

# **KATKO ICAV**

## **PROSPECTUS**

AN UMBRELLA TYPE OPEN-ENDED IRISH COLLECTIVE ASSET MANAGEMENT VEHICLE WITH LIMITED LIABILITY UNDER THE LAWS OF IRELAND UNDER REGISTRATION NUMBER C195028 WITH SEGREGATED LIABILITY BETWEEN SUB-FUNDS AUTHORISED BY THE CENTRAL BANK PURSUANT TO THE EUROPEAN COMMUNITIES (UNDERTAKINGS FOR COLLECTIVE INVESTMENT IN TRANSFERABLE SECURITIES) REGULATIONS 2011 (SI NO. 352 OF 2011), AS AMENDED.

Issued: 23 August 2021

## **IMPORTANT INFORMATION**

*KATKO ICAV (the “ICAV”) is an umbrella type open-ended externally managed Irish Collective Asset-management Vehicle with variable capital and segregated liability between Sub-Funds.*

*The ICAV is authorised as a UCITS by the Central Bank pursuant to the UCITS Regulations.*

*The ICAV is structured as an umbrella fund in that the Share Capital of the ICAV may be divided into different classes of Shares with one or more classes representing a separate Sub-Fund of the ICAV. The creation of any Sub-Fund will require the prior approval of the Central Bank of Ireland (the “Central Bank”).*

*This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Sub-Fund. If there are different classes of Shares representing a Sub-Fund, details relating to the separate Classes may be dealt with in the same Supplement or in separate Supplements for each Class. This Prospectus and the relevant Supplement should be read as one document. To the extent that there is an inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.*

*The ICAV is an Irish collective asset-management vehicle with variable capital incorporated on 18 July 2019 and is authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011) (as amended).*

***Investors should note that any base and any performance fee may be charged to the capital of the Sub-Funds, in the event that there is insufficient income generated by the Sub-Funds. If this is the case, capital may be eroded and income will be achieved by forgoing the potential for future capital growth. This cycle may continue until all capital is depleted. Therefore on redemption, investors may not receive back the full amount invested. Due to capital erosion, there is an increased likelihood that the value of future returns would also be diminished.***

***The authorisation of the ICAV is not an endorsement or guarantee of the ICAV or any Sub-Fund by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. The 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.***

***If you are in any doubt about the contents of the Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor.***

*This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. Persons into whose possession this Prospectus may come are required by the ICAV to inform themselves about and to comply with such restrictions. It is intended that application may be made in other jurisdictions to enable the Shares of the ICAV to be marketed freely in these jurisdictions.*

*Potential subscribers and purchasers of Shares should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, (iii) any foreign exchange restrictions or exchange control requirements and (iv) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation,*

*citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.*

*The Instrument of Incorporation (“IOI”) of the ICAV gives powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV, the relevant Sub-Fund or its Shareholders as a whole, incurring any liability to taxation or suffering any other pecuniary, regulatory, legal, taxation or material administrative disadvantage which the ICAV, the relevant Sub-Fund or its Shareholders as a whole might not otherwise have incurred or suffered. The IOI also permit the Directors where necessary to repurchase and cancel Shares (including fractions thereof) held by a person who is Irish Resident or Ordinarily Resident in Ireland on the occurrence of a Chargeable Event for Irish taxation purposes.*

*The ICAV has not been and will not be registered under the 1940 Act but will be exempt from such registration pursuant to Section 3(c)(7) thereof which exempts non-US issuers who are not making or proposing to make a public offering of their securities in the US. The outstanding securities of those issuers, to the extent that they are owned by US Persons, must be owned exclusively by persons who, at the time of acquisition of such securities, are “qualified purchasers” within the meaning of Section 2(a)(51) of the 1940 Act. Any US purchaser of the ICAV’s shares must therefore be both a “qualified institutional buyer” under Rule 144A under the 1933 Act and a “qualified purchaser” within Section 2(a)(51) of the 1940 Act. Notwithstanding the foregoing, the ICAV is not open for any US Person unless otherwise authorised by the Directors.*

*Applicants should also note the power of the Directors contained in the IOI of the ICAV, and which relates to the ability of the Directors to require any Person to transfer any class of Shares to another person or to require such person to compulsorily redeem their Shares.*

*The Directors of the ICAV, whose names appear under the section headed “Other Key Information” 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 importance of such information. The Directors accept responsibility accordingly.*

***The difference at any time between the sale price and the repurchase price of Shares means that an investment in the ICAV should be viewed as a medium to long-term investment.***

