after the date of the ICAV's registration order made by the Central Bank comes into operation. The ICAV will not be required to hold any other meeting as its annual general meeting in the year of its registration or in the following year. Not more than fifteen months may elapse between the date of one general meeting and the next.
- (b) The Directors, in accordance with the provisions of the Instrument, may elect to dispense with the holding of an annual general meeting by giving 60 days' written notice to the Members. The Directors intend to avail of this discretion.
- (c) One or more Members of the ICAV, holding or together holding, at any time not less than 50% of the voting rights of the ICAV may convene an extraordinary general meeting of the ICAV.
- (d) The Directors of the ICAV shall, at the request of one or more Members, holding or together holding, at the date of the making of the request, not less than 10% of the voting rights of the ICAV, proceed to convene an extraordinary general meeting of the ICAV. If the Directors do not within 21 days after the deposit of the request, convene a meeting to be held within 2 months of that date, those making the request, or any of them representing more than 50% of the total voting rights of all of them, may themselves convene a meeting, provided such meeting is not held more than 3 months after the date the request was first made.
- (e) Not less than fourteen Clear Days' notice of every annual general and extraordinary meeting (called for the purpose of passing a Special Resolution or otherwise) must be given to Members.
- (f) For any general meeting of the ICAV, the quorum shall be two Members present either in person or by proxy. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Members, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum



is not present within half an hour from the time appointed for the meeting, the Member present shall be a quorum. All general meetings will be held in Ireland.

- (g) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of the Fund or Class and, subject to the Act, have effect with respect to separate meetings of the Fund or Class at which a resolution varying the rights of Members in such Fund or Class is tabled.

### **Auditor, Reports and Accounts**

Deloitte are the auditors of the ICAV. The Auditor will audit and report on the financial statements of the ICAV. The Auditor will conduct each audit in accordance with International Standards on Auditing (UK and Ireland). The Auditor's engagement letter does not provide for any third party rights for Shareholders.

The ICAV will prepare an annual report and audited accounts for each Fund as of December 31 in each year. The first annual audited accounts will be prepared for the period ended December 31, 2017 and shall be filed with the Central Bank, and made available to Shareholders, within 6 months. The latest available annual report and audited accounts will be offered to subscribers with the Application Form and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

### **Communications and Notices to Shareholders**

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

<b>MEANS OF DISPATCH</b>	<b>DEEMED RECEIVED</b>
Delivery by Hand	The day of delivery or next following working day if delivered outside usual business hours.
Post	48 hours after posting.
Fax	The day on which a positive transmission receipt is received.
Electronically	The day on which the electronic transmission has been sent to the electronic information system designated by a Member.
Via Exchange	The day on which the announcement or publication is released by the exchange.
Publication of Notice or Advertisement of Notice	The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

### **Transfer of Shares**

- (a) No transfer of Management Shares may be effected without the prior written consent of the ICAV. Transfers of Shares and Management Shares may be effected in writing in any usual or common form accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer, signed by or on behalf of the transferor and every

transfer shall state the full name and address of the transferor and transferee. Any transferee shall be required to complete the Application Form for the relevant Fund.

(b) The Directors may decline to register any transfer of Shares if:

- in consequence of such transfer, the transferor or transferee would hold a number of Shares less than the Minimum Holding;
- all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- the instrument of transfer is not deposited at the registered office of the ICAV or such other place as the Directors may reasonably require, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the ICAV including as to requirements to prevent money laundering;
- they are aware or reasonably believe the transfer might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole;
- the registration of such transfer would: (i) result in a contravention of any provision of law (including any law that is for the time being in force in a country or territory other than Ireland); or (ii) result in a contravention of any provision of the Instrument; or (iii) would produce a result inconsistent with any provision of this Prospectus or any Supplement;
- in consequence of such transfer, Shares would be held by a person who is, or who has acquired such Shares on behalf of, or for the benefit of, a US Person in contravention of applicable laws and regulations or the ICAV would be required to register as an “investment company” under the Investment Company Act or to register any class of its securities under the United States Securities Act, 1933 or similar statute;
- would cause the Shares to become subject to registration under the United States Securities Act of 1933, as amended, or the Fund to become subject to registration under the Investment Company Act, or to become subject to the requirement to register or become regulated with or by a regulator other than the Central Bank; or
- such transfer would result in persons that are Benefit Plan Investors holding 25% or more of the value of any class of Shares in the Fund immediately after such transfer (such percentage determined in accordance with Section 3(42) of ERISA).

The ICAV reserves the right to request such information as is necessary to verify the identity and source of funds of a transferee of Shares and Management Shares. In the event of delay or failure by the transferee to produce any information required for verification purposes, the ICAV may refuse to register the transfer. The ICAV is not liable to the transferor or the transferee for any loss suffered by them as a result of the non-registration of the transfer.

## Directors

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

- (a) The ICAV shall have at least two Directors.
- (b) A Director need not be a Member.
- (c) The Instrument contains no provision requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the ICAV or any company in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the ICAV for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this Prospectus and will be reimbursed all reasonable and properly vouched travel, hotel and other incidental expenses incurred in connection with the business of the ICAV or the discharge of their duties and may be entitled to special remuneration if called upon to perform any special or extra services to or at the request of the ICAV.
- (f) 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 on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the ICAV as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the ICAV in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that (a) he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm or (b) is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him (within the meaning of the Act) shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) A Director may not vote in respect of any resolution or contract or arrangement or any proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in Shares or debentures or other securities of or otherwise in or through the ICAV and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other

company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares or debentures or other securities of or by the ICAV in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by the Director at the request of or for the benefit of the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the ICAV for which the Director has assumed responsibility in whole or in part under a guarantee, or indemnity or by the giving of security or in respect of the purchase of directors' and officers' liability insurance.

- (i) The office of a Director shall be vacated in any of the following events namely:
  - (i) if he resigns his office by notice in writing signed by him and left at the registered office of the ICAV;
  - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if he becomes of unsound mind;
  - (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (vii) if he is removed from office by Ordinary Resolution of the ICAV; or
  - (viii) if he ceases to be approved to act as a director by the Central Bank.
- (j) The ICAV may by Ordinary Resolution remove a Director before the end of that Director's period of office despite anything in the Instrument or in any contract between the ICAV and the Director, in accordance with the provisions of the Act.

#### **Directors' Interests**

- (a) The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the ICAV, the Funds and the Shares are set out below:
  - (i) Mr. Figna is a director and owner of the Investment Manager, but otherwise does not have any interests in the ICAV or in companies associated with the management, administration, promotion and marketing of the ICAV, the Funds and the Shares.

- (ii) No shareholding qualification for Directors is required under Irish law. The Directors or companies or other bodies corporate of which they are officers or employees may, however, subscribe for Shares in the ICAV. Their applications will rank pari passu with all other applications for the same Class.
- (b) At the date of this Prospectus, neither the Directors or their connected persons have any beneficial interest in the share capital of the ICAV or any options in respect of such capital.

### **Periodic Disclosure to Shareholders**

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

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

The AIFM will ensure that the ICAV disclose to Shareholders on a regular basis:

- (a) any changes to the maximum level of leverage which the AIFM may employ on behalf of the relevant Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and
- (b) the total amount of leverage employed by the relevant Fund.

Such disclosure will generally be made to Shareholders at the same time as the publication of the relevant Fund's annual report. On occasion, the AIFM may be requested to disclose information of a particular form or in a particular format to one or more Shareholders as a result of their legal, regulatory, or structural requirements. In such instances the AIFM will make all reasonable efforts to ensure the same level of information is available to all Shareholders.

### **The Application Form**

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

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

## **Termination of a Fund**

The Directors may also, at their sole and absolute discretion, on the giving to Shareholders of not less than four weeks notice to Shareholders (or such other period as the Directors may determine and set out in the relevant Supplement), permanently terminate the investment activities of any Fund and compulsorily redeem all Shares in the Fund not previously redeemed at the nearest practical Redemption Day if at any time after its Initial Offer Period (or after such other period following the establishment of the Fund as disclosed in the relevant Supplement), the Net Asset Value of the Fund falls below €5 million (or such other figure as may be determined by the Directors and disclosed in the relevant Supplement).

## **Winding Up of the ICAV**

- a) The ICAV may be wound up if:
  - (i) the Depositary desires to retire or the ICAV desires to remove the Depositary from office and no replacement Depositary, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the applicable Depositary Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution;
  - (ii) the AIFM desires to retire or the ICAV desires to remove the AIFM from office and no replacement AIFM, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the applicable AIFM Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution;
  - (iii) at any time after the fourth anniversary of the date the ICAV's registration, the Net Asset Value of the ICAV falls below a figure of €5 million, and the Members resolve to wind up the ICAV by Ordinary Resolution;
  - (iv) the Members resolve by Ordinary Resolution that the ICAV cannot by reason of its liabilities continue its business and that it be wound up; and
  - (v) the Members resolve by Special Resolution to wind up the ICAV.
- (b) In the event of a winding up, the liquidator shall apply the assets of the ICAV in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall in relation to the assets available for distribution among Members make such transfers thereof to and from the Funds and/or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Members of different Funds and/or Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Members shall be applied in the following priority:
  - (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant

Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;

- (ii) secondly, in the payment to the holders of Management Shares of sums up to the consideration paid out of the assets of the ICAV not comprised within a Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to a Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of the relevant Funds or attributable to each Class immediately prior to any distribution to Members and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (e) The liquidator may, with the authority of an Ordinary Resolution of the ICAV, divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV) in specie the whole or any part of the assets of the ICAV and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the ICAV may be closed and the ICAV dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the ICAV to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the ICAV shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the ICAV.
- (f) Notwithstanding any other provision contained in the Instrument of the ICAV, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Members to wind up the ICAV, the Corporate Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the ICAV at which there shall be presented a proposal to appoint a liquidator to wind up the ICAV and if so appointed, the liquidator shall distribute the assets of the ICAV in accordance with the Instrument.

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

The AIFM maintains additional own funds to cover potential professional liability risks arising from professional negligence.

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

Pursuant to the Instrument, each of the Directors, the Corporate Secretary or the Auditor and such person's

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

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

The general rule under Irish law is that, where there is a wrongdoing alleged to have been committed against a corporate entity, the proper plaintiff in an action in respect of that alleged wrongdoing is the corporate entity itself. Accordingly, Shareholders would have no direct right against the relevant service provider for breach of the agreement governing its appointment. However as the ICAV is a newly incorporated entity under newly enacted legislation there is certainty that this general rule of law will be applied to the ICAV.

## **General**

As at the date of this Prospectus:

- (a) No share or loan capital of the ICAV is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.
- (b) No person has any preferential right to subscribe for any authorised but unissued capital of the ICAV.
- (c) The ICAV does not have, nor has it had since incorporation, any employees.
- (d) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Instrument, the general law of Ireland and the Act.
- (e) The ICAV is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the ICAV.



## Material Contracts

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

- (a) **AIFM Agreement** – the AIFM Agreement was entered into between the ICAV and the AIFM dated August 4, 2017 as may be amended and/or supplemented from time to time under which the latter was appointed as AIFM to provide management services to the ICAV. Pursuant to the AIFM Agreement, the AIFM (and each of its directors, officers, employees, delegates, sub-contractors, servants or agents) shall not be under any liability to the ICAV or any investor in the ICAV on account of anything done or suffered by the AIFM (or any of its directors, officers, employees, delegates, sub-contractors, servants or agents) in accordance with or in pursuance of rendering the services under the AIFM Agreement otherwise than due to the wilful default, fraud, bad faith or negligence in the performance by the AIFM (or any of its directors, officers, employees, delegates, sub-contractors, servants or agents) of the obligations or functions of the AIFM under the AIFM Agreement, provided however, the AIFM (and each of its directors, officers, employees, delegates, sub-contractors, servants or agents) shall not be liable for exemplary, special, indirect or consequential damages of any nature. The ICAV has agreed to hold harmless and indemnify the AIFM (and each of its directors, officers, employees, delegates, sub-contractors, servants or agents) out of the assets of the relevant Fund against all actions, proceedings, claims, costs, demands, losses and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the AIFM (and each of its directors, officers, employees, delegates, sub-contractors, servants or agents) by reason of its performance of its duties under the terms of the AIFM Agreement (otherwise than due to wilful default, fraud, bad faith or negligence in the performance by the AIFM or its directors, officers or employees of its duties, obligations or functions under the AIFM Agreement) and in particular (without limitation) this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of any such loss suffered or incurred by the ICAV or any investor in the ICAV or any loss, delay, misdelivery or error in transmission of any communication or as a result of acting in good faith upon any forged document or signature or where the AIFM is required to indemnify or reimburse a third party service provider appointed by the AIFM for or on behalf of the ICAV in the course of the AIFM carrying out its duties under the AIFM Agreement. The AIFM Agreement may be terminated by either party upon 90 days written notice to the other party at any time and forthwith upon written notice in certain circumstances such as material unremedied breach upon notice or the insolvency of either party.
- (b) **Investment Management Agreement** – the Investment Management Agreement was entered into between the AIFM, the ICAV and the Investment Manager on August 4, 2017. Pursuant to the Investment Management Agreement, the AIFM has appointed the Investment Manager as investment manager of the ICAV's assets and non-exclusive distributor of the ICAV's Shares and to provide certain related services to the ICAV. The Investment Management Agreement may be terminated by any party on 90 days written notice to the others at any time after the third anniversary insolvency of the date of the Investment Management Agreement of forthwith by notice in writing in certain circumstances such as the unremedied breach of the Agreement by one party after notice. The Investment Management Agreement provides that the Investment Manager gives no warranty as to the performance or profitability of any Fund and that the Investment Manager shall not be liable for any error of judgement or any loss suffered by the ICAV in the absence of negligence, fraud or wilful default on the part of the Investment Manager. The Agreement provides that the ICAV shall out of the assets of the relevant Fund fully and effectively indemnify the Investment Manager and its

directors, agents, delegates and employees against all costs, charges, liabilities and expenses whatsoever incurred by them pursuant to or in connection with the Investment Management Agreement other than due to their respective negligence, fraud or wilful default.

