

**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

## TABLE OF CONTENTS

<b>IMPORTANT INFORMATION</b> .....	<b>2</b>
The Prospectus .....	2
Authorisation by the Central Bank .....	2
Restrictions on Distribution and Sale of Shares .....	2
Reliance on this Prospectus .....	4
Risk Factors .....	4
Translations .....	4
<b>DIRECTORY</b> .....	<b>5</b>
<b>DEFINITIONS</b> .....	<b>9</b>
<b>THE ICAV</b> .....	<b>17</b>
Establishment.....	17
Structure .....	17
Legal implications of an investment in the ICAV .....	17
Investment Objective and Policies .....	18
Matters relating to Closed-Ended Funds .....	18
Matters relating to Open-Ended Funds and Funds with Limited Liquidity .....	20
Investment Restrictions .....	23
Borrowing and Leverage .....	25
Changes to Investment and Borrowing Restrictions .....	26
Efficient Portfolio Management .....	26
Hedged Classes.....	26
Dividend Policy.....	27
Liquidity Management Policy.....	27
Indemnities .....	28
Side Pockets .....	28
<b>MANAGEMENT AND ADMINISTRATION</b> .....	<b>29</b>
Directors of the ICAV .....	29
Alternative Investment Fund Manager .....	30
Investment Manager.....	32
Depositary .....	32
Administrator .....	34
Secretary .....	34
Paying Agents/Representatives/Sub-Distributors .....	34
External Valuer .....	35
Fair Treatment of Shareholders .....	35
<b>CONFLICTS OF INTEREST</b> .....	<b>36</b>
Soft Commissions.....	37
Cash/Commission Rebates and Fee Sharing.....	37
<b>FEES AND EXPENSES</b> .....	<b>38</b>
Allocation of Fees and Expenses to the Funds .....	38
Fees and Expenses of the service providers to the ICAV.....	38
Establishment Expenses .....	38
Operating Expenses and Fees .....	39
Directors' Fees .....	40
Remuneration Policy.....	40

Fees payable in respect of investment in Underlying Collective Investment Schemes .....	40
<b>THE SHARES, SUBSCRIPTIONS AND COMMITMENTS .....</b>	<b>41</b>
General .....	41
Subscription Procedure .....	42
Operation of Cash Accounts.....	43
Transfer Rights.....	43
Voting Rights .....	43
Ineligible Applicants and Ownership Restrictions .....	43
Qualifying Investors and Knowledgeable Persons Exemption .....	43
Liability Statement .....	44
Fractions .....	44
Method of Payment .....	44
Currency of Payment .....	45
Timing of Payment .....	45
“In Specie” Subscriptions .....	45
Abusive Shareholder Dealing Practices .....	45
Swing Pricing.....	46
Anti-Dilution Levy.....	46
Suspension .....	47
Anti-Money Laundering Measures .....	47
Data Protection Information.....	48
<b>COMPULSORY REDEMPTIONS AND CONVERSIONS .....</b>	<b>49</b>
Compulsory Redemption of Shares/Deduction of Tax.....	49
Total Redemption .....	49
Suspension .....	50
Conversion of Shares .....	50
<b>NET ASSET VALUE AND VALUATION OF ASSETS.....</b>	<b>51</b>
General .....	51
Suspension of Valuation of Assets .....	54
Publication of Net Asset Value per Share .....	54
<b>RISK FACTORS.....</b>	<b>56</b>
General .....	56
General Investment Risk .....	58
<b>TAXATION .....</b>	<b>66</b>
General .....	66
Irish Taxation .....	66
Definitions .....	64
The ICAV .....	69
Shareholders Tax .....	70
Stamp Duty .....	73
Capital Acquisitions Tax .....	74
Compliance with US reporting and withholding requirements .....	74
Common Reporting Standards .....	75
<b>GENERAL INFORMATION .....</b>	<b>78</b>
Incorporation and Share Capital.....	78
Variation of Share Rights and Pre-Emption Rights .....	78
Voting Rights .....	79
Meetings.....	80

<b>Auditor, Reports and Accounts .....</b>	<b>81</b>
<b>Communications and Notices to Shareholders .....</b>	<b>81</b>
<b>Transfer of Shares.....</b>	<b>81</b>
<b>Directors.....</b>	<b>83</b>
<b>Directors' Interests .....</b>	<b>84</b>
<b>Periodic Disclosure to Shareholders .....</b>	<b>85</b>
<b>The Application Form .....</b>	<b>85</b>
<b>Termination of a Fund.....</b>	<b>86</b>
<b>Winding Up .....</b>	<b>86</b>
<b>Professional Liability, Indemnities and Insurance .....</b>	<b>87</b>
<b>General .....</b>	<b>88</b>
<b>Material Contracts .....</b>	<b>89</b>
<b>Documents Available for Inspection .....</b>	<b>91</b>



## 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 Legislation”** means the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 as amended by the Criminal Justice Act, 2013, as amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued pursuant thereto.

<b>“Application Form”</b>	means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time 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 Agreement”</b>	means the Depositary Agreement made between the ICAV, the AIFM and the Depositary 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 Resolution”</b>	a resolution of the Members or of the Shareholders of a Fund or Class of Shares in general meeting passed by a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, 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.
<b>“Shareholder”</b>	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.

**“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 Price per Share”** means the price at which a Share will be available for subscription in an open-ended or open-ended with limited liquidity Fund subsequent to the Initial Offer Period as specified in the section of this Prospectus titled “*The Shares, Subscriptions and Commitments*”.

**“Subscription Request”** means any potential investor or Shareholder subscription request completed as prescribed by the ICAV from time to time.

Shares and Subscriptions”

- “Supplement”** means a supplement to this Prospectus specifying certain information in respect of a Fund.
- “Valuation Day”** 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.
- “Valuation Point”** means such time as shall be specified in the Supplement for the Fund.
- “VAT”** 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 identify, 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.

## **FIRST ADDENDUM TO THE PROSPECTUS**

### **TENAX QIAIF ICAV (THE “FUND”)**

**This First Addendum should be read in conjunction with, and forms part of, the prospectus for the Fund dated August 4, 2017 (the “Prospectus”).**

All capitalised terms herein contained shall have the same meaning in this First Addendum as in the Prospectus, unless otherwise indicated.

The directors of Fund whose names appear in the Prospectus under the heading “MANAGEMENT AND ADMINISTRATION” (the “Directors”) accept responsibility for the information contained in this First Addendum. 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 First Addendum is in accordance with the facts and does not omit anything likely to affect the import of the information. The Directors accept responsibility accordingly.

The Directors have resolved that the following amendments be made to the Prospectus:

In the section of the Prospectus headed “**Restrictions on Distribution and Sale of Shares**” the selling legend that relates to Italy shall be deleted in its entirety and replaced with the following:

#### *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) according to article 14(2) of the Italian Decree of the Ministry of Economics and Finance of March 5th 2015, no. 30, falling in the category of retail clients and investing at least €500,000.

This First Addendum is dated September 13, 2017

**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 ITALIAN CREDIT FUND**

This Supplement contains specific information in relation to Tenax Italian 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 limited liquidity sub-fund.

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

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This Supplement is dated 8 April, 2019

## 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.

### Successor Fund

The Fund is a successor fund to Tenax Italian Credit Fund Plc (the "Predecessor Fund"). The Predecessor Fund is an investment company incorporated under, and authorised by the Central Bank pursuant to, Part 24 of the Companies Act, 2014. The Predecessor Fund was incorporated with limited liability in the Republic of Ireland on 13 April, 2015 with corporate registration number 560393. The Predecessor Fund was authorised by the Central Bank on 28 May, 2015 with regulatory number C139395. The Predecessor Fund's investment period ended on 27 November, 2018. Following the expiry of its investment period, the Predecessor Fund was to be managed with the objective of realising its underlying investments and returning the net proceeds of realisation to its shareholders within a period of four years of the end of its investment period, i.e. by 27 November, 2022.

Following discussions between the Predecessor Fund and its representatives and the Predecessor Fund's shareholders, shareholders of the Predecessor Fund individually elected to have their holdings in the Predecessor Fund redeemed by the Predecessor Fund and, at each shareholder's direction, the proceeds transferred to the Fund (the "**Transfer**") in exchange for Shares in the Fund. Such shareholders have entered into Capital Commitment Agreements to acquire Shares in the Fund. The Fund shall not accept applications to enter into Capital Commitment Agreements from any other investors. The Directors intend that the terms of the Fund that will apply to the transferring shareholders mirror to the greatest extent possible the terms experienced by such shareholders in the Predecessor Fund.

Following the Transfer, the Fund will be managed in accordance with the Fund's investment objective and policy as described in this Supplement, subject to making provision for operating and other fees and expenses of the Fund, with the objective of realising the Fund's underlying investments and returning the net proceeds of realisation to the Shareholders by 27 November, 2022.

It is intended that the Transfer take place as soon as practicable following the date of this Supplement.

## Approval 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.

**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.

## Listing

Application has been made for the admission of the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares and Class A EUR Accumulating Shares to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”). It is expected that listing of the Shares will become effective on or about the 12 April, 2019. The Directors do not expect that an active secondary market will develop in the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares or the Class A EUR Accumulating Shares. **The Global Exchange Market is not a ‘regulated market’ as defined under the Directive on Markets in Financial Instruments (2014/65/EU).**

This Supplement together with the Prospectus of the ICAV includes all information required to be disclosed by the Global Exchange Market rules for investment funds and comprise listing particulars for the purpose of the listing of the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares or the Class A EUR Accumulating Shares on Euronext Dublin.

Neither the admission of the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares and Class A EUR Accumulating Shares to the Official List and to trading on the Global Exchange Market of Euronext Dublin nor the approval of the Listing Particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to, or any other party connected with, the ICAV, the adequacy of the information contained in such Listing Particulars or the suitability of the ICAV or the Shares for investment by investors.