***An Investment in a Sub-Fund is not a deposit in a bank. Neither returns nor repayments of capital are guaranteed by the ICAV. The Investments of the ICAV are subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. An investment in a Sub-Fund involves investment risk including possible loss of principal capital invested. Prices of Shares in the ICAV may fall as well as rise and you may not get back the amount you have invested in the ICAV.***

***Investors should note that all or part of the fees and expenses payable by a Sub-Fund may be charged to the capital of the Sub-Fund in the event that there is insufficient income generated by the Sub-Fund to meet such fees and expenses. This will have the effect of lowering the capital value of your investment.***

**The redemption of Shares may be subject to a redemption fee of a percentage of the Net Asset Value per Share of the Shares being redeemed as indicated in each Sub-Fund Supplement. Any redemption fee shall be levied for the benefit of the Sub-Fund concerned. Any redemption fee (including the additional fee of up to 2% if the Board of Directors of the ICAV considers that the redeeming investor is engaging in excessive trading (market-timing) practices) will not exceed 3% of the NAV per Share of the Shares being redeemed.**

Before investing in the ICAV, you should consider the risks involved in such an investment. **Please see Appendix IV to this Prospectus entitled 'Risk Factors'**. Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in doubt as to the action to be taken should consult their professional advisors immediately. An investment in a Sub-Fund is not a deposit in a bank. Neither returns nor repayments of capital are guaranteed by the ICAV. An investment in a Sub-Fund involves investment risks including possible loss of principal capital invested. **As a Sub-Fund of the ICAV may invest more than 20% of its assets in emerging markets, its investment policy may involve a higher than normal level of risk. Accordingly, an investment in a Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** An investment should only be made by those persons who could sustain a loss on their investment.

The Sub-Funds may seek a listing on a stock exchange in the future. This Prospectus and the relevant Supplement shall constitute the listing particulars for any such application for listing. The Directors do not anticipate that an active secondary market will develop in the Shares of any Sub-Fund in the event of any such listing.

Certain conflicts of interest may arise in the operation of the ICAV. See "Conflicts of Interest".

In addition, any subscription for Shares may only be made on the terms of the Subscription Form, and all investors will be bound by such terms.

Distribution of this Prospectus is not authorised in any jurisdiction after publication unless accompanied by a copy of the then latest annual report and audited accounts, where available, and if published after such report and accounts, a copy of the then latest semi-annual report and unaudited accounts. Such reports will form part of this Prospectus.

This Prospectus should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the IOI of the ICAV, copies of which are available as set out in the section entitled "Inspection of Documents".

The ICAV may make an application to be recognised for distribution in the United Kingdom by the Financial Conduct Authority under Section 264 of the Financial Services and Markets Act, 2000 of the United Kingdom. Most or all of the protection provided by the United Kingdom regulatory structure will not apply. The rights of Shareholders may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

Any information given or representations made, by any dealer, salesman or other person not contained in this Prospectus, any Supplement to this Prospectus or in any reports and accounts of the ICAV forming part hereof must be regarded as unauthorised and accordingly must not be relied on. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. To reflect material changes, this Prospectus may from time to time be updated and intending subscribers should enquire of the ICAV or the Manager as to the issue of any later Prospectus or as to the issue of any reports and accounts of the ICAV.

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

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## 1 DIRECTORY

### **Directors**

Guillaume Dalibot  
Denis Dalibot  
Charlie Mills  
Ali Chabaane  
Andrew Kehoe

### **Administrator, Registrar and Transfer Agent**

Caceis Ireland Limited  
One Custom House Plaza  
IFSC  
Dublin 1  
Ireland

### **Depository**

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

### **Legal Advisor**

LK Shields Solicitors  
40 Upper Mount Street  
Dublin 2  
Ireland

### **Auditor**

Grant Thornton  
24-26 City Quay  
Dublin 2

D02 NY19  
Ireland

### **UCITS Management Company and Promoter**

Katko Capital SASU  
9 Avenue Franklin Roosevelt  
75008 Paris  
France

### **Company Secretary**

KB Associates  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

### **Registered Office of the ICAV**

5 George's Dock  
IFSC  
Dublin 1  
Ireland

## 2 INTRODUCTION

### 2.1 Structure

KATKO ICAV is an umbrella type open-ended externally managed Irish Collective Asset-management Vehicle with variable capital and segregated liability between Sub-Funds. The ICAV is authorised as a UCITS by the Central Bank pursuant to the UCITS Regulations.

The authorised Share capital of the ICAV is €2.00 divided into 2 Subscriber Shares of EUR 1 each and 500,000,000,000 Shares of no par value each having the rights provided for and as hereinafter appearing. The minimum issued Share capital of the ICAV is EUR 2 and the maximum issued Share capital of the ICAV is EUR 500,000,000,000 or its equivalent in any other currency. The Share capital of the ICAV shall be equal to the value for the time being of the issued Share capital of the ICAV.