- (c) **Administration Agreement** - The Administration Agreement was entered into between the ICAV, the AIFM and the Administrator on August 4, 2017 and may amended and/or supplemented from time to time and governs the appointment of the Administrator to provide administrative, registrar and transfer agency services to the ICAV. The Administration Agreement provides that the Administrator shall be liable to the ICAV for all actions, proceedings and claims and all costs, demands, liabilities and expenses suffered or incurred by the ICAV and Shareholders arising from the Administrator's or its delegates', servants' or agents' material breach of contract, negligence, bad faith, fraud, willful misconduct or recklessness. The Administrator shall not be liable for any consequential or indirect or special damages or losses (including loss of profits) arising out of, or in connection with, the performance or non-performance by the Administrator of its duties and obligations under the Administration Agreement. The ICAV has agreed to hold harmless and indemnify the Administrator out of the assets of the relevant Fund, against all claims, costs, demands and expenses (including legal expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its directors, officers, employees, delegates, servants or agents in the performance of their obligations and duties under the Administration Agreement and from all taxes on profits or gains of the ICAV or the relevant Fund which may be assessed upon, or become payable by, the Administrator provided that such indemnity shall only be given in the absence of the Administrator's or its directors', officers', employees', delegates', servants' or agents' material breach of contract, negligence, bad faith, fraud, wilful misconduct or recklessness. The Administration Agreement may be terminated by the ICAV upon 60 days prior written notice and by the Administrator upon 6 months prior notice. The Administration Agreement may be terminated immediately by any of the parties at any time in certain circumstances such as material unremedied breach upon notice or the insolvency of any party.
- (d) **Depository Agreement** – The Depository Agreement was entered into between the ICAV, the AIFM and the Depository on August 4, 2017 and may amended and/or supplemented from time to time, and governs the appointment of the Depository as depository of the ICAV. The Depository Agreement provides that the Depository shall be liable to the ICAV or to the Shareholders for the loss of a custody asset by the Depository or any sub-custodian and to the ICAV, the AIFM and the Shareholders for all other losses suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the Depository Agreement and the AIFM Legislation. In the case of a loss of a custody asset, the Depository shall return to the ICAV custody assets of identical type or the corresponding amount without undue delay. The Depository shall not be liable for any loss of a custody asset if it can prove that the loss has arisen as a result of an external event beyond its or its sub-custodian's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the AIFM Legislation. The Depository may discharge itself of liability if it can prove that: (a) all requirements for the delegation of its custody tasks set out in the Depository Agreement are met; (b) a written contract between the Depository and the third-party expressly transfers the liability of the Depository to that third-party and makes it possible for the ICAV to make a claim against the third-party in respect of the loss of custody asset or for the Depository to make such a claim on their behalf; and (c) a written contract between the Depository and the ICAV, expressly allows a discharge of the Depository's liability and establishes the objective reason to contract such a discharge. The liability of the Depository shall not be affected by any delegation of its functions pursuant to the Depository

Agreement. The ICAV has agreed to indemnify and hold harmless the Depositary, its officers, directors and employees out of the assets of the relevant Fund against all costs, liabilities and expenses resulting from the Depositary and/or such other persons acting in accordance with proper instructions received pursuant to the Depositary Agreement other than in respect of costs, liabilities and expenses arising from their breach of the Depositary's standard of liability under the Depositary Agreement and in other circumstances set out in the Depositary Agreement. The Depositary Agreement may be terminated by any of the parties upon 3 months written notice to the other parties at any time, and forthwith upon written notice in certain circumstances such as material unremedied breach upon notice or the insolvency of any party. The ICAV and/or the AIFM may not terminate the appointment of the Depositary and the Depositary may not retire or resign from such appointment unless and until a successor Depositary shall have been appointed in accordance with the Instrument, the AIFM Legislation and the Central Bank's requirements and its appointment is approved by the Central Bank or until the revocation of the authorisation of the ICAV by the Central Bank.

### **Documents Available for Inspection**

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

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

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

**If you are in any doubt about the contents of this Supplement, the risks involved in investing in the Fund or the suitability for you of investment in the Fund, you should consult your solicitor, accountant, tax adviser or financial adviser.**

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

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## **TENAX EUROPEAN CREDIT FUND**

This Supplement contains specific information in relation to Tenax European Credit Fund (the “**Fund**”), a sub-fund of Tenax QIAIF ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with variable capital and segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C168824, pursuant to Part 2 of the Act. The Fund is a closed-ended sub-fund.

### **SUPPLEMENT to the Prospectus dated August 4, 2017 of TENAX QIAIF ICAV**

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This Supplement is dated 21 August, 2020

## IMPORTANT INFORMATION

Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV's prospectus dated August 4, 2017 (the "Prospectus"). **This Supplement forms part of and should be read together with and in the context of the Prospectus.** The Prospectus is available from the ICAV at its registered office. At the date of this document the ICAV has established one other Fund, Tenax PMI, information on which is available from the ICAV upon request. The ICAV may establish additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

The ICAV intends to avail of one or more of the exemptions contained in Article 4 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") from the requirement to publish a prospectus in accordance with the Prospectus Regulation. The Prospectus and this Supplement accordingly do not constitute a prospectus published in accordance with the Prospectus Regulation.

The Fund maintains a single pool of assets subject to any allocations made to a Class of Shares in accordance with the requirements of the Central Bank.

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

### Notice to Residents of Italy

The Fund can be marketed in Italy exclusively to Italian Qualifying Investors (i) falling into the category of professional clients, within the meaning of Annex II of MiFID, or (ii) investing at least €500,000.

While the Fund is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objective, the investment policy or the degree of leverage which may be employed by the Fund nor has the Central Bank reviewed this Supplement. Authorisation of the Fund is not an endorsement or guarantee of the Fund by the Central Bank nor is the Central Bank responsible for the contents of this Supplement or the Prospectus. The Central Bank shall not be liable by virtue of its authorisation of the Fund or by reason of its exercise of the functions conferred on it by legislation in relation to the Fund for any default of the Fund. Authorisation does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties and service providers to the Fund.

The Directors may decline any transfer or sale that would cause the Fund's Shares to become subject to the requirement to register or become regulated with or by a regulator other than the Central Bank or that might alter the tax treatment of the Fund for other Shareholders.

Investors should read and consider the section entitled "Risk Factors" below and in the Prospectus before investing in the Fund.

## **Responsibility for this Supplement**

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV in respect of the Fund. Pursuant to the Act any liability incurred on behalf of or attributable to any one sub-fund of the ICAV, including the Fund may only be discharged solely out of the assets of that sub-fund and the assets of other sub-funds of the ICAV may not be used to satisfy the liability.

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## DEFINITIONS

<b>Accounting Date</b>	means 31 December in each year commencing 2019.
<b>Accounting Period</b>	means a period ending on the Accounting Date and commencing, in the case of the first such period, on the date of the Fund's approval and, in subsequent such periods, on the day following expiry of the last Accounting Period. The first Accounting Period for the Fund shall end on 31 December 2019.
<b>Advisory Board</b>	means as defined under the heading "Management and Administration" in this Supplement.
<b>affiliate</b>	means, in relation to a person, any company or other entity which directly or indirectly controls, is controlled by or is under joint control with that person. For this purpose, a person is deemed to control a company or entity if it (a) owns, directly or indirectly, at least 50% of the voting rights of the other company, or (b) in the absence of such ownership interest, substantially has the power to direct or cause the direction of the management and set the policies of such company or entity. In the case of the Investment Manager, the term "affiliate" shall be deemed to include any shareholder of the Investment Manager.
<b>Business Day</b>	means any day on which banks are normally open for business in Dublin, Ireland.
<b>Carried Interest</b>	means as defined under the heading "Carried Interest" in this Supplement. The term "Performance Fee" as used in the Prospectus shall be interpreted as including "Carried Interest" as used in this Supplement.
<b>Class A Shares</b>	means Class A Distributing Shares and Class A Accumulating Shares.
<b>Final Closing Date</b>	means the earlier of (i) the date on which the Fund has received Capital Commitments having a value of one hundred and fifty million Euro (€150,000,000) and (ii) the date falling 12 months following the First Closing Date or such later date, not exceeding 18 months from the First Closing Date, as the Directors may determine in their discretion.
<b>First Closing Date</b>	means the date as of which Shares in the Fund are first issued being where there are irrevocable Capital Commitments having a value of at least sixty million Euro (€60,000,000).



<b>Initial Offer Period</b>	means the period from 9.00 a.m. (Irish time) on 2 August, 2019 to 2.00 p.m. (Irish time) on the date falling 6 months following the First Closing Date (which period may be shortened at the discretion of the Directors upon recommendation from the AIFM).
<b>Initial Offer Price</b>	means €1,000 per Share.
<b>Investment Committee</b>	means as defined under the heading “Management and Administration” in this Supplement.
<b>Investors’ Ordinary Consent</b>	the written consent (which may consist of one or more documents each signed by one or more of the investors) of investors in the Fund (save for the Investment Manager in its capacity as an investor, its affiliates, the Key Executives, the members and employees of the Investment Manager and the Directors) who hold Capital Commitments which in aggregate equal or exceed 50% of total Capital Commitments provided that if, and for so long as, any Investor holds more than 50% of the total voting interests in the Fund, at least two investors must vote in order for an Investors’ Ordinary Consent to be valid.
<b>Investors’ Special Consent</b>	the written consent (which may consist of one or more documents each signed by one or more of the investors) of investors in the Fund (save for the Investment Manager in its capacity as an investor, its affiliates, the Key Executives, the members and employees of the Investment Manager and the Directors) who hold Capital Commitments which in aggregate equal or exceed 75% of total Capital Commitments provided that if, and for so long as, any Investor holds more than 50% of the total voting interests in the Fund, at least two investors must vote in order for an Investors’ Special Consent to be valid.
<b>Key Executives</b>	Rolf Brien and Andreas Tretzmüller.
<b>Minimum Viable Amount</b>	means an amount equal to €60,000,000 (or such other amount determined by the Directors and notified to the Shareholders).
<b>Net Asset Value</b>	means the Net Asset Value of the Fund or attributable to a Class (as appropriate), as described in the section of the Prospectus entitled “ <i>Net Asset Value and Valuation of Assets</i> ”.
<b>Net Asset Value per Share</b>	means the Net Asset Value of the Fund divided by the number of Shares in issue in the Fund or the Net Asset

Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.

**Prospectus Regulation**

means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

**Subsequent Closing Date**

means, in the case of Shares issued during the Initial Offer Period, any Business Day designated by the AIFM, in consultation with the Investment Manager, and, in the case of Shares issued following the end of the Initial Offer Period, the Business Day immediately following each Valuation Day, provided that the Final Closing Date will occur no later than 12 months from the First Closing Date, subject to an extension of up to 6 months as the Directors may determine in their discretion with the consent of the Advisory Board.

**Term**

shall have the meaning more particularly described in the section headed "TERM" in this Supplement.

**Valuation Day**

means a day by reference to which the assets and liabilities of the Fund will be valued for the purposes of calculating the Net Asset Value and the Net Asset Value per Share of the Fund and each Class, with the first Valuation Day falling on the last Business Day of the first calendar month following the close of the Initial Offer Period (or, if earlier, 31 December, 2019, or such other Business Day as the Directors may determine and notify in advance to Shareholders) and thereafter the last Business Day of each calendar month and/or such other Business Days as the Directors may determine and notify in advance to Shareholders.

**Valuation Point**

means the time(s) on each Valuation Day with reference to which the assets and liabilities of the Fund will be valued for the purposes of calculating the Net Asset Value and the Net Asset Value per Share of each Class. The Valuation Point is currently 5 p.m. Irish time on the relevant Valuation Day.