As at the date of this Supplement, the Fund has no loan capital (including term loans) outstanding or

created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.

None of the Directors have had any unspent convictions in relation to indictable offences, been involved in any bankruptcies, receiverships, liquidations, administrations, voluntary arrangements where they were they were a director with an executive function or partner at the time of or within the 12 months preceding such events, nor have any of the Directors had any official public incrimination and/or sanctions by statutory or regulatory authorities (including recognised professional bodies) nor has any Director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

None of the Directors, or persons closely associated, has any interest, direct or indirect, in the share capital of the ICAV, or any options in the share capital of the ICAV.

The annual report and audited accounts of the ICAV will be filed with Euronext Dublin and made available to Shareholders within four months of the end of the period to which they relate.

The shares are eligible for electronic settlement. The Net Asset Value of the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares and Class A EUR Accumulating Shares will be notified to Euronext Dublin immediately, upon calculation. Any suspension of valuation or redemption of the Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares and Class A EUR Accumulating Shares will be notified to Euronext Dublin immediately.

### **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.



## TABLE OF CONTENTS

IMPORTANT INFORMATION.....	2
DEFINITIONS.....	6
SUMMARY .....	11
MANAGEMENT AND ADMINISTRATION .....	17
BASE CURRENCY .....	17
CLASSES OF SHARES .....	17
INVESTMENT OBJECTIVE AND POLICY .....	17
CAPITAL COMMITMENTS .....	22
RETURN OF CAPITAL POLICY .....	27
DISTRIBUTION POLICY .....	30
SUSPENSION OF CALCULATION OF NET ASSET VALUE .....	31
FEES AND EXPENSES.....	32
LEGAL MATTERS RELATING TO INVESTORS IN THE FUND .....	39
RISK FACTORS.....	39

## DEFINITIONS

<b>Accounting Date</b>	means 31 December in each year.
<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>Accumulating Shares</b>	means Class A EUR Accumulating Shares, Class A GBP Accumulating Shares, Class A USD Accumulating Shares, Class B EUR Accumulating Shares, Class B GBP Accumulating Shares, Class B USD Accumulating Shares, Class C EUR Accumulating Shares, Class C GBP Accumulating Shares, Class C USD Accumulating Shares, Class D EUR Accumulating Shares, Class D GBP Accumulating Shares, Class D USD Accumulating Shares, Class E EUR Accumulating Shares, Class E GBP Accumulating Shares and Class E USD Accumulating Shares of the Fund.
<b>Advisers Act</b>	means the US Investment Advisers Act of 1940, as amended.
<b>Business Day</b>	means any day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in London and Dublin, Ireland and/or such other or further places and/or days as the Directors may from time to time determined and notify to Shareholders.
<b>Call Notice</b>	means a written notice served by the Fund on a Shareholder requiring that Shareholder to make Capital Subscriptions for Shares in respect of all or part of such Shareholder's Capital Commitment on a Capital Subscription Day.
<b>Capital Commitment</b>	means in respect of a Shareholder, the total capital agreed to be subscribed by such Shareholder pursuant to the relevant Capital Commitment Agreement.
<b>Capital Commitment Agreement</b>	means the agreement between each Shareholder and the Fund pursuant to which the relevant Shareholder has agreed to make Capital Subscriptions for Shares of the Fund.
<b>Capital Subscription</b>	means in respect of a Shareholder, the amount of capital subscribed or required to be subscribed by that Shareholder

for Shares of a Class pursuant to such Shareholder's Capital Commitment Agreement.

**Capital Subscription Day**

means a Business Day, specified in such Shareholder's Capital Commitment Agreement or pursuant to a Call Notice, on which a Capital Subscription is required to be made or is made for Shares of a Class in respect of all or part of such Shareholder's Capital Commitment. A Capital Subscription Day will fall on:-

- (i) the first Business Day of each calendar month; and/or
- (ii) such other and/or further day or days as the Directors may from time to time prescribe and notify to a Shareholder in a Call Notice or otherwise pursuant to such Shareholder's Capital Commitment Agreement.

**Capital Redemption Day**

means a Business Day as of which the Directors may redeem Shares for the purposes of returning income and/or capital to Shareholders in accordance with the capital return policy of the Fund.

**Classes**

means:

the Class A EUR Distribution Shares, Class A GBP Distribution Shares, Class A USD Distribution Shares, Class A EUR Accumulating Shares, Class A GBP Accumulating Shares and Class A USD Accumulating Shares : Class A EUR Shares are denominated in Euro, Class A GBP Shares are denominated in GBP and Class A USD Shares are denominated in USD;

the Class B EUR Distribution Shares, Class B GBP Distribution Shares, Class B USD Distribution Shares, Class B EUR Accumulating Shares, Class B GBP Accumulating Shares and Class B USD Accumulating Shares: Class B EUR Shares are denominated in Euro, Class B GBP Shares are denominated in GBP and Class B USD Shares are denominated in USD;

the Class C EUR Distribution Shares, Class C GBP Distribution Shares, Class C USD Distribution Shares, Class C EUR Accumulating Shares, Class C GBP Accumulating Shares and Class C USD Accumulating Shares: Class C EUR Shares are denominated in Euro, Class C GBP Shares are denominated in GBP and Class C USD Shares are denominated in USD;

the Class D EUR Distribution Shares, Class D GBP Distribution Shares, Class D USD Distribution Shares,

Class D EUR Accumulating Shares, Class D GBP Accumulating Shares and Class D USD Accumulating Shares: Class D EUR Shares are denominated in Euro, Class D GBP Shares are denominated in GBP and Class D USD Shares are denominated in USD;

the Class E EUR Distribution Shares, Class E GBP Distribution Shares, Class E USD Distribution Shares, Class E EUR Accumulating Shares, Class E GBP Accumulating Shares and Class E USD Accumulating Shares: Class E EUR Shares are denominated in Euro, Class E GBP Shares are denominated in GBP and Class E USD Shares are denominated in USD.

**Distributing Shares**

means Class A EUR Distributing Shares, Class A GBP Distributing Shares, Class A USD Distributing Shares, Class B EUR Distributing Shares, Class B GBP Distributing Shares, Class B USD Distributing Shares, Class C EUR Distributing Shares, Class C GBP Distributing Shares, Class C USD Distributing Shares, Class D EUR Distributing Shares, Class D GBP Distributing Shares, Class D USD Distributing Shares, Class E EUR Distributing Shares, Class E GBP Distributing Shares and Class E USD Distributing Shares of the Fund.

**Euro Accumulating Shares**

means Class A EUR Accumulating Shares, Class B EUR Accumulating Shares, Class C EUR Accumulating Shares, Class D EUR Accumulating Shares and Class E EUR Accumulating Shares.

**Euro Distributing Shares**

means Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares, Class D EUR Distributing Shares and Class E EUR Distributing Shares.

**GBP Accumulating Shares**

means Class A GBP Accumulating Shares, Class B GBP Accumulating Shares, Class C GBP Accumulating Shares, Class D GBP Accumulating Shares and Class E GBP Accumulating Shares.

**GBP Distributing Shares**

means Class A GBP Distributing Shares, Class B GBP Distributing Shares, Class C GBP Distributing Shares, Class D GBP Distributing Shares and Class E GBP Distributing Shares.

**Hurdle Rate**

means the interest rate return of the BTP (Buoni Del Tesoro Poliennali) 4 year (Bloomberg Ticker: GBTPGR4 Index) on the first Business Day applied pro-rata the period in

question. BTPs are Italian Treasury bonds issued with various maturities. These are straight bonds with semi-annual coupon interest payments with principal repaid on maturity.

<b>Initial Closing Date</b>	means the date as of which the Transfer takes place.
<b>Final Closing Date</b>	means the date falling 1 month following the Initial Closing Date, as the Directors may determine in their discretion.
<b>Initial Offer Period</b>	means the period from 9.00 a.m. (Irish time) on 9 April, 2019 to 2.00 p.m. (Irish time) on the Final Closing Date (which period may be shortened at the discretion of the Directors upon recommendation from the AIFM or the Investment Manager) provided that the Initial Offer Period shall not extend beyond 8 October, 2019.
<b>Initial Offer Price</b>	means €100, being the price per Share of each relevant Class or as otherwise determined by the Directors and notified in advance to each Shareholder.
<b>Minimum Viable Amount</b>	means an amount equal to €20,000,000 (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.
<b>Prospectus Regulation</b>	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.
<b>Restricted Person</b>	means any (i) US Person; (ii) any person whose holding of Shares might result in legal, pecuniary, tax, regulatory or material administrative disadvantage to the Fund or Shareholders; (iii) any person whose ownership of Shares would be unlawful; and (iv) any person specified in this Supplement or the Prospectus as being restricted from investing in any Class of Shares.

<b>Transfer</b>	means as defined in this Supplement under the heading “IMPORTANT INFORMATION: Successor Fund”.
<b>USD Accumulating Shares</b>	means Class A USD Accumulating Shares, Class B USD Accumulating Shares, Class C USD Accumulating Shares, Class D USD Accumulating Shares and Class E USD Accumulating Shares.
<b>USD Distributing Shares</b>	means Class A USD Distributing Shares, Class B USD Distributing Shares, Class C USD Distributing Shares, Class D USD Distributing Shares and Class E USD Distributing Shares.
<b>Valuation Day</b>	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. The Business Day immediately preceding a Capital Subscription Day or Capital Redemption Day is currently a Valuation Day for such purpose, The Directors may designate additional or alternative Valuation Days subject to notice in advance to Shareholders.
<b>Valuation Point</b>	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 4.00 p.m. (Dublin time) on the relevant Valuation Day.

## SUMMARY

The following is a summary of key information concerning the Fund and its Class A Shares, Class B Shares, Class C Shares, Class D Shares and Class E Shares. It is derived from, should be read in conjunction with and is subject to the full text of this Supplement and the Prospectus.

<b>The ICAV</b>	Tenax QIAIF ICAV is an Irish collective asset-management vehicle incorporated in the Republic of Ireland on May 19, 2017 with limited liability and segregated liability between its sub-funds under the Act with registration number C168824.
<b>Regulatory Status</b>	The ICAV has been authorised by the Central Bank as an ICAV pursuant to Part 2 of the Act and is authorised to be marketed solely to Qualifying Investors pursuant to the Rulebook.
<b>Share Classes</b>	It is intended that the Fund will shortly issue Shares to those shareholders of the Predecessor Fund that have elected to transfer the proceeds of the redemption of their holdings in the Predecessor Fund in exchange for Shares in the Fund and that have entered into Capital Commitment Agreements. It is not intended to permit any other investors to enter into Capital Commitment Agreements.
<b>Capital Commitments</b>	No further applications to enter into Capital Commitments may be submitted.
<b>Drawdowns and Capital Subscriptions</b>	<p><i>Call Notices</i></p> <p>Capital Commitments will be drawn down at the discretion of the Directors upon notice to investors (in the form of a Call Notice) where required for the purpose of meeting expenses or operating and investment management requirements of the Fund. Drawn down Capital Commitments will be applied to subscribe for Shares with reference to one or more Capital Subscription Days. For the avoidance of doubt, following the Transfer, the Fund shall enter into no further investments.</p>
<b>Drawdown Defaults</b>	Default remedies are available to the Directors in the event of a default by investors, following service of a Call Notice, in satisfying a request to have an amount drawn down in respect of their Capital Commitments as described in this Supplement.
<b>Investment Objective, Policy and Restrictions</b>	<p><i>Investment Objective</i></p> <p>The investment objective of the Fund is to achieve total rates of return.</p> <p><b>There can be no guarantee that the Fund will achieve its investment objective.</b></p>

### *Investment Policy*

The Fund will aim to deliver a total rate of return through its investment strategy, principally through current yield and capital appreciation.

The Fund expects to acquire a portfolio of assets shortly following the regulatory approval of the Fund by the Central Bank, consisting primarily of debt securities and loan instruments representing direct financing and credit provided to the small and medium sized enterprise sector in Italy. This portfolio represents the proceeds of the redemption of shares in the Predecessor Fund by its investors and the transfer of the proceeds of such redemptions at the direction of such investors in exchange for Shares in the Fund (the “**Transfer**”).

For the avoidance of doubt, the Fund might not be exclusively invested in Italian assets at any one time.

The Fund’s portfolio may also consist of certain equity or equity-like instruments in Italian issuers connected with the Fund’s primary investment strategy as set out above. The objective of such holdings is to increase the total rate of return or as a consequence of the Fund’s investment policy; as a result, for example, of a borrower re-structure resulting in a debt for equity swap, or a borrower default where the Fund enforces collateral in the form of equity. The Fund’s portfolio may including financings that the Fund has structured and originated for borrowers and/or syndications originated by others in which the Fund participates. The portfolio may include debt securities collateralised by trade claims, patents, receivables, inventory or other corporate assets, commercial paper and derivative instruments. The Fund may hold both private and publicly listed instruments, however, a majority of the Fund’s investments are expected to be private debt instruments issued by small and medium sized enterprises (“**SMEs**”). The Fund’s portfolio may include cash, government and money market securities, both pending investment and as part of the efficient portfolio management of the Fund.

The Fund will be managed in accordance with the above investment objective and policy subject to the Fund’s:

- (i) investment and reinvestment policy;
- (ii) distribution policy; and
- (iii) return of capital policy.

The Fund shall not make any new investments following the Transfer.



### *Investment Restrictions*

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

The Fund shall not engage in short selling.

### *Hedging*

The Fund may employ a variety of hedging strategies for the purpose of efficient portfolio management, to manage its exposure to interest and foreign exchange rate risks and otherwise as determined by the Investment Manager.

### **Investment and Reinvestment Policy**

The Fund shall not make any new investments following the Transfer.

The Fund will be managed in accordance with its investment objective and policy and, subject to the making of provisions for operating and other fees and expenses of the Fund, capital profits arising from the realisation of investments or otherwise and net income will be distributed to Shareholders in accordance with the Fund’s distribution policy (as described below) and shall not be re-invested.

### **Distribution Policy**

The Directors intend in respect of the Distributing Classes to distribute 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; (ii) realised net capital gains generated in the period since the Directors last determined whether a dividend was payable in accordance with this policy, less (iii) unrealised losses; subject to (iv) certain adjustments and (v) 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 a pro rata redemption of Shares from Shareholders in respect of Shares registered in their names on the relevant date.

The Directors intend to declare annual dividends in respect of the 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 and unrealised capital losses of the Fund attributable to the relevant Class of 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 of the Fund as of the last calendar day of September is in excess of the values set out in “DISTRIBUTION POLICY: Declaration of Dividends” in this Supplement.

Dividends, if any, declared on the Distributing Shares will be automatically re-invested by the Fund in additional Distributing Shares of the same Class, 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.

### **Return of Capital Policy**

Following the Transfer, the Fund will be managed in accordance with the Fund’s investment objective and policy as described in this Supplement, subject to making provision for operating and other fees and expenses of the Fund, with the objective of realising the Fund’s underlying investments and returning the net proceeds of realisation to the Shareholders by 27 November, 2022.

Capital will be returned to Shareholders by way of pro rata redemptions of Shares or such other means as the Directors of the ICAV may from time to time determine. Such redemptions will be given effect to on each Capital Redemption Day.

Both the Fund and Shareholders have limited redemption rights in relation to the Shares, as described under “RETURN OF CAPITAL POLICY: Limited Redemption Rights” in this Supplement.

The amount payable to a Shareholder following a redemption of Shares, less any deductions on account of Performance Fees, will be paid in the currency in which the relevant Share Class is denominated, normally within 30 days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 days of the relevant Capital Redemption Day.

### **Compulsory Redemption**

In addition to the Directors’ powers to redeem Shares as part of the return of capital policy of the Fund, the Directors of the ICAV may compulsorily redeem Shares as set out under “RETURN OF CAPITAL POLICY: Compulsory Redemption/Transfer” in this Supplement.

In addition to the right of the Directors to determine that Shares may be redeemed, Shareholders have limited redemption rights in relation to the Shares, as described under “RETURN OF CAPITAL

POLICY: Limited Redemption Rights” in this Supplement.

<b>AIFM</b>	The ICAV has appointed Bridge Fund Management Limited of Ferry House, 48-53 Mount Street Lower, Dublin 2, Ireland as its AIFM.
<b>Investment Manager</b>	The AIFM has appointed Tenax Capital Limited as the Fund’s investment manager to manage the investment and dis-investment of the Fund’s portfolio.
<b>Administrator</b>	The ICAV has appointed CACEIS Ireland Limited as Administrator to perform operational, administrative and registrar duties in relation to the Fund and its Shares (and each of the ICAV’s sub-funds and its shares).
<b>Depository</b>	The ICAV has appointed CACEIS Bank, Ireland Branch to act as Depository of the Fund (and each of the ICAV’s sub-funds).
<b>Initial Charge</b>	The Fund shall not apply an initial charge in respect of Capital Subscriptions made by any investor.
<b>Management Charges</b>	The AIFM and the Investment Manager are each entitled to receive a monthly management fee and the Investment Manager is entitled to receive a performance fee, in each case as described under “FEES AND EXPENSES” in this Supplement.
<b>Other Fees and Expenses</b>	These are described under “FEES AND EXPENSES” in this Supplement.
<b>Valuation</b>	The investments of the Fund will be valued for the purpose of calculating subscription and redemption prices of Shares as at the Valuation Point on the relevant Valuation Day.
<b>Listing</b>	Class A EUR Distributing Shares, Class B EUR Distributing Shares, Class C EUR Distributing Shares and Class A EUR Accumulating Shares have made application to list on the Official List of Euronext Dublin and to trading on the Global Exchange Market of Euronext Dublin.
<b>Reporting Fund Policy</b>	The Directors reserve the right to seek certification of the Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares and any future Share Classes, as a “reporting fund” for the purposes of UK taxation with respect to any accounting period.
<b>ICAV and Shareholder Taxation</b>	The attention of prospective Shareholders is drawn to the section “TAXATION” in the Prospectus.
<b>Financial Year and Annual Reports</b>	The financial year end of the Fund is 31 December in each year. The Fund’s first financial period will end on 31 December 2019.

The audited annual report and accounts for the Fund will be sent to Shareholders within six months of the end of the period to which they relate. The audited annual report and accounts will be available for inspection at the office of the Administrator.

## **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.

## **BASE CURRENCY**

The Base Currency of the Fund is Euro.

## **CLASSES OF SHARES**

Class A EUR Distributing Shares, Class A GBP Distributing Shares, Class A USD Distributing Shares, Class B EUR Distributing Shares, Class B GBP Distributing Shares, Class B USD Distributing Shares, Class C EUR Distributing Shares, Class C GBP Distributing Shares, Class C USD Distributing Shares, Class D EUR Distributing Shares, Class D GBP Distributing Shares, Class D USD Distributing Shares, Class E EUR Distributing Shares, Class E GBP Distributing Shares, Class E USD Distributing Shares, Class A EUR Accumulating Shares, Class A GBP Accumulating Shares, Class A USD Accumulating Shares, Class B EUR Accumulating Shares, Class B GBP Accumulating Shares, Class B USD Accumulating Shares, Class C EUR Accumulating Shares, Class C GBP Accumulating Shares, Class C USD Accumulating Shares, Class D EUR Accumulating Shares, Class D GBP Accumulating Shares, Class D USD Accumulating Shares, Class E EUR Accumulating Shares, Class E GBP Accumulating Shares and Class E USD Accumulating Shares of the Fund are available for subscription up to the Final Closing Date solely by the former shareholders of Tenax Italian Credit Fund Plc who participate in the Transfer.