## **MANAGEMENT AND ADMINISTRATION**

The ICAV has appointed Bridge Fund Management Limited (the “AIFM”) as Alternative Investment Fund Manager of the ICAV and the Fund. The AIFM has appointed Tenax Capital Limited (the “Investment Manager”) with discretionary powers to manage the assets of the Fund and as a non-exclusive distributor of the Shares pursuant to the Investment Management Agreement. The ICAV has appointed CACEIS Bank, Ireland Branch (the “Depositary”) as depositary of the ICAV and the Fund pursuant to the Depositary Agreement and CACEIS Ireland Limited (the “Administrator”) as administrator of the ICAV and the Fund pursuant to the Administration Agreement.

### **Investment Decisions**

It is the responsibility of the Investment Manager to (i) identify, (ii) execute, (iii) monitor and (iv) realise suitable investments for the Fund. Investors or any third parties may not participate in investment or divestment decisions.

### **Investment Committee**

The Investment Manager has appointed an investment committee which comprises the Key Executives, Massimo Figna (who is a director of the Investment Manager), William Clark (a senior portfolio manager of the Investment Manager) and one other nominee of the Investment Manager who shall be a representative of Fidelidade-Companhia de Seguros, S.A., an affiliate of the Investment Manager (the “Investment Committee”). The number of members of the Investment Committee shall not exceed five. A Key Executive may only be removed or replaced as a member of the Investment Committee with the consent of the Advisory Board or with the approval of an Investors’ Ordinary Consent. If a Key Executive is replaced under a Key Executive Event his replacement shall automatically become a new member of the Investment Committee. If a member of the Investment Committee that is not a Key Executive resigns from the Investment Committee the Investment Manager shall appoint a replacement and notify the Advisory Board of such replacement provided, however, that the appointment as a member of the Investment Committee of someone who is not a Key Executive and who is not a representative of the Investment Manager or of Fidelidade-Companhia de Seguros, S.A. may only occur with the prior consent of the Advisory Board. The Investment Manager shall notify the Advisory Board of any change to the board of directors of the Investment Manager. The role of the Investment Committee shall be to consider and, if deemed appropriate, approve or reject proposals for investments submitted to it. The Investment Manager will prepare and make investment proposals relating to the acquisition or disposal of assets by the Fund to the Investment Committee. The Investment Manager will prepare a request for approval and will only execute such acquisitions following the approval of the Investment Committee. The Investment Committee is not authorised to negotiate a transaction directly and can only prevent the Investment Manager from entering into or disposing of an investment.

The Investment Committee shall act by a majority of its members. Both Key Executives must vote in favour of a proposal in order for it to be approved. In the event of a tied vote, a positive investment or divestment decision is reached if both Key Executives are in favour.

In any given year should any of the Investment Committee members vote more than three times against the ultimate decision to make an investment, the Investment Manager shall promptly report the reasons for it at the Advisory Board.

### **Key Executives**

### **Investment by the Investment Manager**

The Investment Manager and the Key Executives should, in aggregate, have at the First Closing Date and maintain a stake in the Fund of a minimum of 2% of the Fund's total Capital Commitments subject to the same conditions as the other investors except that the Investment Manager shall rebate the Management Fee payable on the investment by the Investment Manager and the Key Executives.

### **Advisory Board**

The Advisory Board should consist of not more than 5 members appointed by the Board of Directors of the ICAV, representing the largest investors of the Fund (by value of Shares) as advised by the Fund. Once its appointment has been agreed, each such investor shall choose its own representative to sit on the Advisory Board. The participation of non-investors in the Advisory Board is not permitted. The role of the Advisory Board shall be, inter alia, the following:

- Rule on actual and potential conflicts of interest involving the Parties (as defined under the "Conflicts of Interest" section of the Prospectus) including the approval of proposed co-investments with the Fund;
- Discuss and approve the Fund's annual valuations;
- Review the Fund's annual accounts;
- Decide on replacements of Key Executives; and
- Decide on appointment to the Investment Committee of anyone who is not a Key Executive and who is not a representative of the Investment Manager or of Fidelidade-Companhia de Seguros, S.A.

The Investment Manager shall be entitled to attend meetings of the Advisory Board but shall not be entitled to vote. In addition, a majority of members of the Advisory Board present at a meeting shall be entitled to require the Investment Manager to leave the meeting at any time. Shareholders who are Directors, the AIFM, the Administrator, the Depositary, or any of their affiliates, or members, affiliates, employees or representatives of the Investment Manager, will only be entitled to vote as members of the Advisory Board in respect of the approval of the Fund's annual valuations and the review of the Fund's annual accounts.

The Advisory Board shall act by a majority of its members provided that at least two members must vote in order for an Advisory Board decision to be valid. Any member of the Advisory Board shall be entitled to call, or require the Investment Manager to call, a meeting of the Advisory Board. Only items contained in an agenda circulated not less than 15 Business Days prior to a meeting may be voted upon unless all members agree otherwise. Any supporting material, required to be informed for voting during a meeting, shall be provided at the same time as the agenda. Meetings can also be held via video or teleconference. Advisory Board members shall be entitled to have their reasonable travel expenses reimbursed.

For the avoidance of doubt, the Advisory Board has no powers in relation to the taking of investment decisions, divestment decisions or decisions related to the management of Portfolio Companies (as defined in the section entitled "Investment Policy").

No investor in the Fund (directly or indirectly, individually or jointly with related parties) shall be able to control, by reference to the ownership of the majority of voting rights, the Advisory Board or any other

body or committee of the Fund. This restriction shall not apply where no other Shareholder is able to participate due to such other Shareholders being affiliates of the Investment Manager.

The Advisory Board members shall be entitled to have their reasonable travel expenses reimbursed out of the Fund's assets. The Advisory Board will meet at least semi-annually.

The Fund shall indemnify each member of the Advisory Board pursuant to the terms of the Capital Commitment Agreement against all liabilities, costs or expenses (including reasonable legal fees) incurred by reason of being such a member provided that no member shall be entitled to such indemnification for any action or omission resulting from any gross negligence, fraud, wilful misconduct or criminal conduct. The Fund shall implement appropriate professional indemnity insurance to cover the professional liability risk of the members of the Advisory Board. The member shall be obliged to first seek indemnification under such insurance coverage before claiming indemnification from the Fund.

### **BASE CURRENCY**

The Base Currency of the Fund is Euro.

### **CLASSES OF SHARES**

<b>Name</b>	<b>Reference Currency</b>	<b>Minimum Capital Commitment</b>
Class A Distributing	Euro	100,000 Euro
Class A Accumulating	Euro	100,000 Euro

The Directors may establish Classes of Shares denominated in U.S. Dollars, Swiss Francs or the currency of any state that is an EU Member State during the entire term of the Fund. Such Classes of Shares shall be issued on the same terms and grant the same rights as the Class A Distributing Shares or Class A Accumulating Shares respectively.

#### *Voting Rights*

Other than as set out in the definition of "Investors' Ordinary Consent" and "Investors' Special Consent" in this Supplement, the ICAV has not imposed any restrictions on the voting rights attaching to the Shares under Irish law. Each Shareholder shall be entitled to such voting rights in respect of its Shares as reflect the amount of its Capital Commitment (drawn and undrawn) relative to the total value of Capital Commitments received by the Fund (in all cases, net of any capital that has been returned, or distributions made, to each Shareholder).

### **INVESTMENT OBJECTIVE AND POLICY**

#### **Investment Objective**

The investment objective of the Fund is to achieve current income and long term capital appreciation.

## Investment Policy

The Fund will aim to deliver current income and long term capital appreciation through investing predominantly in non-bank financing in the form of non-distressed (a) senior or unitranche (secured or unsecured) loan notes and/or bonds and (b) subordinated securities, quasi-equity and hybrid debt instruments issued by Portfolio Companies, as defined below. The Fund may also invest in such instruments for such purposes as described under the heading “Cash Management and Efficient Portfolio Management Purposes” below. The Fund shall not invest in bank financing.

Securities under (b) will not represent in aggregate more than 25% of the total capital invested by the Fund.

Listed securities will not represent more than 15% of the total capital invested by the Fund.

The Fund shall invest in new financings (i.e. for a purpose other than the re-structuring of an existing debt prior to its maturity) and in re-structurings or re-financings of existing debt. The Fund shall invest a minimum of €60 million in such new financings to SMEs and Small Mid-Caps based or active in the territory of Member States of the European Union. For purposes of this requirement, the United Kingdom shall not be considered a Member State of the European Union.

“Portfolio Companies” means any body corporate, partnership or other entity wherever established, incorporated or resident in respect of which the Fund holds investments.

“SMEs” shall mean Small, Medium and Micro Enterprises conforming to the staff headcount criterion set out in Annex 1 to the (EC) Regulation no. 800/2008, as amended from time to time.

“Small Mid-Cap” shall mean an enterprise which, together with the enterprises it controls and the enterprise(s) (if any) which has/have a direct control over it (as determined in accordance with Annex 1 to the (EC) Regulation no. 800/2008) has between 250 and 500 employees (on a full time equivalent basis) and which is not an SME.

The Fund shall not invest in the units or shares of other collective investment schemes.

### *Portfolio Diversification*

The portfolio of the Fund will be balanced and diversified, indicatively, with 15 to 20 underlying investments at target fund size (one hundred and twenty million Euro (€120,000,000)).

The Fund must not invest more than 10% of total Capital Commitments in one Portfolio Company.

At its minimum expected size (€60,000,000), the Investment Manager would still continue investing into the same type of targets, but the number of investments would decrease to no less than ten investments.

### *Calculation of portfolio restrictions set out in this Supplement*

Any requirements set out in this Supplement relating to the nature of the assets in which the Fund may invest (including diversification requirements) will be monitored through the Investment Period with the aim of being fully in compliance by the end of the life of the Fund. For the avoidance of doubt, restrictions are measured against the total capital that has been invested by the Fund.

### *Geographical scope*

Without prejudice to the foregoing, the Fund's focus shall be on companies based or active in Germany, Austria and Switzerland ("DACH region"), and neighbouring EU countries in Northern Europe, provided that at least two thirds (2/3rds) of the amount drawn down from investors for the purpose of investment shall be invested in Portfolio Companies based or active in EU Member States.

### *Prohibited Sectors*

The Fund shall not invest, guarantee or otherwise provide financial or other support, directly or indirectly, to companies or other entities:

(a) whose business activity consists of an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Fund or the relevant Portfolio Company, including without limitation, human cloning for reproduction purposes);

(b) which substantially focus on:

- (i) the production of and trade in tobacco and distilled alcoholic beverages and related products;
- (ii) the production of and trade in weapons and ammunition of any kind;
- (iii) casinos and equivalent enterprises;
- (iv) the research, development or technical applications relating to electronic data programs or solutions, which:

- aim specifically at:
  - supporting any activity referred to under items (i) to (iv) above;
  - internet gambling and online casinos; or
  - pornography,

or which:

- are intended to enable the illegal entry into:
  - electronic data networks; or
  - download electronic data.

In addition, when providing support to the financing of the research, development or technical applications relating to (i) human cloning for research or therapeutic purposes, or (ii) genetically modified organisms (GMOs), the Fund shall ensure the appropriate control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

### *Secondary transactions*

Secondary transactions (i.e. transactions entailing the transfer of an existing loan/security from an existing lender to the Fund which is not resulting in any financing flowing, directly or indirectly, into the final beneficiary) shall not represent more than 30% of the total capital invested by the Fund.

### *Re-Investments*

The Fund may reinvest reflows provided that the Fund may at no time have net invested capital (i.e. total acquisition cost of the underlying investments (including the realised investments) minus the total acquisition cost of realisations (including for the avoidance of doubt, any repayments and write-offs, even if only partial and/or through amortisation, of underlying securities)) in Portfolio Companies exceeding 100% of total Capital Commitments.

### *Cash management and efficient portfolio management*

Pending investment of the proceeds of a placing or offer of Shares or for efficient portfolio management purposes or where market or other factors so warrant, the Investment Manager may invest the Fund's assets in its discretion in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on exchanges and/or in cash deposits denominated in such currency or currencies the Investment Manager may determine in its discretion.

Subject to the investment restrictions that apply to the Fund as set out in the Prospectus in the section headed "THE ICAV: Investment Restrictions", save for any constraints imposed by the investment objective and investment policy of the Fund and the rules of the Central Bank, the Fund is not currently subject to any requirements or restrictions on:

- (a) the amount or degree to which the Fund may hold or be exposed to liquid assets in the form of cash, near cash, money market investments, government and non-government debt securities and other securities;
- (b) the percentage of the gross assets of the Fund which may be invested in or exposed to the securities of a single issuer or issue or exposed to the creditworthiness of a single counterparty or exposed to the credit risk of one or more reference entities;
- (c) the percentage of the gross assets of the Fund which may be invested in or exposed to unlisted securities or securities which are not traded on an exchange or market or to the credit risk of reference entities or securities which are below investment grade;
- (d) the markets in which or instruments in which the Fund may be invested or to which it may be exposed; or
- (e) portfolio turnover or construction.