### *Voting Rights*

Shares are available as Voting Shares only. The Directors have not initially made any Non-Voting Shares available.

## **INVESTMENT OBJECTIVE AND POLICY**

### **Investment Objective**

The investment objective of the Fund is to achieve total rates of return.

### **Investment Policy**

The Fund will aim to deliver a total rate of return through its investment strategy, principally through current yield and capital appreciation. As part of its strategy, the Fund will seek to capitalise on opportunities arising from the emerging asset class represented by direct financing or credit to the small and medium sized enterprise sector (“SME”) in Italy. For the avoidance of doubt, the Fund might not be exclusively invested in Italian assets at any one time.

The Fund expects to acquire a portfolio of assets shortly following the regulatory approval of the Fund by

the Central Bank, consisting primarily of debt securities and loan instruments representing direct financing and credit provided to the small and medium sized enterprise sector in Italy. This portfolio represents the proceeds of the redemption of shares in the Predecessor Fund by its investors and the transfer of the proceeds of such redemptions at the direction of such investors in exchange for Shares in the Fund (the “Transfer”).

The Fund’s portfolio may also consist of certain equity or equity-like instruments in Italian issuers connected with the Fund’s primary investment strategy as set out above. The objective of such holdings is to increase the total rate of return or as a consequence of the Fund’s investment policy; as a result, for example, of a borrower re-structure resulting in a debt for equity swap, or a borrower default where the Fund enforces collateral in the form of equity. The Fund’s portfolio may include financings that the Fund has structured and originated for borrowers and/or syndications originated by others in which the Fund participates. The portfolio may include debt securities collateralised by trade claims, patents, receivables, inventory or other corporate assets, commercial paper and derivative instruments. The Fund may hold both private and publicly listed instruments, however, a majority of the Fund’s investments are expected to be private debt instruments issued by small and medium sized enterprises (“SMEs”). The Fund’s portfolio may include cash, government and money market securities, both pending investment and as part of the efficient portfolio management of the Fund.

The Fund has identified three target asset types, which are described in further detail below.

The Fund will follow a predominantly long only, buy and hold investment strategy, reflecting the relative illiquidity and the extended typical value realisation life-cycle of the asset types that the Fund intends to target.

The Fund’s portfolio will typically consist of approximately fifteen to twenty investments (on average). The intended holding period for each individual investment will be consistent with the Fund’s investment realisation period. The predominant routes to exit are expected to be the maturity of the investment concerned or other value crystallisation events.

Whilst the Fund does not intend to actively trade the portfolio, limited exits in the secondary market may be effected either when the Investment Manager’s view of the downside risk associated with an investment changes and an exit is driven by the need to preserve value, or when the market price of the investment approximates to the Investment Manager’s view of the fair value of the asset concerned.

The Fund has characterised its target assets into three categories:

- Direct financing backed by collateral and/or first ranking guarantees such as pledges, floating charges, mortgage-backed loans, receivables, patents, trademarks, inventory and/or personal or financial collateral;
- Corporate senior secured loan notes or mini bonds issued by SMEs;
- Other financing backed by non-first ranking guarantees which allow a de-facto control of the income generated from the financing and full recovery of the investment at exit. The Fund does not intend to invest a significant proportion of its funds in this type of investment.

The Fund will be managed in accordance with the above investment objective and policy subject to the Fund’s:

- (i) investment and reinvestment policy;
- (ii) distribution policy; and
- (iii) return of capital policy.

Following the Transfer, the Fund will be managed in accordance with the Fund's investment objective and policy, subject to making provision for operating and other fees and expenses of the Fund, with the objective of realising the Fund's underlying investments and returning the net proceeds of realisation to the Shareholders by 27 November, 2022.

### **Borrowing and Leverage**

The Fund does not currently intend to borrow or use leverage directly or, by reason of the terms of the instruments in which it invests, indirectly, as part of its investment policy. The Fund's use of borrowing for temporary or cash management purposes will be limited to 110 per cent. of the Net Asset Value of the Fund at the time of employing the borrowing, but shall in no circumstances ever exceed 115 per cent. of the Net Asset Value of the Fund. Both of these figures have been determined 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) 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 Investment Manager, in consultation with 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 relate 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 this Supplement when considering whether or not to invest in Shares.

## **Investment and Reinvestment Policy**

The Fund shall not make any new investments following the Transfer.

Following the Transfer, 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 (i) distributed to Shareholders in accordance with the Fund's distribution policy (as outlined under "DISTRIBUTION POLICY") in this Supplement and (ii) used to make provision for operating and other fees and expenses of the Fund.

## **Liquidity Management**

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

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 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 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 redemption 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*

From time to time, including but not limited to cases where an investment in the Fund is not suitable for one or more investors for tax, regulatory or commercial reasons, or where investments are too large for the Fund to take up the entire investment opportunity, the AIFM or the Investment Manager may provide co-investment opportunities to one or more third parties which may include a parallel fund established by the AIFM or the Investment Manager (a "**Parallel Fund**"). The terms of any co-investment opportunity will be, as between the Fund and the investors who take up the opportunity, on terms no less favourable to the Fund or to the relevant investors, subject, in each case, to any particular tax, legal, regulatory, constitutional concerns of such investors or commercial considerations. Investors will generally have the right not to elect to make certain co-investments. The Fund may invest side-by-side with an investor, including a Parallel Fund, without providing co-investment opportunities to any Shareholder or other investor, in the AIFM's or Investment Manager's discretion.

### *Parallel Funds*



The Investment Manager may create one or more Parallel Funds, the structure of which may differ from that of the Fund, and which may have substantially different terms and conditions to a direct investment through the Fund, including, but not limited, to the extent that tax or regulatory or commercial considerations dictate.

#### *Costs and expenses*

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

### **Investment Restrictions**

#### *General*

The investment restrictions set out in the section of the Prospectus headed “**THE ICAV: Investment Restrictions**” shall apply to the Fund. Without prejudice to the foregoing, the Fund will observe the following investment restrictions:

- a. any commission that is received by the AIFM or the Investment Manager by virtue of the Fund’s investment in a collective investment scheme must be paid into the property of the Fund. The Fund will not invest in a collective investment scheme which is managed by the AIFM or the Investment Manager or by a related party to the AIFM or the Investment Manager;
- b. the Fund will not invest more than 50 per cent. of its Net Asset Value in any other single collective investment scheme (or sub-fund of a collective investment fund, if applicable);
- c. the Fund will not, nor shall the AIFM or the Investment Manager, acquire shares carrying voting rights enabling it to exercise significant influence over the management of an issuing body, nor shall the Fund take or seek to take legal or management control of the issuers of underlying investments; and
- d. the Fund shall not engage in short selling.

Subject thereto, 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.

## *Securities Financing Transactions*

The Fund shall not engage in securities financing transactions within the meaning of the SFT Regulations.

### **Monitoring and Breach**

The investment restrictions apply to any investment at the time that investment is made. The Investment Manager will be responsible for monitoring the underlying investments to ensure that the investment restrictions applicable to the Fund are complied with and will report to the Directors accordingly. If the set limits are subsequently exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, the Fund will adopt as a priority objective the remedying of that situation taking due account of the interests of Shareholders.

### **Use of Subsidiaries**

The Fund shall not establish subsidiaries to make any of its investments.

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

The investment objective of the Fund may not be altered, and material changes in the investment policy of the Fund may not be made, without prior approval by way of ordinary resolution of Shareholders in general meeting or with the prior written approval of all Shareholders who are entitled to receive notice of and vote at such general meeting. A change to the investment policy (other than a material change) may not be made without prior notification to the Shareholders. The holders of Non-Voting Shares will be entitled to receive notice of, and vote at, any general meeting the sole purpose of which is to consider a change to the investment objective of the Fund or a material change to the investment policy of the Fund. Non-Voting Shares are further described in the Prospectus under the heading "GENERAL INFORMATION: Voting Rights".

### **Central Bank Developments**

It is intended that the Fund 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.

## **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 connection with the Transfer, following which no further Capital Commitments will be accepted by the Fund.

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).

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.

Each Capital Commitment Agreement is subject to acceptance by the ICAV.

### **Minimum Capital Commitment**

The minimum initial Capital Commitment per investor ("**Minimum Capital Commitment**") is €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. 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.

For the avoidance of doubt, subscriptions for Shares in the Fund shall not be subject to any equalising payments as between investors.

### **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 the 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 investor's 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 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 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 supply 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 policies 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 7 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.

### **Call Notices**

Capital Commitments will be drawn down at the discretion of the Directors upon notice to investors (in the form of a Call Notice) where required for the purpose of meeting expenses or operating and investment management requirements of the Fund. Drawn down Capital Commitments will be applied to subscribe for Shares with reference to one or more Capital Subscription Days.

For the avoidance of doubt, following the Transfer, the Fund shall enter into no further investments.

### ***Capital Subscription Defaults***

If an investor fails to make a Capital Subscription as required in a Call Notice, the Directors may, at any time thereafter during such time as such failure continues, serve a written notice on such investor requiring such failure to be remedied (together with interest thereon) (the "**Default Notice**").

The Default Notice shall name a further day (not earlier than five Business Days from the date of the Default Notice) on or before which the payment required by the Default Notice is to be made and shall state that, in the event of non-payment at or before the time appointed (a “**Default**”), the investor may be designated by the Directors as in default (a “**Defaulting Investor**”).

The Directors may take any or all of the following actions with respect to a Defaulting Investor: (i) require a transfer of the Defaulting Investor’s Shares of the applicable Class; (ii) require such Defaulting Investor to be fully liable for payment of up to its pro rata share of establishment and Fund expenses as if the Default has not occurred; (iii) cause the Defaulting Investor’s Shares to be compulsorily redeemed or transferred, as applicable; (iv) apply amounts otherwise distributable to such Defaulting Investor in satisfaction of all amounts payable by such Defaulting Investor; (v) charge such Defaulting Investor interest on any amount that is in Default and any other amounts not timely paid from the date such amounts were due and payable through the date that full payment of such amounts is actually made and to the extent not paid such interest charge may be deducted from amounts otherwise distributable to such Defaulting Investor; (vi) cancel all or part of the Defaulting Investor’s undrawn Capital Commitments and, if so determined at the discretion of the Directors, arrange for such undrawn Capital Commitments to be assumed by another party; and/or (vii) any other action permitted under the laws of the Republic of Ireland.

In addition, such Defaulting Investor shall have no further right to make Capital Subscriptions and shall be treated as no longer a Shareholder in respect of the winding up of the Fund, as applicable. Whenever the vote, consent or decision of the Defaulting Investor is required or permitted pursuant to the Instrument, unless otherwise agreed by the Directors and the Defaulting Investor or required by Irish law, a Defaulting Investor shall not be entitled to participate in such vote, or to make such decision, and such vote or decision shall be tabulated or made as if such Defaulting Investor were not a Shareholder.

The Directors shall have the right to pursue all remedies at law or in equity available to them with respect to the Default of a Defaulting Investor.

#### *In Specie Subscriptions*

The Directors, at their discretion, reserve the right to accept Capital Subscriptions satisfied by way of in specie or in kind transfers of assets, the nature of which shall be within the investment policy and restrictions of the Fund.

Any in specie or in kind subscription that meets the investment criteria will be valued by the Directors in accordance with the valuation procedures of the ICAV set out under “NET ASSET VALUE AND VALUATION OF ASSETS” in the Prospectus.

The Directors reserve the right to decline to register any prospective investor on the register of Shareholders until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. Any in specie or in kind transfer will be at the investor’s risk and the costs of such a transfer will be borne by the investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary’s satisfaction and the number of Shares to be issued will not exceed the amount that would be issued if the cash equivalent of investments had been invested and the Depositary is satisfied that the terms of such exchange are not such as are likely to result in any material prejudice to the existing Shareholders.

## **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.

## **RETURN OF CAPITAL POLICY**

### **Limited Liquidity Fund**

The Fund is a limited liquidity sub-fund of the ICAV and accordingly Shareholders will not have the right to request the redemption (whether in whole or in part) of their Shares save as set out below.

Instead, capital will be returned to Shareholders and a corresponding quantity of Shares will be redeemed on each Capital Redemption Day in accordance with the Fund's return of capital policy as outlined below.

### **Return of Capital Policy**

Following the Transfer, the Fund will be managed in accordance with the Fund's investment objective and policy as described in this Supplement, subject to making provision for operating and other fees and expenses of the Fund, with the objective of realising the Fund's underlying investments and returning the net proceeds of realisation to the Shareholders by 27 November, 2022.

#### *Manner of Return of Capital*

Capital may be returned to Shareholders through:-

- (i) compulsory redemptions of Shares on a pro rata basis; and/or
- (ii) distributions by way of dividend in respect of Shares; and/or
- (iii) such other means as the Directors may from time to time determine.

Such capital returns may be made in one or more tranches and the Directors may specify Capital Redemption Days and special distribution record dates for these purposes. Shareholders will be notified of compulsory redemptions and dividends by the Administrator. Following the end of the capital returns to Shareholders, the Fund will apply to the Central Bank for the revocation of the Fund's regulatory approval in Ireland.

### *Redemption Prices*

Shares will be redeemed at a redemption price equal to the Net Asset Value per Share calculated as at the Valuation Point on the Valuation Day in respect of the relevant Capital Redemption Day.

The Directors may adjust the redemption price per Share in accordance with its discretions set out under “NET ASSET VALUE AND VALUATION OF ASSETS” in the Prospectus.

For example, the Directors may in calculating the redemption price of a Share of each Class deduct a provision for, inter alia, market dealing spreads and duties and charges and other dealing costs where the Directors consider such provision to be in the best interests of the Fund.

### **Redemption Payments**

#### *Cash Payments*

Redemption proceeds, less any deductions on account of Performance Fees, will normally be paid within 30 calendar days of the relevant Capital Redemption Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 calendar days of the relevant Capital Redemption Day.

#### *In Specie or In Kind Payments*

The Directors may, with the consent of the Shareholder whose Shares are being redeemed, effect any redemption of Shares by the transfer in specie or in kind to such Shareholder of assets of the Fund having a value 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.

Where the redemption proceeds to be paid to a Shareholder represent five per cent. or more of the Net Asset Value of the Fund, the Directors may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind as aforesaid. The costs of effecting such transfer shall be deducted from the redemption proceeds. The relevant Shareholder(s) may in such instances further elect for the relevant assets to be held in a segregated account of the Fund and for the proceeds of disposal of such assets, less costs, to be distributed to the relevant Shareholder(s). In the case of redemption in specie or in kind, asset allocation will be subject to the approval of the Depositary. The Depositary may only accept a redemption on an in specie or in kind basis if it is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the Shareholders.

### **Limited Redemption Rights**

All, but not some, of the Shares may be redeemed if the Directors determine in good faith that such action would be advisable and in the best interests of a majority of the Shareholders as a result of a material change in the legal or regulatory status of the Fund, provided that they provide not less than four weeks' notice to Shareholders of their intention compulsorily to redeem such Shares.

The Fund may also be wound up in certain circumstances as described in “GENERAL INFORMATION: Winding Up” in the Prospectus.

In addition, each Shareholder may redeem not more than 20 per cent. of the Shares held by such Shareholder (but no more) at the prevailing Net Asset Value per Share upon not less than six calendar



months' notice in writing from the relevant Shareholder to the Administrator, such notice expiring on the day falling two years following the Final Closing Date (or, if not a Business Day, the Business Day immediately following such date). Upon exercise of such redemption right, the Investment Manager shall have a period of one year, with a possible extension of one year, to dispose of sufficient assets of the Fund to fund such redemptions.

### **Compulsory Redemption/Transfer**

Shareholders are required to notify the Administrator immediately if they are no longer Qualifying Investors or Knowledgeable Persons or if they become a Restricted Person. Such Shareholders (and Shareholders who are Defaulting Investors (as described under "CAPITAL COMMITMENTS: Capital Subscription Defaults")) may be required to redeem or transfer their Shares.

The Fund has the right at any time to compulsorily redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) 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; (ii) by or for the benefit of a person who is not a Qualifying Investor (other than persons which benefit from an exemption from the minimum subscription requirement and qualifying investor criteria or is a Restricted Person; (iii) by any person who holds less than the minimum holding or who does not supply any information or declaration required under the Instrument; (iv) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the Fund; (v) where the continued ownership of such Shares by the Shareholder would require the Investment Manager or the AIFM to register under the Advisers Act; (vi) where such Shares are held by any person in breach of the law or requirements of any country or governmental authority; or (vii) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Fund or the Shareholders as a whole incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Fund or the Shareholders as a whole might not otherwise have incurred or suffered.

The rights and privileges attaching to Shares which are to be compulsorily redeemed or transferred may be suspended by the Directors and will not be capable of being exercised during such period as Shares are held by persons in breach of the requirements regarding the holding of Shares.

The Fund 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 or beneficial ownership 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.

Any such compulsory redemption shall, as determined by the Directors taking due account of the interests of the remaining Shareholders, be made at a price equal to the latest Net Asset Value per Share of the relevant Class less interest accrued or penalties, if any, and in accordance with such procedures as shall be described in the Prospectus.

For the purpose of effecting a compulsory redemption or transfer, the Directors shall, in accordance with the Instrument, be authorised to execute or authorise some person to execute and deliver such documents,

including without limitation, instruments of transfer and also to receive the redemption proceeds or sale proceeds as agent on behalf of the Shareholder whose Shares are being compulsorily redeemed or transferred and to cause the register of shareholders of the Fund maintained by the Administrator to be updated to reflect the compulsory redemption or transfer of the Shares as the case may be.

The attention of investors is drawn to the section of the Prospectus entitled "TAXATION" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in the Republic of Ireland amounts in respect of any liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability.

In addition, the Directors have wide powers to effect the compulsory redemption of Shares in circumstances where the Directors are of the opinion, consistent with the investment objective and policy of the Fund, that the Fund has assets which are surplus to the investment opportunities which the Investment Manager believes to be available to the Fund.

### **Total Redemption of Shares of a Class**

All of the Shares of any Class may be redeemed on the giving, by the Fund, of not less than four weeks' notice expiring on a Capital Redemption Day to Shareholders of its intention to redeem such Shares.

In addition, the Directors have power to redeem Shares of any Class in the circumstances outlined in the section entitled "GENERAL INFORMATION: Termination of a Fund" in the Prospectus.

## **DISTRIBUTION POLICY**

### *General*

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 certain adjustments and (v) 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.

### *Declaration of Dividends*

In pursuance of this policy, the Directors intend to declare annual dividends in respect of the 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 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 of the Fund as of the last calendar day of September exceeds the greater of:-

- (i) the highest Net Asset Value per 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 Distributing Shares as of that date); and
- (ii) the initial offer price of €100 per Distributing Share or its equivalent in the respective currency of denomination of any Non Euro Distributing Shares.

#### *Re-investment*

Shareholders holding 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 Distributing Shares will be automatically re-invested by the Fund in additional Distributing Shares of the same Class, 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.

#### *Payment*

Any distribution which is not re-invested will be paid by telegraphic transfer at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Share Class(es). Payment of distributions may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out under "CAPITAL COMMITMENTS" in this Supplement.

No distributions, returns of capital or other amounts payable to any Shareholder shall bear interest against the Fund.