### **Borrowing and Leverage**

The Fund, or a wholly owned subsidiary of the Fund, may borrow money exclusively for the purpose of financing bridge investments of the Fund provided that such borrowings outstanding at any one time, do not exceed the lower of 15% of total Capital Commitments (up to 10% of the Net Asset Value) and the uncalled Capital Commitments and are short-term in nature (up to 3 months). No long-term borrowing is allowed. The Fund shall inform the Shareholders in the event that the Fund determines to borrow or to



pledge any assets of the Fund. Any increase in the maximum level of borrowing permitted as set out above is subject to prior Shareholder approval on the basis of an Investors' Special Consent.

On the basis that the Fund may borrow up to the lower of 15% of total Capital Commitments and 10% of its Net Asset Value, the Fund's leverage shall not exceed 110% of its Net Asset Value, measured in accordance with:

- (i) the gross method (i.e. the sum of the absolute value of all positions of the Fund save for certain positions such as, inter alia, cash and highly liquid instruments) as described in the Level 2 Regulation; and
- (ii) the commitment method (i.e. the sum of the absolute value of all positions of the Fund including, inter alia, derivatives but netting and hedging can be taken into account) as described in the Level 2 Regulation.

The Fund may borrow from brokers, banks and others on a secured or unsecured basis, and, subject to the above limitations, may employ borrowing to the extent deemed appropriate by the AIFM. No arrangements have currently been made to grant any rights to lenders to use or re-use any collateral provided by the Fund to such lender to support such borrowing. The Fund will bear all of the costs and expenses incurred in connection therewith, including any interest expense charged on funds borrowed.

Information on changes to the maximum level of leverage shall be disclosed to Shareholders without undue delay and shall include:

- (a) the original and revised maximum level of leverage calculated in accordance with the relevant provisions of the AIFM Legislation, whereby the level of leverage shall be calculated as the relevant exposure divided by the Net Asset Value of the Fund;
- (b) the nature of the rights granted for the reuse of collateral;
- (c) the nature of guarantees granted; and
- (d) details of changes in any service providers which relating to one of the items above.

Such information shall be provided as part of the periodic reporting to Shareholders as set out in the section of the Prospectus entitled "**Periodic Disclosure To Shareholders**" and at least at the same time as the annual audited financial statements of the Fund.

Prospective investors should take into account the risk factors referred to under "RISK FACTORS" in the Prospectus when considering whether or not to invest in Shares.

### **Investment Period**

The Investment Period will run from the First Closing Date and will end at the earlier of (i) the fourth anniversary of the First Closing Date (provided always that the Investment Period may be extended for a further one year period with the consent of the Advisory Board); or (ii) at the discretion of the Investment Manager provided that at least 80% of total Capital Commitments have been invested; or (iii) the first closing date of a successor fund. The Management Fee that applies during any extension of the Investment Period shall be the same as the one applicable immediately following the expiry of the Investment Period.

Thereafter, further sums may be drawn down at any time to;

- (a) provide for payment of the Management Fee, to pay ongoing operating expenses of the Fund or to complete acquisitions to which the Fund was legally committed in writing prior to such date; and
- (b) cater for follow-on investments in Portfolio Companies of the Fund subject to a cap of 15% of total Capital Commitments.

However, in no circumstances may an amount in excess of total undrawn Capital Commitments be drawn down.

The Fund will be managed in accordance with the above investment objective and policy during the Investment Period and thereafter subject to the Fund's

- (i) investment and reinvestment policy as described below (as outlined under "Investment and Reinvestment Policy");
- (ii) distribution policy (as outlined under "DISTRIBUTION POLICY" below); and
- (iii) the return of capital policy (as set out under "TERM" below).

### **Investment and Reinvestment Policy**

During the life of the Fund, the Fund will be managed in accordance with the investment objective and policy described above. Capital profits arising from the realisation of investments or otherwise and net income will be reinvested and/or applied in accordance with the investment objective and policy of the Fund, subject to (i) the distribution policy (as outlined under "DISTRIBUTION POLICY" below) and (ii) making provision for operating and other fees and expenses of the Fund.

Should all of the assets of the Fund be realised in advance of the expiry of the Term, then the Directors may terminate the Fund at that point and will not be required to wait for the expiry of the Term to do so.

### **Liquidity Management**

The AIFM seeks to ensure that the investment strategy, the liquidity profile and the return of capital policy of the Fund (i.e. the Term) are consistent with one another. The investment strategy, liquidity profile and return of capital policy will be considered to be aligned when the Fund is in a position to return the investors' capital in a manner consistent with the fair treatment of all investors and in accordance with the Fund's return of capital policy and obligations.

The AIFM has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Fund to ensure the liquidity profile of the investments of the AIFM will facilitate compliance with its underlying obligations. The AIFM's liquidity policy takes into account the investment strategy, the liquidity profile, return of capital policy and other underlying obligations of the Fund. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Fund. The AIFM's liquidity management policy monitors the profile of investments held by the Fund and ensures that such investments are appropriate to the return of capital policy as stated herein and will facilitate compliance with the Fund's underlying obligations. Further, the liquidity management policy includes details on periodic stress testing carried out by the Fund to manage the liquidity risk of the Fund in exceptional and extraordinary circumstances.

## **Co-Investment Policy**

### *General*

The making of co-investments by the Fund with investors is not a key element of the strategy of the Fund. Consequently, no systematic co-investment rights will be granted to any investor or to the Investment Manager or any related party. Co-investments of existing investors shall be made on a no fee, no carry basis.

Co-investment opportunities granted by the Investment Manager will need to be in the best interests of the Fund and such opportunities, to the extent that they arise, will be first offered to all investors in the Fund (no preferential access for any investor) and must not infringe the pari passu principle treatment of the Fund's investors. Co-investments shall be made at the same time and under the same financial conditions and terms applicable to the Fund. All co-investment arrangements entered into by the Fund must be governed by full disclosure and transparency and shall be immediately disclosed to the Advisory Board. Furthermore, any co-investment arrangement to be entered into by the Fund with a Shareholder or any of its affiliates must be approved in advance by the Advisory Board. Furthermore, co-investments must not be detrimental to the Fund's own investment rights and in general co-investment opportunities should only be offered in situations where the minimum investment demand by the Portfolio Company exceeds the requirements of the Fund. Finally, the Fund must not subsidise the co-investor and co-investors must bear their share of expenses.

### *Parallel Funds*

Parallel funds may only be established to cater for specific tax and regulatory requirements of certain investors and only if such parallel funds have a joint management structure, invest and divest exactly in parallel on the same terms and conditions and have joint voting procedures. Initially, the Investment Manager does not foresee that any parallel funds will exist.

### *Co-investment rights of management*

The Directors, the Investment Manager or its members or employees, the Key Executives, their respective affiliates, other sub-funds in the ICAV and any other vehicles managed or advised by any of them shall not (i) have the right to co-invest with the Fund, or (ii) invest in entities that fall within the investment scope of the Fund (other than via the Fund itself) without the consent of the Advisory Board in all cases.

Neither can the Directors, the Investment Manager or its members or employees, the Key Executives, their respective affiliates or any other vehicles managed or advised by any of them invest in a company which was declined by the Fund following a first Investment Committee decision (i.e.: companies generally within the potential scope of the Fund's Investment Policy) without the consent of the Advisory Board in all cases.

### *Cross over investments*

In order to avoid potential conflicts of interest, the Fund cannot co-invest with, acquire from or sell to, the Investment Manager, its affiliates, members or employees or the Key Executives, or any investment fund or collective investment scheme managed or advised by any of the foregoing, unless for duly justifiable reasons as approved by the Advisory Board.

Any existing or potential conflict of interest shall be declared and cleared by the Advisory Board. Any decision of the Advisory Board with respect to conflicts of interest shall be binding on the Investment Manager. The Advisory Board will decide on the appropriate course of action to take. If the Investment Manager has equity funds under management potential conflicts of interests between the hybrid debt/equity and equity legs must be adequately addressed. The Investment Manager undertakes to disclose in the quarterly reports any transaction (lending, loans, acquisition financing, mezzanine etc.) and/or other services provided by the Investment Manager and any of its affiliates and/or any other investor in the Fund to the Investment Manager and any Portfolio Company.

#### *Costs and expenses*

The Fund intends that it will share proportionately with any parallel fund in all transaction fees, origination fees, arrangement fees and other expenses associated with any co-investments.

### **Currency Hedging**

#### *At portfolio level*

The Fund may, at the Investment Manager's discretion, enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the Base Currency. The aim of this hedging will be to reduce the Fund's level of risk and to hedge the currency exposure of the Fund's underlying securities to the Base Currency. Derivatives such as forward foreign exchange contracts and/or currency swaps may be utilised. Accordingly, the Fund may have a residual exposure to non-Base Currency currencies that will be low. There may be circumstances where the Fund has non-Base Currency denominated assets in its portfolio and the Investment Manager determines not to hedge such exposure on the basis that the exposure is non-material (generally, less than 5% of the Net Asset Value of the Fund) or on the basis that the exposure will be eliminated in a short period of time (generally, in less than one month).

#### *At Class level*

All Classes currently on offer are denominated in Euro. The Investment Manager may, at its discretion, hedge foreign exchange risk of the Classes against the Fund's assets denominated in currencies other than the denominated currency of the relevant Classes. If it decides to implement such a hedging strategy, the Investment Manager intends to use monthly currency forward contracts, using a passive strategy that will involve hedges being placed and reset on a regular basis, in order to seek to hedge the currency exposure of the Classes against such currencies. There may be overhedging or underhedging depending on factors outside of the control of the Investment Manager. Hedged positions will be kept under review to ensure that over-hedged positions will not exceed 110% of the Net Asset Value attributable to the relevant Class' exposure to currencies other than the denominated currency of the Class. There may be circumstances where the Fund has assets denominated in a currency other than the denominated currency of the relevant Class in its portfolio and the Investment Manager determines not to hedge such exposure on the basis that the exposure is non-material (generally, less than 5% of the Net Asset Value of the relevant Class) or on the basis that the exposure will be eliminated in a short period of time (generally, in less than one month). Such unhedged exposures will not be taken into account in determining the limits set out above.

The successful execution of a hedging strategy which mitigates exactly this risk cannot be assured.

For the avoidance of doubt, hedging will not be used for speculative purposes and hedging will only be conducted if in the best interests of the Fund.

#### *Hedging Instruments*

The Fund may employ techniques and instruments for hedging purposes in accordance with the investment objective of the Fund. Such techniques and instruments may include, among other things, foreign exchange forward contracts and currency swap transactions to provide protection against exchange risks, interest rate swaps and options to hedge against interest rate fluctuations and credit derivatives (single name credit default swaps (“CDS”) or index based CDS) in order to hedge credit risk.

#### **Use of Subsidiaries**

The ICAV may establish one or more subsidiaries, which are to be formed exclusively for the purpose of the Fund making investments, and reserves the right to utilise this power, in accordance with the requirements of the Central Bank, where this is considered to be in the interests of the Fund or current or prospective Shareholders or conducive to achieving the investment objective of the Fund.

#### **Central Bank Developments**

It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself of any changes in the investment and borrowing restrictions prescribed by the Central Bank which would permit investment by or on behalf of the Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Supplement restricted or prohibited by the Central Bank.

#### **Changes to the Investment Objective/Investment Policy of the Fund**

The section entitled “Investment Objective and Policy” may only be amended by the Fund with the prior approval of Shareholders in writing or in general meeting representing at least 81% of outstanding Capital Commitments (save for the Investment Manager in its capacity as an investor, its affiliates, the Key Executives, the members and employees of the Investment Manager and the Directors) except where the changes are undertaken for the purposes of curing any ambiguity or correcting or supplementing any defective disclosure or manifest error, or where the changes are required by law or regulation or recommended by the Central Bank provided that such amendments shall not be inconsistent with the investment objective or investment policy.

Where changes are made to the section entitled “Investment Objective and Policy” that do not require the prior approval of Shareholders pursuant to this paragraph, Shareholders shall be notified of such changes via appropriate disclosure being included in the next annual report of the Fund.

### **INVESTMENT RESTRICTIONS**

The investment restrictions set out in the section of the Prospectus headed “**THE ICAV: Investment Restrictions**” shall apply to the Fund.

For the avoidance of doubt, where the Prospectus states in paragraph 3 of such section that “the ICAV

may not act as a guarantor on behalf of third parties”, the reference to “third parties” will be deemed to include any company in which the Fund is invested and any wholly owned subsidiary of the Fund.

The Fund shall not invest any of its assets in an affiliate of the Investment Manager.