All unclaimed amounts payable as aforesaid by the Fund may be invested or otherwise made use of for the benefit of the Fund until claimed. Payment by the Fund of any unclaimed amount payable in respect of a Share into a separate account shall not constitute the Fund a trustee in respect thereof. Any dividend or return of capital unclaimed six years from the date when it first became payable shall be forfeited automatically and shall revert back to the Fund, without the necessity for any declaration or other action by the Fund.

#### **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" Shares for the purposes of UK taxation.

The tax treatment of the Fund and the Shareholders as shareholder in the Fund is explained in further detail under "TAXATION" in the Prospectus.

#### **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 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 Shareholders of each Class a management fee equal to the same annual percentage of the Net Asset Value of the Shareholder's holding at the start of each calendar quarter as set out below. The Investment Manager will charge Class A Shares a fee of 1.5%, Class B Shares a fee of 1.4%, Class C Shares a fee of 1.25%, Class D Shares a fee of 1.1% and Class E Shares a fee of 1.5%.

The Fund and the Investment Manager may achieve this by either (a) the Fund issuing separate Classes of Shares reflecting the different fee levels and/or (b) by the Investment Manager rebating part of its Management Fee to the relevant Shareholder(s) to reflect the fee levels agreed upon with the individual Shareholder.

Should the Fund and the Investment Manager implement the fee arrangements by means of the Fund issuing separate Classes of Shares reflecting the different fee levels, then the following arrangements will apply: a Shareholder who subscribes for Euro Distributing Shares, Euro Accumulating Shares, USD Distributing Shares, USD Accumulating Shares, GBP Distributing Shares or GBP Accumulating Shares will be allocated;

- (i) Class A Euro Distributing Shares, Class A Euro Accumulating Shares, Class A USD Distributing Shares, Class A USD Accumulating Shares, Class A GBP Distributing

- Shares or Class A GBP Accumulating Shares, as applicable, by the Fund if such Shareholder's Commitment is equal to or less than €5,000,000, in the case of a Shareholder subscribing for Shares for the first time, or at the beginning of the then current calendar quarter in the case of an existing Shareholder;
- (ii) Class B Euro Distributing Shares, Class B Euro Accumulating Shares, Class B USD Distributing Shares, Class B USD Accumulating Shares, Class B GBP Distributing Shares or Class B GBP Accumulating Shares, as applicable, by the Fund if such Shareholder's Commitment is greater than €5,000,000 and less than or equal to €10,000,000, in the case of a Shareholder subscribing for Shares for the first time, or at the beginning of the then current calendar quarter in the case of an existing Shareholder;
  - (iii) Class C Euro Distributing Shares, Class C Euro Accumulating Shares, Class C USD Distributing Shares, Class C USD Accumulating Shares, Class C GBP Distributing Shares or Class C GBP Accumulating Shares, as applicable, by the Fund if such Shareholder's Commitment is greater than €10,000,000 and less than or equal to €20,000,000, in the case of a Shareholder subscribing for Shares for the first time, or at the beginning of the then current calendar quarter in the case of an existing Shareholder;
  - (iv) Class D Euro Distributing Shares, Class D Euro Accumulating Shares, Class D USD Distributing Shares, Class D USD Accumulating Shares, Class D GBP Distributing Shares or Class D GBP Accumulating Shares, as applicable, by the Fund if such Shareholder's Commitment is greater than €20,000,000 and less than or equal to €40,000,000, in the case of a Shareholder subscribing for Shares for the first time, or at the beginning of the then current calendar quarter in the case of an existing Shareholder; and
  - (v) Class E Euro Distributing Shares, Class E Euro Accumulating Shares, Class E USD Distributing Shares, Class E USD Accumulating Shares, Class E GBP Distributing Shares or Class E GBP Accumulating Shares, as applicable, by the Fund if such Shareholder's Commitment is greater than €40,000,000, in the case of a Shareholder subscribing for Shares for the first time, or at the beginning of the then current calendar quarter in the case of an existing Shareholder.

The Directors will adjust the holdings of Class A Shareholders, Class B Shareholders, Class C Shareholders, Class D Shareholders and Class E Shareholders, if required, at the beginning of each calendar quarter, or on any other date on which there is a subscription for Class A Shares, Class B Shares, Class C Shares, Class D Shares or Class E Shares such that the portion of the value of any Shareholder's Shares that is greater than €5,000,000 but less than or equal to €10,000,000 will be converted into Class B Shares, the portion of the value of any Shareholder's Shares that is greater than €10,000,000 but less than or equal to €20,000,000 will be converted into Class C Shares, the portion of the value of any Shareholder's Shares that is greater than €20,000,000 but less than or equal to €40,000,000 will be converted into Class D Shares and the portion of the value of any Shareholder's Shares that is greater than €40,000,000 will be converted into Class E Shares. Such conversion, if required, will be effected by the Directors way of compulsory exchange of Shares of one class for Shares of equal value of another class and Shareholders will not be required to take any action in this regard.

The Investment Manager may also recover out of pocket expenses reasonably incurred by it or its agents or delegates in the performance of their respective functions on behalf of the Fund. No management fee will be charged on any Capital Commitment made by a director or employee of the Investment Manager.

## Performance Fee

The Investment Manager is in addition entitled to receive, in relation to each investor holding Class A Shares, Class B Shares, Class C Shares or Class D Shares, out of the assets of the Fund, a performance fee (the “**Performance Fee**”) equal to 20 per cent. on all distributions (whether by way of dividend or capital redemption) paid and payable (prior to deductions in respect of the Performance Fee) in excess of total Capital Commitments invested in respect of the relevant investor’s holding in the relevant Class and the Hurdle Rate.

The holders of Class E Shares will be charged 15 per cent. on total distributions allocable to such Class E Shares (but otherwise on the same basis as set out above).

The Performance Fee payable is calculated with reference to Shares of each Class subscribed by each Shareholder on each Capital Subscription Day (Shares of a given Class subscribed on one or more Capital Subscription Days are collectively referred to in this Supplement for Performance Fee calculation purposes as being Shares of a specific “Share Class Unit”). Conversions of Shares of any Class will be disregarded for these purposes and such converted Shares will be treated as forming part of the same Share Class Unit as the Shares from which they converted.

The Performance Fee is calculated over the period from the time of first issue of Shares within each Share Class Unit until their eventual redemption. The Performance Fee, if any, will accrue as of each Distribution Date (as such term is defined under “*Calculation Methodology*” below) and will be deducted from distributions and returns of capital paid to Shareholders. A Performance Fee will not, however, be payable until aggregate amounts of distributions and returns of capital made in respect of a Share Class Unit (described below as “Cumulative Prior Distributions”) have equalled the total amount subscribed by the investor concerned in respect of Shares represented by the relevant Share Class Unit, capitalised by the Hurdle Rate, as more particularly described under “*Calculation Methodology*” below.

## Calculation Methodology

The Performance Fee payable in respect of Shares of each Share Class Unit subscribed by a Shareholder is calculated by reference to:

- (a) each Capital Redemption Day or other Business Day by reference to which the Shareholder is entitled to receive a dividend, distribution or payment of redemption proceeds in respect of Shares of the relevant Share Class Unit (each a “Distribution Date”); and
- (b) is equal to 20 per cent. (or 15 per cent. in the case of Class E Shares) of the Performance Fee Notional in excess of the Hurdle Rate in respect of each such Share Class Unit for the relevant Distribution Date. The Performance Fee Notional in respect of each Share Class Unit as at a given Distribution Date is defined as the greater of:
  - i. (A) the cumulative distributions (by way of dividend or other distributions on Shares of such Share Class Unit or the payment of redemption proceeds in respect of the redemption of any such Shares), if any, made to the Shareholder in respect of Shares of such Share Class Unit on each previous Distribution Date (plus the amount of any Performance Fee in respect of Shares of such Share Class Unit paid or payable in respect of any such previous Distribution Dates) (“**Cumulative Prior Distributions**”)

plus the dividend, distribution or redemption payments (if Shares of such Share Class Unit are to be redeemed as of the Distribution Date in question) determined to be made as of that Distribution Date (prior to deduction of any Performance Fee in respect thereof) LESS (B) the greater of (i) aggregate subscriptions made by the Shareholder in respect of Shares of such Share Class Unit (after subscription fees and charges) ("Aggregate Net Subscriptions") and (ii) Cumulative Prior Distributions in respect of Shares of such Share Class Unit; and

ii. zero.

In the event that (a) a dividend or other distribution is payable to a Shareholder in respect of Shares of a Share Class Unit or (b) redemption proceeds are payable to a Shareholder in respect of the redemption of Shares of a Share Class Unit, and a Performance Fee is chargeable in respect of such dividend, distribution or redemption proceeds, an amount equal to such Performance Fee will be deducted from the relevant dividend, distribution or redemption proceeds otherwise payable and the net amount paid to the relevant Shareholder.

In calculating the Performance Fee payable in respect of a Share Class Unit, the Directors may in their discretion make such adjustments as they consider to be appropriate in their absolute discretion to give effect to the intent of these provisions including, without limitation, (a) on account of any dividends or other distributions which have been reinvested as provided under "DISTRIBUTION POLICY" above and (b) to treat any amounts withheld or deducted in respect of any such distributions or returns of capital prior to payment for tax or other purposes as having been paid for the purposes of calculating the Performance Fee payable.

As the Fund is a successor fund, in calculating the Performance Fee in respect of a Share Class Unit, the Directors shall reflect any performance fee that was accrued but unpaid in the Predecessor Fund in respect of the corresponding class unit in the Predecessor Fund at the point of the Transfer (as defined under "IMPORTANT INFORMATION: Successor Fund").

#### *Impact of Transfers and Redemptions on Performance Fee Calculations*

In the event of the transfer of all but not some of the Shares comprised in an existing Share Class Unit by a Shareholder (the "**Transferor**") to a transferee (the "**Transferee**"), the Directors may (but are not obliged to) treat the relevant transfer (which may, at their discretion, include a transfer of a Share to more than one holder) as representing, from the date of such transfer, the transfer of the Share Class Unit to the Transferee, and future Performance Fee payments shall be calculated as if the transferee had received all Cumulative Prior Distributions and made all Aggregate Net Subscriptions in respect of Shares of such Share Class Unit received by the Transferor or any prior holder of the Share Class Unit.

In the event of any transfer of some, but not all, of the Shares comprised in a Share Class Unit, the Directors may (but are not obliged to) treat the transfer as representing from the date of such transfer the division of the existing Share Class Unit representing the relevant Share or Shares into two or more separate Share Class Units as follows:

- (i) any such Share or Shares not so transferred by a Shareholder shall be treated as comprising the "Retained Share Class Unit";
- (ii) any such Share or Shares transferred to a Shareholder shall be treated as comprising a

separate Share Class Unit termed a "Further Share Class Unit".

For the calculation of the future Performance Fees payable in respect of each such Retained Share Class Unit and Further Share Class Unit, Cumulative Prior Distributions and Aggregate Net Subscriptions in respect of the prior existing Share Class Unit shall be treated as apportioned between each such Retained Share Class Unit and Further Share Class Unit in accordance with the following fraction (subject to such adjustments as the Directors may from time to time determine or approve):-

$$\frac{\text{Total Relevant Shares}}{\text{Total Shares in Unit}}$$

Where:-

"Total Relevant Shares" means the total number of Shares within a Share Class Unit transferred to a relevant Shareholder or, as the case may be, retained by a relevant Shareholder following any relevant transfers (that is, within a Further Share Class Unit or Retained Share Class Unit respectively);

"Total Shares in Unit" means the total number of Shares within the relevant Share Class Unit in issue and registered in the name of the relevant Shareholder immediately prior to the date of any relevant transfers.

Transfers of Shares of a Share Class Unit will not affect or diminish any Performance Fees calculated and payable in respect of periods prior to the date of any such transfer.

In addition, for Performance Fee calculation purposes:

- (a) a Shareholder shall be treated as transferring Shares of each Share Class Unit first subscribed or, as the case may be, transferred to such Shareholder; and
- (b) in respect of capital returned to Shareholders by way of the redemption of Shares, such capital shall be returned pro rata to Shareholders by reference to each Share Class Unit as calculated with reference to the aggregate Net Asset Value of Shares within each such Share Class Unit and the relevant Shares treated as redeemed will be determined accordingly.

The calculation of any Performance Fee will be verified by a competent person appointed by the AIFM and approved by the Depositary.

### **Payment of Management Fee and Performance Fee**

Each of the Management Fee and the Performance Fee is payable by the Fund to the Investment Manager generally within 10 days after (i) the Net Asset Value for the relevant Valuation Day is determined or (ii) the relevant Distribution Date, respectively.

### **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.

#### *Depository's Fee*

The Fund shall discharge the Depository's fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Depository'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 Depository'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 Depository for proxy voting, for the settlement of transactions and for cash transfers at normal commercial rates.

#### *Establishment Expenses*

The preliminary expenses (which include expenses of the AIFM incurred in connection with the following matters) incurred in respect of the establishment and formation of the Fund and in connection with the offering of Capital Commitments and issue of Shares and the costs of admission to listing on the Official List of Euronext Dublin and to trading on the Main Securities Market of Euronext Dublin will be borne by the Fund and are expected to amount to approximately €40,000.

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 (i.e. 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 €20,000 (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 expenses had been fully amortised in the Accounting Period in which they were incurred.

#### *Operating Expenses*

The Fund will bear all costs and expenses incurred in its operation, including, without limitation, all its operating costs in connection with the ongoing management, administration and operation of the Fund as well as investment research, evaluation, due diligence and other similar costs and expenses (including costs and expenses relating to the acquisition or proposed acquisition, disposal or holding of investments

such as due diligence and related transaction costs) and other costs and expenses including but not limited to:-

- (a) all clerical expenses and stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Fund or any Class of Shares or on creation, issue or redemption of Shares or any Class of Shares or arising in any other circumstance;
- (b) all brokerage, stamp, fiscal and purchase or fiscal and sale charges and expenses arising on any acquisition or disposal of investments;
- (c) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of the Fund or the Depositary, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (d) all expenses incurred in the collection of income and administration of the Fund;
- (e) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (f) all taxation payable in respect of the holding of or dealings with or income from the Fund's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (g) all commissions, charges, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments of any nature whatsoever and including any foreign exchange options, financial futures or any other derivative instruments or the provision of cover or margin therefor or in respect thereof or in connection therewith;
- (h) all stationery, telephone, facsimile, printing, translation, pricing vendor and postage costs in connection with the preparation, publication and distribution of the Net Asset Value and the Net Asset Value per Share, and any cheques, warrants, tax certificates, statements, accounts and reports made, issued or despatched;
- (i) all legal and other professional advisory fees incurred by the Fund, including but not limited to the fees and expenses of the Fund's auditors, tax agents and company secretary;
- (j) any statutory fees payable, including any fees payable to the Central Bank or to any regulatory authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (k) all fees and costs relating to the listing or de-listing of Shares or any Class of Shares on any stock exchange;
- (l) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (m) any interest on any borrowings of the Fund;
- (n) all expenses and fees relating to any marketing material, services, advertisements and the distribution of the Fund and the Shares issued or to be issued, any periodic update of this Supplement or any other documentation relating to the Fund;
- (o) all fees and expenses of the Directors and any Directors' insurance premia;
- (p) the costs of winding up the Fund or terminating any Class; and

- (q) all costs and expenses incurred by the Fund and any of its appointees which are permitted by the Instrument.

### *General*

The Investment Manager may, in its sole discretion, (i) pay commission to qualified financial intermediaries who refer prospective investors, subject to applicable law or (ii) waive or rebate any charge for certain prospective investors based on factors deemed appropriate by the Investment Manager including, but not limited to, the amount of the proposed investment by a prospective investor.

Fees and expenses will unless otherwise determined by the Directors be accrued at each Valuation Point. All fees and expenses are exclusive of VAT and other applicable taxes (if any).

## **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 the Prospectus, including this Supplement, 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**

There are significant risks associated with an investment in the Fund and in the Shares. Investment in the Shares may not be suitable for all investors and is intended for sophisticated investors who can accept the risks associated with such an investment including a substantial or complete loss of their investment.

**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.

Each prospective investor should carefully review this Supplement and the Prospectus and carefully consider all these risks before deciding to invest. The discussion below as to the risks to which the Fund and its Shares may be subject is not intended to be exhaustive. The Fund (i) may invest in instruments other than those described below, including instruments not in existence or available in the market as of the date of this Supplement and (ii) is likely to be subject to additional risks not discussed below.

Investors should take into account the following factors when considering the risks associated with an investment in the Fund and in Shares:-

## **General**

### *Performance Fees*

Performance Fees may be payable by the Fund to the Investment Manager. As noted above, such fees may create an incentive to undertake investments carrying greater risks.

### *Fees and Expenses*

Whether or not the Fund is profitable, it is required to meet certain fixed and ongoing costs, including, without limitation, start-up and organisational expenses, ongoing administrative and operating expenses, management and advisory fees, interest and arrangement charges and fees on borrowing and margin and other payments under derivative and other arrangements.

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

All securities investments present a risk of loss of capital. The Fund's investment policy may utilise investment techniques such as option transactions, margin transactions and futures and forward contracts, which practices can maximise, in certain circumstances, any losses. There can be no assurance that the Fund will achieve its investment objective.

In particular, the Fund may be subject to the following investment and strategy risks:

### *Concentration of Interests*

Although the Fund will endeavour to diversify its holdings, it may hold a few relatively large positions in relation to its investments. Consequently, a loss in any such position could result in significant losses to the Fund and a proportionately higher reduction in the Net Asset Value per Share than if the Fund had invested in a wider number of positions.

### *Securities and Other Investments may be Illiquid*

Certain investment positions may be illiquid. The Fund may invest in securities of financially troubled companies and non-publicly traded securities. Futures positions may be illiquid because, for example, some exchanges limit fluctuations in certain futures contract prices during a single day by regulations

referred to as “daily price fluctuation limits” or “daily limits”. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Similar occurrences could prevent the Fund from promptly liquidating unfavourable positions and subject the Fund to substantial losses. In addition, the Fund may not be able to execute futures contract trades at favourable prices if little trading in the contracts involved is taking place. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

### *Counterparty Risk*

The Fund may have exposure to trading counterparties other than the Depositary. Where the Fund delivers collateral to its trading counterparties under the terms of its trading master agreements with such parties, a counterparty may be over collateralised and the Fund will, therefore, be exposed to the creditworthiness of such counterparties to the extent of the over collateralisation. In addition, the Fund may from time to time have uncollateralised exposure to its trading counterparties in relation to its rights to receive securities and cash under contracts governing its trading positions. In the event of the insolvency of a trading counterparty, the Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that the Fund will not be able to recover any debt in full, or at all.

Markets in which the Fund may effect transactions may include OTC or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as members of “exchange-based” markets. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties. Moreover, the Fund has no internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

### *Convertible Securities*

Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security may entitle the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities can have unique investment characteristics in that they may: (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities; (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

### *Convertible Arbitrage Transactions*

Convertible arbitrage transactions are designed to be relatively market neutral, i.e. they hedge out the directional risks generally associated with unhedged investments in the underlying instruments. However, should the credit status of an issuer weaken, losses may result from decreases in the market conversion premium or a loss of liquidity with respect to the security. These losses may be substantial in relation to the Fund's net asset value. The Fund may also suffer losses if an issuer is acquired for cash or debt securities at a price that does not generate profits on the unhedged portion of a position sufficient to recover the premium paid to acquire the convertible security and any unpaid accrued interest that would be lost should conversion become necessary. Losses may result when securities are called for redemption at prices below the current market prices. Frequently, these losses will include interest accrued but not paid upon conversion of the called securities. In addition, losses may occur if an issuer declares a special dividend or spin-off which causes a reduction in the conversion premium, or the Fund is forced to convert a security earlier than anticipated.