### **CAPITAL COMMITMENTS**

Capital Commitments may be accepted by the ICAV in respect of the Fund at any time up to the Final Closing Date.

In order to subscribe for Shares, prospective investors must:-

- (a) validly complete and execute a Capital Commitment Agreement together with the declarations referred to therein in accordance with the Capital Commitment Agreement; and
- (b) validly complete any additional documentation required by the Administrator (including for anti-money laundering purposes),

**and** send such documentation and information to the Administrator by facsimile or email PDF (with the originals to follow immediately thereafter).

In the case of Capital Commitments made during the Initial Offer Period, all such documentation and information must be received prior to 5.00 p.m. (Dublin time) on the Business Day immediately preceding the date on which Shares are issued and in any event no later than 5.00 p.m. (Dublin time) on the last Business Day of the Initial Offer Period.

In the case of Capital Commitments made following the Initial Offer Period, all such documentation and information must be received prior to 5.00 p.m. (Dublin time) on the Valuation Day immediately preceding the relevant Subsequent Closing Date.

Each Capital Commitment Agreement is subject to acceptance by the ICAV. Investors must make separate applications and validly complete, execute and return a separate Capital Commitment Agreement in respect of each Class of Shares which they wish to apply to subscribe for and in respect of each additional application for Shares.

No investor may hold or otherwise control, directly or indirectly, individually or with related parties, more than 50% of total Capital Commitments.

The Directors shall accept no further Capital Commitments following the Final Closing Date.

#### **Minimum Capital Commitment**

The minimum initial Capital Commitment per investor (“**Minimum Capital Commitment**”) for Class A Shares is €100,000, net of initial charges, if any.

The Minimum Capital Commitment may be increased or decreased or waived, in each case at the discretion of the Directors, either generally or in specific cases, provided that the Minimum Capital Commitment amount will not be reduced below €100,000.

Knowledgeable Persons (i.e. those categories of persons listed in the Prospectus under the heading “Qualifying Investors and Knowledgeable Person Exemption”) may be exempted from such a minimum at the discretion of the Directors.

### **Issue Price per Share**

Shares issued at any time up to the end of the Initial Offer Period will be issued at the Initial Offer Price of the relevant Class, net of initial charges, if any. Shares issued following the Initial Offer Period will be issued at an issue price equal to the Net Asset Value per Share of the relevant Class at the relevant Valuation Day.

Staged closings for the acceptance of Capital Commitments after the First Closing Date shall take place, at the discretion of the Investment Manager, on any Subsequent Closing Date. The Final Closing Date will occur no later than 12 months from the First Closing Date, subject to an extension of up to 6 months at the discretion of the Directors with the consent of the Advisory Board.

Each investor admitted to the Fund following the First Closing Date and until the end of the Initial Offer Period will be deemed to have subscribed at the First Closing Date and, in order to equalise its position with earlier investors, shall be required to pay to the Fund its proportionate share of the sum of:

- (i) such portion of its Capital Commitment which it would have been required to pay had it been an investor as from the First Closing Date; and
- (ii) interest on such portion of its Capital Commitment at a rate of EURIBOR + 1.5% per annum from the date that each amount of Capital Commitment would have been contributed had such investor been admitted to the Fund on the First Closing Date.

Sums paid in respect of (i) and (ii) shall be paid to earlier Shareholders pro-rata to those Shareholders' Capital Commitments. It is intended that such sums under (i) and (ii) will be used to pay for additional Shares to be issued by the Fund in the name of such Shareholders, rather than paying such sums in cash directly to such Shareholders.

Any payments made under sub-paragraph (i) above shall reduce the relevant investor's Capital Commitment. Any payments made under sub-paragraph (ii) above are to be made in addition to (and do not reduce) the relevant investor's Capital Commitment.

Each investor admitted to the Fund following the end of the Initial Offer Period will be required to pay a subscription fee equal to an interest rate of EURIBOR + 1.5% on such portion of its Capital Commitment which it would have been required to pay had it been an investor as from the First Closing Date, from the date that each amount of Capital Commitment would have been contributed had such investor been admitted to the Fund on the First Closing Date provided that the interest rate charged to such an investor shall in no case exceed 5% of each Capital Contribution by the investor. Sums paid pursuant to this paragraph shall be paid to earlier Shareholders pro-rata to those Shareholders Capital Commitments.

For the avoidance of doubt, additional Commitments made by investors admitted at the First Closing Date after the First Closing Date shall not be subject to any of the aforementioned equalising payments.

### **Minimum Viable Amount**

If aggregate Capital Commitments are not received from investors in an amount equalling or exceeding

the Minimum Viable Amount prior to the Final Closing Date, the Directors may in their discretion elect not to continue with the offering.

## **Capital Commitment Application Procedure**

### **General**

Capital Commitment applications should be made in writing using the Capital Commitment Agreement in accordance with the procedures outlined therein and in this Supplement.

If the application is accepted by the ICAV, the Administrator will endeavour to confirm such acceptance by written acknowledgement to the applicant as soon as practicable. If the applicant has not received such written acknowledgement from the Administrator on behalf of the ICAV, the applicant should contact the Administrator at the address set forth in this Prospectus to ascertain the status of its application, as it cannot assume its successful application until it receives such written acknowledgement from the Administrator.

Failure to properly complete the Capital Commitment Agreement and provide any requisite documentation, including any documentation requested for the purpose of money laundering prevention checks, may result in the application being cancelled and, subject to any regulatory requirements to the contrary, monies being returned to the account from which it was received.

Amendments to any investors' details or a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant investor or Shareholder.

### **Anti-Money Laundering Procedures**

Measures aimed at the prevention of money laundering may require a detailed verification of each prospective investor's identity to the Administrator or the ICAV. The Administrator and the ICAV each reserve the right to request such information as is necessary to verify the identity of an investor and will not accept subscription applications and subscription monies from an investor until verification of identity is completed to their satisfaction.

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

By way of example an individual may be required to produce a copy of a passport or national identification card which must display a photograph, signature and date of birth of the bearer and be duly certified by a notary public, together with evidence of his address such as a two original or certified utility bills or bank statements from a reputable financial institution. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), and the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the discretion of the ICAV and/or the Administrator.

Any failure to supply the ICAV or the Administrator with any documentation required by the Administrator for anti-money laundering or client identification purposes and as referenced in the Capital Commitment



Agreement or required by law or regulation (including binding guidance of the Central Bank) will result in a delay in the processing and/or settlement of redemption proceeds. The ICAV may refuse to process any redemption pending redemption request pending receipt of any documentation so requested and until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with. Accordingly, Shareholders and investors should ensure that all documentation required by the Fund or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Fund/Administrator when subscribing for Shares. The investor shall indemnify the Fund, the Directors, the AIFM, the Investment Manager, the Depositary and the Administrator for any costs, losses, expenses or damages that arise as a result of the investor's failure to supplement the ICAV or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes, as described above, will result in a delay in the payment of dividend payments (if any). The ICAV may at its discretion retain any dividends that would otherwise be payable to a Shareholder pending receipt of any documentation so requested. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the ICAV or the Administrator, as applicable, is satisfied that its anti-money-laundering and client identification purposes have been fully complied with, following which such dividend will be paid.

In the event that the investor fails to provide any requested documentation for anti-money laundering or client identification purposes within 30 Business Days, the ICAV may compulsorily transfer any Shares that have been issued to the investor to another eligible investor. Any such transfer will be effected on a Business Day determined by the Directors and notified to the affected Shareholder at a price agreed between the ICAV and the transferee with respect to the relevant Business Day on which the Shares are to be transferred. In the event that the ICAV is unable to identify a willing transferee, the ICAV may compulsorily redeem any Shares that have been issued to the investor. Any such redemption will be effected on a Business Day determined by the Directors and notified to the affected Shareholder at the latest available Net Asset Value with respect to the relevant Business Day on which the Shares are to be transferred, less any amounts in respect of which the investor would be obliged to indemnify the Fund, Administrator, Depositary, AIFM or Investment Manager.

## **Data Protection Information**

Prospective investors should note that by completing the Capital Commitment Agreement in respect of Shares of a Class, they are providing personal information to the ICAV, which may constitute personal data within the meaning of Regulation (EU) 2016/679 of the European Parliament and of the Council (General Data Protection Regulation) ("GDPR"). This data will be used by or on behalf of the ICAV for the purposes of client identification and the Capital Commitment and drawdown process, management and administration of shareholdings in the ICAV, investor communication and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified. It should also be noted that the Investment Manager may act as a data controller of the personal data provided to the ICAV for the following purposes: investor communication and to comply with any applicable legal, taxation or regulatory requirements. The ICAV and its appointed service providers will retain all documentation provided by a

Shareholder in relation to its investment in the ICAV for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the ICAV.

A copy of the data privacy statement of the ICAV is set out in the Capital Commitment Agreement.

## **Drawdowns**

The Investment Manager shall issue drawdown notices to Shareholders pro rata and on a “as needed” basis to make investments or to provide funds to enable the Fund to discharge its ongoing operating fees and expenses including the Management Fee. Investors will receive a minimum of 10 Business Days prior written notice. The form of Drawdown notice shall be determined by the Directors and may be subject to agreement with individual investors.

Shares issued during the Initial Offer Period in respect of drawdowns made shall be issued at the Initial Offer Price of the relevant Class, net of initial charges. Shares issued in respect of drawdowns made following the Initial Offer Period shall be issued at an issue price equal to the latest Net Asset Value per Share of the relevant Class, net of initial charges, if any, subject to the section of this Supplement entitled “Issue Price per Share”.

## ***Investor Default***

If a Shareholder fails to meet a call for payment of all or part of its Capital Commitment on the due date for payment thereof, the Shareholder will receive a written notice of default from the Investment Manager and should the Shareholder fail to meet such call within ten Business Days of receipt of such notice, the Investment Manager shall (rather than have the discretion) charge such Shareholder on the sum of the amount outstanding from the due date for payment plus any costs, liabilities and losses of the Fund that are caused by such default. Shareholders in default or arrears in the payment of any call against their Capital Commitments may be charged interest at a rate of EURIBOR + 1.5% on the sum of the amount outstanding from time to time plus any costs, liabilities and losses of the Fund that are caused by such Shareholder’s default. If a Shareholder defaults, the Investment Manager shall promptly (unless the Investment Manager considers that to do so would be contrary to the best interests of the other Shareholders collectively), following notice to the Shareholder: (a) suspend that Shareholder’s voting rights and/or its rights to receive returns of capital until the winding up of the Fund and (b) suspend or terminate the Shareholder’s right to participate in the Advisory Board, and (c) compulsorily transfer or repurchase and cancel any Shares held by that Shareholder. As regards (c), if a Shareholder defaults, the ICAV may compulsorily transfer any Shares that have been issued to the investor to another eligible investor including the Shareholders (and the Directors shall notify all Shareholders of the availability of such Shares to transfer and give such Shareholders the right of first refusal over such transfer). Any such transfer will be effected on a Business Day determined by the Directors and notified to the affected Shareholder at a price agreed between the ICAV and the transferee with respect to the relevant Business Day on which the Shares are to be transferred. In the event that the ICAV is unable to identify a willing transferee, the ICAV may compulsorily redeem any Shares that have been issued to the investor. Any such redemption will be effected on a Business Day determined by the Directors and notified to the affected Shareholder at the latest available Net Asset Value with respect to the relevant Business Day on which the Shares are to be transferred, less any amounts in respect of which the investor would be obliged to indemnify the Fund, Administrator, Depositary, AIFM or Investment Manager.

Investors in the Fund are in no instance allowed to excuse themselves from satisfying any call for a

payment of a Capital Commitment.

Any representative of a defaulting investor that sits on the Advisory Board shall automatically be excluded from such participation upon the default of the investor represented.

The defaulting Shareholder will indemnify and keep the Fund, the AIFM, the Investment Manager, the Administrator and the Depositary indemnified against any loss arising from or in connection with such default.

#### *In Specie Subscriptions*

The Directors shall not accept subscription applications by way of in specie or in kind transfers of assets.

#### **Shares Issued in Registered Form**

Shares will be issued in registered form only and denominated in the Base Currency or a currency attributed to the particular Class. A Share represents an ownership interest in the Fund. It is a personal interest of the Shareholder that confers statutory and contractual rights and obligations. A Shareholder has no right to any specific portion of the Fund's property. Written confirmation of ownership, evidencing entry in the Fund's shareholder register, will be issued upon receipt and acceptance of a signed original of the Capital Commitment Agreement, duly completed with cleared funds.

Fractions of Shares will be issued where any part of the Capital Commitment represents less than the issue price of one Share of the relevant Class, provided however, that fractions shall not be less than 0.01 of a Share.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

#### **TERM**

The Fund is a closed-ended sub-fund and accordingly Shareholders will not have the right to request the redemption (whether in whole or in part) of their Shares. The Fund shall have an initial fixed term of seven years from the First Closing Date. The Directors, in consultation with the AIFM and the Investment Manager, have the option to extend the initial fixed term of the Fund by two additional periods of one year to provide for the orderly realisation of investments subject to the consent of the Advisory Board for the first year extension and an Investors' Special Consent for the second year extension. Should there be any extension of the life of the Fund beyond the initial fixed term of seven years from the First Closing Date, the Investment Manager shall reduce the applicable Management Fee (as described below) during the extension to such amount as may be agreed by the Shareholders.

During the Investment Period, capital profits arising from the realisation of investments or otherwise and net income will be reinvested and/or applied in accordance with the investment objective and policy of the Fund, subject to (i) the distribution policy (as outlined under "DISTRIBUTION POLICY" below) and (ii) making provision for operating and other fees and expenses of the Fund.

Following the expiry of the Investment Period, the Fund will be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to Shareholders before the expiry of the Term (including any extension), in order to allow the Fund sufficient time to liquidate the remainder of

its portfolio in an orderly manner in the best interests of Shareholders.

Should the assets of the Fund be realised in advance of the expiry of the Term, then the Directors may terminate the Fund at that point and will not be required to wait for the expiry of the Term to do so.

#### *Early Termination of the Fund*

At any time from the First Closing Date, Shareholders can resolve to terminate the Fund by an Investors' Special Consent.

#### *Redemptions*

The Fund shall not accept any redemption requests from Shareholders prior to the liquidation of the Fund.

### **Compulsory Redemption**

The Directors have the power under the Instrument to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation. The Directors have the power, subject to the prior consent of Shareholders representing 81% of outstanding Capital Commitments (save for the Investment Manager in its capacity as an investor, its affiliates, the Key Executives, the members and employees of the Investment Manager and the Directors), and subject to notice requirements set out in the Instrument, to compulsorily redeem all Shares in the Fund. The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of (i) any person who is not a Qualifying Investor or (ii) any other person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, the Fund or Class or Shareholders as a whole. The Directors may also compulsorily transfer or compulsorily redeem any Shares held by any person who does not, within thirty Business Days of a request by or on behalf of the ICAV, supply any information or declaration required under the terms hereof to be furnished (as described under "Anti-Money Laundering Procedures" above). The Directors may in their absolute discretion designate one or more Business Days as of which such compulsory redemption shall be effected. The designation of any such Business Day shall be notified to Shareholders in advance.

Any such redemptions will be effected on such a Business Day at the Net Asset Value per Share calculated as of the Valuation Point with respect to the relevant Business Day on which the Shares are to be redeemed. Any such transfers will be effected on such a Business Day at the price agreed between the ICAV and the transferee. The ICAV may deduct from such redemption or transfer proceeds (by way of compulsory redemption of a corresponding value of Shares or otherwise) an amount to discharge any taxation or withholding tax arising (or that may arise, as determined by the ICAV in its sole discretion) as a result of the holding, beneficial ownership, disposal, redemption or transfer of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders amounts in respect of liability to Irish taxation including any penalties and interest thereon. The Directors may apply the proceeds of such compulsory redemption or transfer in the discharge of any taxation or withholding tax arising as a result of the holding, beneficial ownership, disposal, redemption or transfer of Shares by a Shareholder including any interest or penalties payable thereon. Relevant Shareholders will

indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

Further information is set out at the section of the Prospectus entitled **“Compulsory Redemption of Shares/Deduction of Tax”**.

The issued and outstanding Shares of the Fund will also be redeemed as soon as practicable following the expiry of the Term.

## **INVESTMENT MANAGEMENT AGREEMENT**

The AIFM has appointed Tenax Capital Limited (the “Investment Manager”) as its investment manager and non-exclusive distributor pursuant to the Investment Management Agreement. It is the responsibility of the Investment Manager to (i) identify, (ii) execute, (iii) monitor and (iv) realise suitable investments for the Fund. The Investment Manager has established an Investment Committee which shall consider and, if deemed appropriate, approve or reject proposals for investments submitted to it.

The Investment Management Agreement provides that the Investment Manager and each of its directors, officers and employees to the extent directly involved in the business of the Fund (each referred to as “Indemnified Person”) are entitled to be indemnified, out of the Fund's assets against all liabilities, costs or expenses (including reasonable legal fees) incurred by reason of such Indemnified Person being the Investment Manager or a director, officer or employee of the Investment Manager provided that:

- (i) no Indemnified Person shall be entitled to such indemnification for any action or omission resulting from any fraud, wilful misconduct, reckless disregard, bad faith, criminal conduct or gross negligence;
- (ii) no Indemnified Person shall be entitled to such indemnification in respect of underlying claims between Indemnified Persons provided that for the avoidance of doubt, nothing in the Investment Management Agreement shall be construed to preclude an Indemnified Person from exercising its right to indemnification in respect of an underlying claim that was not made by another Indemnified Person;
- (iii) indemnity amounts in no case will exceed 20% of the amount of total Capital Commitments and indemnity claims shall be satisfied by drawdowns. For the avoidance of doubt, in no circumstances shall distributions to investors be recalled for the purpose of indemnifying Indemnified Persons;
- (iv) no Indemnified Person shall be entitled to such indemnification, with the exception of indemnification in respect of the Indemnified Person's legal costs and expenses, to the extent that the indemnification is in respect of an underlying claim made against such Indemnified Person simultaneously by at least three Shareholders representing, in the aggregate, at least 40% of outstanding Capital Commitments; and
- (v) the Investment Manager shall implement appropriate professional indemnity insurance to cover the professional liability risk of the Indemnified Persons. The Indemnified Person shall be obliged to first seek indemnification under such insurance coverage or from other available sources (e.g. Portfolio Company insurance coverage), and any amount so recovered shall be deducted from any amount payable to the Indemnified Person by the Fund.

The Investment Manager may be removed under the terms of the Investment Management Agreement as follows:

- (a) “removal without cause”: at any point in time and with no reason, by an Investors' Special Consent,

where investors representing at least 30% of total outstanding Capital Commitments shall be entitled to call an investors' general meeting to initiate the removal process. The removed Investment Manager shall cease to be the Investment Manager of the Fund, but the Investment Manager at the removal date will maintain all its economic interests and rights subject to the section below headed "Carry Vesting Arrangement", with specific reference to the right to receive future instalments of the Management Fee for eighteen months following the removal.

- (b) "removal as a result of cause": investors representing at least 30% of total outstanding Capital Commitments shall be entitled to call an investors' general meeting to initiate a vote for removal of the Investment Manager as a result of one of the following:
- (i) the Investment Manager or any member of the management team's material irremediable breach or material breach of (including by way of failure to fulfil an obligation set out in) the Fund's legal documentation or any side letter or similar agreement or any other contractual arrangement by the Investment Manager, that is not remedied within 90 calendar days of the Investment Manager becoming aware of such material breach;
  - (ii) gross negligence, wilful misconduct, fraud, bad faith, criminal conduct or reckless disregard on the part of the Investment Manager or any member of the management team;
  - (iii) the insolvency, administration, involuntary reorganization, bankruptcy or loss of regulatory approval of the Fund/Investment Manager/the AIFM; or
  - (iv) a change of control situation lasting more than 6 months without approval of the investors by Investors' Ordinary Consent.

All new investments, follow on investments and divestments for which there are no legally binding written agreements in place shall be automatically suspended from the time at which one of the foregoing events at (i) to (iv) above occurs.

At that general meeting, investors shall vote to initiate one of the four options outlined below:

- investors by way of Investors' Ordinary Consent shall be entitled to remove the Investment Manager and any such removal will have immediate effect (subject to applicable law and regulation) and shall not give rise to any compensation and the Investment Manager shall automatically forfeit all rights to Carried Interest;
- investors by way of Investors' Ordinary Consent shall be entitled to direct the Fund to terminate the Investment Period;
- investors by way of Investors' Ordinary Consent shall be entitled to direct that the Fund be terminated; or
- investors by way of Investors' Special Consent shall be entitled to direct that the Fund be continued.

The Directors shall not permit the re-appointment of the Investment Manager as investment manager of the Fund at any time following its removal as investment manager without the prior consent of Shareholders by way of Investor's Special Consent. The Directors shall not permit the appointment of any other investment manager to act as investment manager of the Fund at any time without the prior consent of Shareholders by way of Investors' Ordinary Consent.

## **KEY EXECUTIVES**

If any named Key Executive during the lifetime of the Fund ceases to be employed or otherwise engaged by the Investment Manager or dedicates less than substantially all of his business time to the Fund and successor funds or dedicates less business time to the Fund than is necessary for the diligent management thereof, this constitutes a Key Executive Event as described below.

### **Formation of New Funds**

None of the Investment Manager, the Key Executives or any of their affiliates will close, advise or manage an investment fund or other collective investment scheme with a similar investment strategy or regional focus prior to the end of the Investment Period.

### **Dedication**

Key Executives may only be replaced with the consent of the Advisory Board or with the approval of Investors' Ordinary Consent.

The Key Executives shall devote substantially all of their time and efforts to the Fund, the successor funds and their respective portfolio companies.

The Investment Manager shall procure that there are during the entire Term, at all times, adequate staffing resources available to the Fund in order that the Investment Manager can comply with its duties and obligations.

### **Key Executive Event**

The Investment Manager shall promptly inform the Advisory Board in writing, and in any case not later than 5 Business Days following the occurrence of a Key Executive Event (as defined below) and any resumption or termination of the Investment Period pursuant to the following paragraphs.

If, during the Term of the Fund, any of the Key Executives ceases to be employed or otherwise engaged by the Investment Manager (or an affiliate, as the case may be) or ceases to dedicate substantially all of his business time to the management of the Fund and the successor funds, or dedicates less business time to the Fund than is necessary for the diligent management thereof, this shall trigger a Key Executive Event with the following consequences:

- immediate suspension of new investments, follow-on investments and divestments for which there were no legally binding written commitments prior to the Key Executive Event (that said, follow-on investments and divestments can be made within the suspension period upon prior Investors' Ordinary Consent or consent of the Advisory Board); any exception to this, i.e. that the remaining members of the management team may continue to make new investments, follow-on investments and/or divestments, will require consent of the Advisory Board or approval by Investors' Ordinary Consent;
- contractual agreement for a replacement of the departing Key Executive(s) or an alternative solution with the approval of the Advisory Board or approval by Investors' Ordinary Consent must be submitted within a time frame of 6 months and, if approved, subsequent resumption of new investments, follow-on investments and/or divestments by the Investment Manager;

- if the contractual agreement for a replacement of the Key Executive(s) is not completed, or an alternative solution is not found, within 180 days, then (i) investors representing at least 30% of the total outstanding Capital Commitments shall be entitled to call an investors' general meeting to initiate a vote for removal of the Investment Manager by Investors' Ordinary Consent; (ii) investors by way of Investors' Ordinary Consent shall be entitled to direct the Fund to terminate the Investment Period; (iii) investors by way of Investors' Ordinary Consent shall be entitled to direct that the Fund be terminated; and (iv) investors by way of Investors' Special Consent shall be entitled to direct that the Fund be continued. Removal in accordance with (i) will have immediate effect and shall not give rise to any compensation and the Investment Manager shall automatically forfeit all rights to Carried Interest.

In the event the investors are unable to arrive at a decision (including a situation of tied votes) with respect to the vote referred to above, the Fund shall automatically terminate (meaning that the Investment Manager shall promptly commence the orderly liquidation of the Fund's portfolio unless the Advisory Board agrees to give the Investment Manager a further period of time to propose an alternative solution to continue the Fund which solution must be approved by the Advisory Board or by way of Investors' Ordinary Consent).

#### **CHANGE OF CONTROL OF THE INVESTMENT MANAGER**

If there is a Change of Control (as defined hereunder) of the Investment Manager that has not been approved by prior Investors' Ordinary Consent or consent of the Advisory Board, the Investment Manager shall not carry out any new investments, follow-on investments and divestments for which there were no legally binding written commitments prior to the date on which a Change of Control occurs. An Investors' Ordinary Consent or consent of the Advisory Board may agree to the resumption of investment/divestment activity.

If, after six months from the date on which a Change of Control has occurred the Change of Control has not been remedied or approved by the Advisory Board or by Investors' Ordinary Consent, then the following shall occur;

- immediate suspension of new investments, follow-on investments and divestments for which there were no legally binding written commitments or contractual obligations in place prior to the date of the Change of Control (that said, follow-on investments and divestments can be made within the suspension period upon prior Investors' Ordinary Consent or consent of the Advisory Board); any exception to this, i.e. that the remaining members of the Investment Manager's investment team may continue to make new investments, follow-on investments and/or divestments, will require consent of the Advisory Board or approval by Investors' Ordinary Consent;
- contractual agreement for a replacement of the Investment Manager or an alternative solution with the approval of the Advisory Board or the approval of an Investors' Ordinary Consent must be submitted within a time frame of 6 months and, if approved, subsequent resumption of new investments, follow-on investments and/or divestments;
- if the contractual agreement for a replacement of the Investment Manager is not completed, or an alternative solution is not found, within six months then this shall be deemed to be an uncured change of control situation as provided for at (iv), in paragraph (b) "removal as a result of cause"



under the section entitled "Investment Management Agreement", and the removal of Investment Manager provisions applicable in those circumstances shall apply.