#### *Convertible Hedging and Valuation*

A convertible can be valued as a bond plus an equity option. As such it involves equity market risk, credit market risk, interest rate risk, volatility risk and occasionally currency risk. It is not always possible to hedge all these risks and the costs involved with trying to do so often exceeds any financial benefit of a convertible. The Fund may use hedging techniques where the Investment Manager believes they are appropriate. The Investment Manager will use various valuation models to help make these hedging decisions. There is a risk from any un-hedged exposure within the portfolio. In addition, where hedges are in place, there is a risk that the value of a convertible will fall as a result of market movement but that the value of the hedging transaction is not as anticipated.

#### *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 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.

### *Derivatives*

The Fund may utilise both exchange-traded and over-the-counter (“**OTC**”) derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences. These instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Transactions in over-the-counter contracts may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

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

The Fund’s use of futures contracts and options on futures contracts will present the same types of volatility and leverage risks associated with transactions in derivative instruments generally (see above). In addition,

such transactions present a number of risks which might not be associated with the purchase and sale of other types of investment products.

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

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

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

#### *Undervalued Securities*

The Fund may invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed.

The Fund may make certain speculative investments in securities which the Investment Manager believes to be undervalued; however, there can be no assurance that the securities purchased will in fact be undervalued. In addition, the Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Fund's capital would be committed to the securities purchased, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

#### *Borrowing*

The Fund may use borrowings. The use of borrowing creates special risks and may significantly increase the risks of the Fund. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Fund to capital risk and interest costs. Any investment income and gains earned on investments maintained as a result of the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Fund to increase more rapidly



than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Fund may decrease more rapidly than would otherwise be the case.

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

The Fund's investment approach may include the use of bank or dealer credit lines. There can be no assurance that the Fund will be able to maintain adequate financing arrangements under all market circumstances.

As a general matter, the banks and dealers that may provide financing to the Fund can apply essentially discretionary margin, "haircuts", financing and security and collateral valuation policies. Banks and dealers could change these policies at any time, for any reason, including a change in market circumstances, government, regulatory or judicial action, or simply a change in the policy of the relevant bank. Changes by banks and dealers in one or more of these policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances, government, regulatory or judicial action, may result in large margin calls, loss of financing, forced liquidations of positions at disadvantageous prices and cross-defaults to agreements with other banks and dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants simultaneously. The imposition of any such limitations or restrictions could compel the Fund to liquidate all or part of its portfolio at disadvantageous prices, perhaps leading to a complete loss of the Fund's equity.

The Fund could also be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the securities over which the broker has been granted security to compensate for the decline in value. A "margin call" can essentially be made at the discretion of the relevant broker, even if the securities over which that broker has been granted security to secure the Fund's margin accounts have not declined in value. In the event of a sudden drop in the value of the Fund's assets, the Investment Manager might not be able to liquidate assets quickly enough to pay off the margin debt. In such a case, the relevant broker may liquidate additional assets of the Fund, in its sole discretion, in order to satisfy such margin debt.

#### *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.

#### *Swap Agreements*

The Fund may enter into swap agreements. Swap agreements can be individually negotiated and structured so as to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the Fund's exposure to

long-term or short-term interest rates, currency values, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. The Fund is not limited to any particular form of swap agreement if consistent with the Fund's investment objective and policy.

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

### *Fixed Income Securities*

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

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

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

### *Trading in Options*

The Fund may purchase and sell ("write") options on securities, currencies and commodities on a variety of commodities and securities exchanges and over-the-counter markets. The seller ("writer") of a put or call option which is uncovered (*i.e.* the writer has effectively a long or a short position in the underlying security, currency or commodity) assumes the risk (which theoretically may be unlimited) of a decrease or increase

in the market price of the underlying security, currency or commodity below or above the sales or purchase price. Trading in futures and options is a highly specialised activity and, although it may increase total return, it may also entail significantly greater than ordinary investment risk. There can be no assurance that a given exposure will be hedged at any given time or, even if the exposure is hedged, that such hedge will be effective.

### *Interpositioning*

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

### *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.

### *Credit Ratings*

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

#### *Risks of Arbitrage Strategies*

Some of the Fund's arbitrage strategies may result in high portfolio turnover and, consequently, greater transaction costs. Depending upon the investment strategies employed and market conditions, the Fund may be adversely affected by unforeseen events involving such matters as changes in interest rates or the credit status of an issuer, forced redemptions of securities or acquisition proposals, break-up of planned mergers, unexpected changes in relative value or changes in tax treatment.

#### *Liquidity and Market Characteristics*

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. At times it may be difficult to obtain price quotes at all. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments. Settlement of transactions may be subject to delay and administrative uncertainties.

#### *Securities and Other Investments of the Fund may be Illiquid; Restrictions on Transfer*

Many of the obligations in respect of credit securities or instruments purchased by the Fund will have no, or only a limited, trading market. The Fund's investment in such securities and portfolios may restrict its ability to dispose of investments in a timely fashion and for a fair price as well as its ability to take advantage of market opportunities. Further, the factors relating to illiquidity of investment positions may also be applicable to an investor whose assets are used in any *in specie* or in kind redemption or withdrawal.

There can be no assurances as to the liquidity or continuance of a market in tranches of certain credit securities. Consequently, the Fund must be prepared to hold such investments for an indefinite period of time and potentially until their maturity date. In addition, such instruments may be subject to certain transfer restrictions and may only be subject to transfer outside the United States or to persons who are not U.S. persons. Such restrictions on the transfer of the notes may further limit their liquidity. Illiquid underlying securities may trade at a discount from comparable, more liquid investments.

#### *Liquidity of Small and Mid Cap Securities*

The Fund may invest in small and mid cap securities. Small and mid cap issuers generally have lower daily trading volume than issuers with larger capitalisation. This lower trading volume may affect the ability of the Fund to build or reduce the size of a position in a short time frame. In addition, it may sometimes be difficult to obtain price quotes in significant size for stocks of such small and mid cap issuers. Investments in small and mid cap issuers typically involve a higher degree of business and financial risk and can result in substantial losses due to special risk factors. For example, such issuers are typically subject to a greater degree of change in earnings and business prospects than are issuers with larger market capitalisations.

#### *Market Liquidity and Leverage*

The Fund may be adversely affected by a decrease in market liquidity for the instruments in which it invests

which may impair the Fund's ability to adjust its positions. The size of the Fund's positions may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a reduction in the level of leverage available, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Fund's portfolio.

#### *Investments in Unlisted Securities*

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

#### *Investments Longer than Term of Fund*

The Fund may make investments that may not be advantageously disposed of prior to the date that the Fund is terminated, either by expiration of the Fund's term or otherwise. Although the Fund expects that investments will be disposed of prior to termination, the Fund has a limited ability to extend the Fund's term and the Fund may have to sell, distribute or otherwise dispose of portfolio investments at a disadvantageous time as a result of termination.

#### *Long-Term Investments*

Although certain investments made by the Fund may generate current income, the return of capital and the realisation of gains, if any, from an investment of the Fund will generally occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that the disposition of most of the investments will not occur for a number of years after such investments are made.

#### *Increased Interest Payments*

The interest payments on the Fund's financings may increase relative to the interest earned on the Fund's investments. In a period of rising interest rates, interest payments by the Fund could increase while the interest earned on certain investments (e.g., fixed rate bonds) would not change, potentially causing their value to drop.

#### *Currency Exposure*

The Base Currency of the Fund is the Euro. Certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Investment Manager may, in certain circumstances, seek to hedge the resulting foreign currency exposure of the Fund. However, the Fund will necessarily be subject to foreign exchange risks. In addition, prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk

of loss arising from fluctuations in value between the Euro and such other currencies.

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

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

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

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

#### *Security*

The Fund may invest in obligations of an issuer of a credit security which are secured by an assignment by way of first fixed security, a first fixed charge and a floating fixed charge in favour of the relevant trustee over the collateral debt securities pursuant to the trust deed on the closing date, which may take effect as a security interest over the right of the issuer to require delivery of the collateral debt securities from the custodian in accordance with the terms of the particular custody agreement.

#### *Subordination Risk*

Certain debt investments acquired by the Fund will be subject to certain additional risks. Such investments may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or significant portion of which may be secured. Moreover, such investments may not be

protected by financial covenants or limitations upon additional indebtedness.

#### *Interest Rate Risk*

The Fund is subject to several risks associated with changes in interest rates on its financings and investments which may affect profitability.

#### *Increased Interest Payments*

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

#### *Interest Rate Adjustments*

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

#### *Certain Securities Markets*

Stock markets in certain countries or sectors may have a relatively low volume of trading. Securities of companies in such markets may also be less liquid and more volatile than securities of comparable companies elsewhere. There may be low levels of government regulation of stock exchanges, brokers and listed companies in certain countries. In addition settlements of trades in some markets is slow and subject to failure.

#### *Highly Volatile Instruments*

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

#### *Highly Volatile Markets*

The prices of financial instruments in which the Fund may invest can be highly volatile. Price movements of forward and other derivative contracts in which the Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and

exchange control programs and policies of governments, and national and international political and economic events and policies. The Fund is subject to the risk of failure of any of the exchanges on which its positions trade or of its clearing houses.

#### *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 and/or the Investment Manager 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 assets 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.



### *Risks Associated with Collateral Management*

Where the Fund enters into an OTC derivative contract, it may be required to pass collateral to the relevant counterparty or broker. Collateral that the Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected “segregation” of such assets. Therefore in the event of the insolvency of a counterparty or broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition the Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by the Fund is re-invested, the Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

Because the passing of collateral is effected through the use of standard contracts, the Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

**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.**