In the event the investors are unable to arrive at a decision (including a situation of tied votes) with respect to the vote referred to above, the Fund shall automatically terminate (meaning that the Investment Manager shall promptly commence the orderly liquidation of the Fund's portfolio unless the Advisory Board agrees to give the Investment Manager a further period of time to propose an alternative solution to continue the Fund which solution must be approved by the Advisory Board or by way of Investors' Ordinary Consent).

Any change to the shareholding of the Investment Manager, the carried interest allocation or the investment team's investment allocation, as applicable, (whether or not such change qualifies as a Change of Control) shall be promptly notified to the Advisory Board.

A "Change of Control" is as follows:

- Any (direct or indirect) transfer of more than a 25% share (economical and/or voting) of the investment of the Investment Manager, the Investment Manager's investment team (consisting of the Key Executives and members and employees of the Investment Manager directly participating in the operation of the Fund) and the ICAV's Directors (if direct), to one or more third parties.
- Less than 75% of the carried interest being held by the Investment Manager and the Investment Manager's investment team (consisting of the Key Executives and members and employees of the Investment Manager directly participating in the operation of the Fund).
- Less than 50% of the carried interest being held by the Investment Manager's investment team (consisting of the Key Executives and the members and employees of the Investment Manager directly participating in the operation of the Fund).
- Less than 2% of total Capital Commitments invested by the Investment Manager and the Key Executives at any point in time.
- The appointment of any person as a member of the Investment Committee who is not a Key Executive and who is not a representative of the Investment Manager or of Fidelidade-Companhia de Seguros, S.A. without the prior consent of the Advisory Board.
- Massimo Figna ceases to indirectly hold or be the sole beneficiary of at least 20% of the economic and voting rights in the Investment Manager.

## **DISTRIBUTION POLICY**

### *General*

Both during and after the Investment Period, the Directors intend to distribute in respect of the Distributing Classes not less than 80 per cent. of (i) realised net income derived from interest, dividends and other income distributions received on the Fund's underlying investments and (ii) realised net capital gains generated in the period since the Directors last determined whether a dividend was payable in accordance with this policy (iii) less unrealised losses, (iv) subject to the Investment Manager's right to re-invest capital profits arising from the realisation of investments or otherwise and net income in accordance with the investment objective and policy of the Fund during the Investment Period; (v) subject to certain adjustments and (vi) after making provision for expenses and investment management and operating requirements.

Such distributions will be made either (i) by way of dividend distribution to Shareholders or (ii) by way of pro rata redemption of Shares from Shareholders in respect of Shares registered in their names on the relevant date. Distributions shall not reduce Capital Commitments.

#### *Declaration of Dividends*

In pursuance of this policy, the Directors intend to declare annual dividends in respect of the Class A Distributing Shares as of the last calendar day in September in each year commencing in 2019. No dividend shall exceed the amount recommended by the Directors, which shall not exceed the net income and realised capital gains less realised capital losses of the Fund attributable to the Class A Distributing Shares as of the last calendar day in September in each year commencing in 2019 as determined by the Directors. The Directors shall only pay such a dividend where the Net Asset Value per Class A Distributing Share as of the last calendar day of September exceeds the greater of:-

- (i) the highest Net Asset Value per Class A Distributing Share respectively on the last day of any previous period by reference to which the Directors last determined whether a dividend was payable in accordance with this policy (which will have been adjusted to reflect any dividend paid on the Class A Distributing Shares as of that date); and
- (ii) the Initial Offer Price of €1,000 per Class A Distributing Share.

Shareholders holding Class A Distributing Shares as of the last calendar day of September as of which the relevant dividend is distributable shall be entitled to such dividends. Dividends, if any, declared on the Class A Distributing Shares will be automatically re-invested by the ICAV in additional Class A Distributing Shares, although Shareholders may elect to have dividends paid by way of bank transfer or by such other means as agreed between the Directors and the relevant Shareholder. Any re-investment shall take place as soon as practicable.

The Investment Manager shall not make any distributions in specie prior to the liquidation of the Fund. If distributions in specie are envisaged, the investors shall have the right to either accept or refuse such a distribution, or to have the assets distributed in kind managed by the Investment Manager or a third party in view of their realisation. In addition, in circumstances where a distribution in specie of listed securities is contemplated, the value of the distribution shall be determined as the average stock price of the securities to be distributed of the five days immediately preceding the listing day and the five immediate following days.

For administrative reasons, when distributions are made, the distribution notice should clearly indicate whether such distributed amounts are re-callable.

To the extent made, distributions will be paid by wire transfer to the account(s) indicated by the Shareholder on its Capital Commitment Agreement (as may be updated from time to time by signed, original notification from the Shareholder to the ICAV c/o the Administrator). No distributions or other amounts payable to any Shareholder shall bear interest against the Fund. Subject to the provisions of the Rulebook, the Directors shall distribute and/or accrue capital gains/losses and income to each Shareholder relative to their participation in the relevant Class.

Please also refer to the "Distribution Policy" section in the Prospectus. Your attention is also drawn to the section of this Prospectus entitled "Risk Factors" – "Operation of Cash Accounts".

## UK Reporting Fund Status

The Directors reserve the right to seek certification of the Distributing and/or Accumulating Shares of the Fund with effect from first issue as a “reporting fund” for the purposes of UK taxation.

## SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Directors may from time to time temporarily suspend the determination of Net Asset Value of the Fund or Class and/or the issue of Shares in any Class in circumstances set out in the Instrument and the section of the Prospectus entitled “**Suspension of Valuation of Assets**”. The Directors shall not suspend the determination of Net Asset Value other than in those circumstances.

## FEES AND EXPENSES

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

### *AIFM's Fee*

Pursuant to the AIFM Agreement, the AIFM is entitled to charge the Fund an annual fee not to exceed 0.10% of the Net Asset Value of the Fund, subject to a minimum annual fee not to exceed €150,000, which fee shall be allocated pro-rata to all sub-funds of the ICAV. The AIFM's fee shall be subject to the imposition of Value Added Tax (“VAT”) if required. The fee will be calculated and accrued as of each Valuation Day and is payable monthly in arrears within ten (10) Business Days of such fee becoming due. The AIFM's fee may be waived or reduced by the AIFM, in consultation with the Directors. The AIFM shall in addition charge the Fund a once-off initial set-up fee of €5,000 which shall be allocated pro-rata to all the sub-funds of the ICAV.

The AIFM shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred and any VAT on all fees and expenses payable to or by it.

The AIFM shall be entitled to charge the Fund fees at normal commercial rates in order to discharge the fees of any sub-distributors and the Correspondent Bank. The AIFM shall also be entitled to charge the Fund the transaction based fees of the Correspondent Bank which shall be at normal commercial rates.

The AIFM shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred and any VAT on all fees and expenses payable to or by it including the out of pocket expenses of the Correspondent Bank and any sub-distributors charged to the AIFM.

### *Management Fee*

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to charge the Fund a Management Fee of 1.5% per annum of Fund's total Commitments during the Investment Period. Thereafter or during the suspension period following a Key Executive Event or a Change of Control or during the one-year extension of the Investment Period: 1.5% of “Invested Capital”, being the acquisition cost of the total portfolio of the Fund, at the end of the previous quarter (in accordance with the relevant quarterly report), reduced by the acquisition cost of the Fund's investments that have been sold, written-off or written-down more than 50% of its initial acquisition cost for 2 consecutive quarters.

Any money / fees received by the Investment Manager, the Key Executives or any of their respective affiliates relating to investments, divestments, the holding / monitoring of assets or co-investment opportunities (including, without limitation, arrangement fees, transaction fees, syndication fees, service fees, break-up fees as well as monitoring fees and other general fees agreed as part of the initial investment agreement) are to be reported (in the quarterly reports) to the investors and should be offset 100% against the Management Fee. Ad-hoc fees or reimbursements not agreed as part of the initial investment agreement such as out of pocket expense reimbursements shall not be offset against the Management Fee.

To the extent that offsets in a given annual period exceed the Management Fee payable in that annual period, such excess shall be carried over to be applied against the Management Fee in any later period(s) during which the amount of the Management Fee exceeds the offsets arising in that later annual period. Any excess offsets carried forward, which have not been set off against the Management Fee prior to the termination of the Fund, will be paid to the investors.

The Management Fee will accrue quarterly on the date of beginning of operations and on the successive anniversaries of said date. The Fee will be paid quarterly in advance to the Investment Manager.

No Management Fee will be charged on subscriptions made by a director of the Fund or a director or employee of the Investment Manager.

Management Fees levied will also be subject to the imposition of Value Added Tax ("VAT") if required.

The Management Fee may be waived or reduced in respect of one or more Classes (but not individual Shareholders) by the Investment Manager, in consultation with the AIFM and the Directors by way of written side letter agreed with the affected Shareholders. The Investment Manager may decide to rebate to one or more Shareholders or intermediaries part or all of its Management Fee, which may include directors and employees of the Investment Manager by way of written side letter agreed with the affected Shareholders.

The Investment Manager shall be entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred and any VAT on all fees and expenses payable to or by it.

#### *Carried Interest*

After payment of the expenses of the Fund and the Management Fee, any distributions which are made (other than distributions made in connection with the payment of Equalisation Fees (see above "Further Closing Dates") will be made as follows:

- (i) first, to the investors until the investors (pro rata to the amount of their respective Capital Commitments) have been repaid their respective draw-down commitments;
- (ii) second, to the investors (pro rata to the amount of their respective Capital Commitments) until they have received a hurdle rate equivalent to 3.75% compounded annually (**Preferred Return**);
- (iii) third, 100% to the Investment Manager until the Investment Manager has received 15% of the aggregate distributions in (ii) and (iii) ("Full Carry Catch-Up");
- (iv) fourth, 85% to the investors (pro rata to the amount of their respective Capital Commitments) and 15% to the Investment Manager.

Realisation proceeds, subject to any permitted reinvestments, will be distributed in cash as soon as practicable after they are received by the Fund. The Carried Interest shall be calculated and accrued (where relevant) as of each Valuation Day. The calculation of any Carried Interest will be verified by the Depositary.

#### *Carry Vesting Arrangement*

Vesting will operate on an accelerated basis during the Investment Period, with 5% vesting during the first year of the Fund, 20% vesting during the second year of the Fund, 40% vesting during the third year of the Fund, 60% vesting during the fourth year of the Fund and the remaining 40% vesting, on a straight line daily basis, until the end of the life of the Fund.

#### *Clawback*

Upon termination of the liquidation operations of the Fund, the carried interest beneficiaries shall restore funds to the Fund or each investor to the extent that such carried interest beneficiaries have received cumulative distributions in excess of amounts distributable to them pursuant to the section entitled “Carried Interest” above. This is applied on “fund as a whole” basis (i.e. an aggregate basis covering all transactions of the Fund).

#### *Administrator’s Fee*

The Fund shall discharge the Administrator’s fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Administrator’s fee shall not exceed 0.06% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Day and shall be payable monthly in arrears subject to a minimum annual fee of €24,000.

The Fund shall pay certain additional fees to the Administrator for additional Classes of Shares, for the production of financial statements, for filing the Fund’s VAT returns with the Irish Revenue Commissioners, for access to on-line communications and reporting and for the set up and due diligence on investor accounts, the maintenance of the Fund’s Shareholder register and for Shareholder transaction processing, at normal commercial rates.

#### *Depositary’s Fee*

The Fund shall discharge the Depositary’s fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Depositary’s fee shall not exceed 0.03% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Day and shall be payable monthly in arrears subject to a minimum annual fee of €24,000. The Depositary’s fee includes sub-custodian fees in the following markets: ESE, ICSD, Germany, UK, Ireland, Spain, Italy, Switzerland, Portugal, Finland, Sweden, Denmark, Norway, Austria, USA, Japan, Canada and Australia. Sub-custodian fees for any other markets may be charged to the Fund and will be charged at normal commercial rates.

The Fund shall pay certain additional fees to the Depositary for proxy voting, for the settlement of transactions and for cash transfers at normal commercial rates.

#### *Independent Valuer Fees*

The Independent Valuer(s) (as defined in the Prospectus) shall receive, out of the assets of the Fund, fees at normal commercial rates together with VAT, if any, thereon. This fee shall be calculated and accrued on such basis as the Directors may determine and shall be payable in arrears out of the assets of the Fund.

The Fund shall reimburse the Independent Valuer all reasonable out-of-pocket expenses incurred by it in the performance of its obligations, together with VAT, if any, thereon.

#### *Abort Costs*

Third-party due diligence and abort costs – if not being paid by the prospective Portfolio Companies - are paid by the Fund if a deal breaks after the internal deal clearance analysis decision has been made by the Investment Manager and this is duly documented in the relevant investment decision and reported to the Advisory Board.

#### *Establishment Expenses*

All fees of the Fund's professional advisers and the fees and expenses incurred in establishing the Fund will also be borne by the Fund. Furthermore, as per the section of the Prospectus headed "Fees and Expenses" under the sub-section "Establishment Expenses", the Fund shall bear the fees and expenses in respect of the establishment and organisation of the ICAV (including legal, accounting and taxation advisers). Such fees and expenses (the costs of the establishment of the Fund and the Fund's pro-rata share of the costs of the establishment of the ICAV) shall not exceed €500,000 (plus VAT, if any) and it is intended will be amortised over a period of up to three years or such other period and in such manner as the AIFM in its absolute discretion deems fair and shall be subject to such adjustment following the establishment of new Classes (if any) as the AIFM may determine. Costs may be amortised over such period as may be determined by the AIFM and will represent an asset for the purposes of calculating the Net Asset Value of the Fund. In accordance with International Standards on Auditing (UK and Ireland), where any such establishment or organisational expenses are so amortised, it should be noted that the Net Asset Value will be reported in the financial statements as if such expense had been fully amortised in the Accounting Period in which they were incurred. Any establishment or organizational expenses in excess of this shall be borne by the Investment Manager. Establishment and organizational expenses shall be documented and a detailed breakdown of the Fund's pro-rata share of the establishment and organizational expenses shall be submitted to the first meeting of the Advisory Board following the Final Closing Date. For the avoidance of doubt, this cap only relates to initial establishment and organizational expenses and not to the running costs of the Fund (for example the fees and expenses of the AIFM, the Investment Manager, the Administrator and the Depositary).

#### *Fund Ongoing Expenses*

The Fund will bear all reasonable, properly incurred and duly documented expenses incurred in relation to the administration of the Fund, including, without limitation, its own legal, audit and valuation fees and similar fees, external consultant's fees, the costs of printing and circulating reports and notices, and any costs which are associated with investments made, held or realised by the Fund which are not borne by the Portfolio Companies or third parties.

The Investment Manager will be responsible for all other expenses (including, without limitation, the insurance costs incurred in relation to professional liability insurance of its management and employees, all overheads or running costs of the Investment Manager (including remuneration and expenses paid to

its employees, rent and utilities), fees related to market studies and any internal costs in respect of services which the Investment Manager has agreed to provide to the Fund (i.e. investment recommendations, internal due diligence reports, etc.)).

#### *Paying Agents, Sub-Distributors' and Placement Agents' Fees and Expenses*

The fees and expenses of any Paying Agents (other than the Correspondent Bank) shall be paid for by the Fund at normal commercial rates and their reasonable expenses reimbursed by the Fund. In the event that any placement agent fees are payable by the Investment Manager, the Fund may discharge such fees on the Investment Manager's behalf. The Management Fee payable by the Fund shall be reduced (but not below zero) by an amount equal to one-third of any placement agent fees payable or discharged by the Fund in each of the three years following the date on which such placement agent fees become payable; provided, however, that if the Management Fee is not offset by the full amount of such placement agent fees in such three-year period, then the Management Fee payable in subsequent years shall be reduced (but not below zero) by the amount of such placement agent fees not applied to such offset until the Management Fee has been offset by the full amount of such placement agent fees.

### **LEGAL MATTERS RELATING TO INVESTORS IN THE FUND**

By subscribing for Shares, each investor agrees to enter into a Capital Commitment Agreement with the ICAV in respect of the Fund. Any Shares subscribed for under the applicable Capital Commitment Agreement will be held subject to the terms and conditions of this Prospectus, as amended from time to time, the Instrument, as amended from time to time, and the applicable Capital Commitment Agreement. The ICAV will protect and indemnify its officers, directors and other representatives against liability to the extent set forth in the Instrument and in the Prospectus. The main legal implications of the contractual relationship which an investor would enter into by investing in the Fund are set out in the Prospectus under the heading "**Legal implications of an investment in the ICAV**".

### **RISK FACTORS**

**Potential investors should consider the risks referred to in the "Risk Factors" section of the main Prospectus. The list of risk factors included in the main Prospectus does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Investors should read the entire Prospectus, this Supplement and the Capital Commitment Agreement and consult with their own advisors before deciding to purchase Shares in the Fund.**

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

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

The investment objective and policy of the Fund anticipates that investment may be made in, inter alia, debt securities and loan instruments including debt securities collateralised by trade claims, patents, receivables, inventory and other corporate assets, commercial paper, equity and equity-like instruments and derivative instruments. The Fund may also structure financings for borrowers or participate in

syndications originated by others. As a result, investors in the Fund will be subject to a wide range of risks. Additional risks arise from the nature of the underlying asset classes in which the Fund invests.

### *Nature of Investments*

The Fund may invest in sub-investment grade corporate debt securities. The Fund is therefore subject to both credit and market risk. The lower rating attached to sub-investment grade securities reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions (or both) may impair the ability of the issuer to make payments of principal and interest. The same factors may also result in high levels of price volatility in such securities.

### *Loans*

In relation to trading in loans either directly or through participations, the ability of the Fund to acquire or dispose of positions may be restricted, delayed or prevented to the extent that any conditions to transfer are required to be satisfied. Such conditions may include, without limitation, obligations on the Fund, as transferee, to provide satisfactory confidentiality undertakings to the borrower, grantor of a participation or transferor to procure the same from any onward transferee. The underlying documents governing the Fund's holding of a loan position may contain restrictions on the Fund's ability to transfer its loan position, including that the consent of the grantor of any participation may be required. There may also be restrictions on transfer in the underlying loan documents. In addition, illiquidity in the market for trading loan positions may affect the Fund's ability to dispose of, and realise value in respect of, its loan positions. A default by one or more borrowers could result in a material adverse impact on the performance of the Fund.

### *Structured Products*

The Fund may invest in structured notes, certificates and derivatives ("Structured Products"). The Structured Products in which the Fund may invest may not be subject to any substantive or effective regulatory oversight and Structured Product issuers may be established in jurisdictions in which there are no established or effective investor protection laws. In addition, Structured Products are generally subject to limited disclosure and reporting requirements. Accordingly, only a relatively small amount of publicly available information about Structured Products and their issuers and exposure may be available to the Investment Manager in managing and assessing the investments of the Fund. The Fund's Net Asset Value will be calculated by reference to (among other things) the value of the Structured Products to which the assets of the Fund are allocated. The value provided by the issuer of or counterparty to any Structured Product may be more or less than the price at which such Structured Product can be unwound, terminated, closed-out or sold in the secondary market. Such variations may not be reflected in the Fund's Net Asset Value, as a result of which the published Net Asset Value may be higher or lower than the actual value of the relevant net assets as at the relevant Valuation Day.

### *Structured Securities*

The Fund may invest in interests in securitisation vehicles organised and operated solely for the purpose of restructuring the investment characteristics of other debt securities, mortgage-backed securities and collateralised debt obligations etc. (collectively, "Structured Securities"). Structured Securities generally are limited or non-recourse obligations payable solely from underlying assets or collateral securities or the proceeds thereof. Consequently, holders of Structured Securities must rely solely on distributions on the underlying assets or collateral securities or proceeds thereof for payment in respect of the Structured



Securities. The underlying assets are subject to, among other things, credit risks, liquidity risks, interest rate risks, market risks, operations risks, structural risks and legal risks and may fluctuate with the financial conditions of the underlying issuers and obligors. In the event that issuers of the underlying collateral securities or obligors on the underlying assets default on their obligations, or distributions on the underlying assets or collateral securities are insufficient to make payments in respect of the Structured Securities, no other assets will be available for the payment of the deficiency. There is no guarantee that liquidation of underlying assets and collateral securities will be sufficient to repay investors for their investment in such Structured Securities.

This type of restructuring generally involves the deposit with or purchase by an entity, such as a corporation or trust, of specified instruments and the issuance by that entity of one or more classes of securities backed by, or representing interests in, the underlying instruments. The cash flow on the underlying instruments may be apportioned among the newly issued security to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions and the extent of the payments made with respect to such securities is dependent on the extent of the cash flow on the underlying instruments. Certain classes of such securities may be subordinated to the right of payment of another class. Subordinated structured investments typically have higher yields and present greater risks than unsubordinated structured investments. Many Structured Securities are highly complex instruments and may be sensitive to changes in interest rates, prepayment rates or both. There is no guarantee that a liquid market will exist for any Structured Security that the Fund may wish to sell.

In addition, Structured Securities may involve risks different from those of the assets or securities underlying or backing such Structured Securities. The failure by a servicer, sponsor or manager of a Structured Security to perform adequate credit review of underlying assets or collateral securities or to otherwise fulfil its obligations with respect to a Structured Security may lead to the liquidation of, or default on, such Structured Security. Such failures and defaults may have a negative impact on the return of the Structured Security and the performance of the Fund.

#### *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 AIFM 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 not 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.

#### *Credit Risk*

The Fund is also subject to credit risk, i.e. the risk that an issuer of securities will be unable to pay principal and 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 the Fund and the amounts of the claims of creditors and counterparties ranking in priority to the rights of the 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 its investments could result in a significant or even total loss of the investment.

#### *Co-Investment Risk*

The Fund may enter into co-investment arrangement structures with one or more other investors pursuant to which the Fund acquires less than a 100% interest in a particular asset or entity and the remaining ownership interest is held by one or more third parties. These co-investment arrangements may expose the Fund to the risk that:

- co-investors become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Fund having to pay the co-investor's share or risk losing the investment;
- co-investors have economic or other interests that are inconsistent with the Fund's interests and are in a position to take or influence actions contrary to the Fund's interests and plans (for example, in implementing disposals)
- co-investors may have veto rights over certain transactions which may create impasses on decisions and affect the Fund's ability to implement its strategies and/or dispose of an asset;
- disputes develop between the Fund and co-investors, with any litigation or arbitration resulting from any such disputes increasing the Fund's expenses and distracting the Board and/or the AIFM from their other managerial tasks;
- a co-investor breaches agreements related to an investment, which may cause a default under such agreements and result in liability for the Fund;
- co-investors may be given tag-along and drag-along rights which could force the Fund to acquire or dispose of assets when it might prefer not to do so in the circumstances;
- the Fund may, in certain circumstances, be liable for the actions of co-investors; and
- a default by a co-investor may constitute a default under a loan financing arrangement relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Fund.

Any of the foregoing may have a material adverse effect on the Fund's financial condition, business, prospects and results of operations.

Where an investment is acquired through another company or an investment structure, the value of the entity or investment structure may not be the same as the value of the underlying investment due, for example, to tax, environmental, contingent, contractual or other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying investment.

To the extent valuations of the Fund's properties do not fully reflect the value of the underlying assets, whether due to the above factors or otherwise, this may have a material adverse effect on the Fund's

financial condition, business, prospects and results of operations.

#### *Limited Liquidity of Investments*

Notwithstanding the existence of a public market for particular financial instruments, such instruments may be thinly traded or may cease to be traded after the Fund invests in them. The market prices, if any, of such investments tend to be more volatile and may fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of financial markets, developments or trends in any particular industry and the financial condition of the issuers of the securities in which the Fund invests. During periods of limited liquidity and higher price volatility, the ability of the Fund to acquire or dispose of its investments at a price and time that the Fund in respect of the Fund deems advantageous may be impaired, and it may even be impossible to sell such investments when desired. The Fund may also invest in securities that are illiquid due to restrictions on sale, for example because they were acquired from the issuer in a "private placement" transaction. The Fund will not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from those registration requirements is available. The Fund's inability to dispose fully and promptly of its positions in declining markets will conversely cause its Net Asset Value to decline as the value of unsold positions is marked to lower prices.

#### *Long-Term Investments*

Investment in the Fund requires a long-term commitment with no certainty of return. Certain investments of the Fund will be highly illiquid, and there can be no assurance that the Fund will be able to realise on such investments in a timely manner. Although long-term investments may generate current income, the return of capital and the realisation of gains, if any, may not occur until the partial or complete disposition of any such investment. While such investments may be sold at any time, it is expected that they will not generally be sold until a number of years after it is made. Prior to such time, there may not be any current return on investment.

#### *Data Protection*

The GDPR has direct effect in all Member States from 25 May 2018 and replaces existing EU data privacy laws. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. Further, there is a risk that due to changes in interpretation or guidance which emerge with respect to the GDPR over time, the ICAV or its services providers will be required to implement measures in a different manner to how they are currently being implemented. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage

**These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and discuss all potential conflicts of interest and risks with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.**