The ICAV's sole object, as set out in Section 3 of the IOI of the ICAV, is the collective investment of its funds in property and giving Shareholders the benefit of the results of the management of its funds. The ICAV aims to achieve long-term capital growth through the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principal of risk-spreading.

The Base Currency and the functional currency of the ICAV for accounting purposes will be Euro.

The ICAV is structured as an umbrella fund with segregated liability between Sub-Funds. Notwithstanding the segregation of assets and liabilities within the Sub-Funds, the ICAV is a single legal entity and no Sub-Fund constitutes a legal entity separate from the ICAV itself.

The ICAV is structured as an umbrella fund in that different Sub-Funds (each with separate investment objectives and policies) may be established from time to time by the Directors with the prior approval of the Central Bank. Shares of more than one Class may be issued in relation to a Sub-Fund. The creation of new share classes must be effected in accordance with the requirements of the Central Bank. On the introduction of any new Class of Shares, the ICAV will prepare and the Directors will issue documentation setting out the relevant details of each such Class of Shares. The Directors have the power to classify the Shares in each Sub-Fund and to differentiate between such Classes as they deem appropriate. Any such distinction will be set out in the relevant Supplement. Each Class or Classes of Shares will relate to a particular Sub-Fund which will be invested in accordance with the investment objective and policies applicable to each Sub-Fund.

The Shares of each Class allocated to a Sub-Fund will rank *pari passu* with each other in all respects except as to any of the following or as the Directors may otherwise determine:

- 1 Currency of denomination of the Class;
- 2 Dividend policy;
- 3 The level of fees and expenses to be charged; and
- 4 The minimum initial subscription and minimum additional subscription amounts applicable.

The initial Sub-Fund of the ICAV is:

- 5 KATKO Fund

The Sub-Fund currently has four Share Classes, being the Class A Euro, Class A Euro Institutional, Class B Euro, and Class C Euro Share Classes. At the date of this Prospectus there are no other Share Classes in the Sub-Funds of the ICAV. Additional Share Classes may be established by the Directors in accordance with the requirements of the Central Bank.

The assets of each Sub-Fund will be separate from one another and will be invested in accordance with the investment objective and policies applicable to each such Sub-Fund as set out in the respective Supplement.

The promoter of the ICAV is Katko Capital SASU (the “Promoter”).

### **3 OTHER KEY INFORMATION**

#### **Directors of the ICAV**

The Board of Directors is responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors may delegate certain functions to the Manager subject to the supervision and direction of the Directors.

Each of the Directors is a non-executive director of the ICAV. The Directors are described below:

#### **Guillaume Dalibot (Chairman)**

Guillaume is Founder and CEO of Katko Capital SASU, a UCITS management company based in Paris. Prior to founding Katko Capital SASU, Guillaume was the portfolio manager of Echiquier Agressor, a long-only European equity fund with approximately €1.5bn of assets under management.

After an initial professional experience as a corporate banker in China Guillaume joined Credit Suisse in London in 1999 as a sell-side equity analyst. In 2001 he became part of the consumer goods team which won several awards for the quality of its research. In 2008 he joined Alken Asset Management as a buy-side equity analyst. During his tenure with Alken Asset Management assets under management rose from approximately €2bn to over €10bn.

Guillaume holds a Master’s degree from EDHEC in France.

Guillaume is a French resident.

#### **Denis Dalibot**

Denis is chairman of the supervisory board of Agache, the holding company of the Arnault family that controls DIOR and LVMH.

Living in Belgium, Denis is the representative of Bernard Arnault in Belgium. He is in charge of relations with the Belgian Administrations and investments made by the Belgian Companies of the Group.

Denis joined Bernard Arnault in 1987 as Chief Financial Officer and later he was promoted CEO of Financière Agache. He was on the board of several Companies of the Group, including DIOR.

Prior to this, Denis was Deputy Chief Financial Officer of SAGEM (nowadays Groupe SAFRAN), a company involved in Defense and Electronics. He started his career with ITT, a US firm where he held several positions as financial analyst, financial manager and CFO of ITT subsidiaries.

Denis holds a Master degree in Business Administration(MBA) from ESSEC in France.

Denis is a Belgian resident.

Denis is also a member of the Manager's Research Advisory Board, the purpose of which is to provide some advice to the Manager investment research issues but not to take part in investment recommendation decisions. Denis is not remunerated for this role nor is he an employee of the Manager.

### **Charlie Mills**

Charlie retired from full time employment in London City in 2018 and currently manages a small property company, Everplace Property Management.

He spent over 30 years in London as a financial analyst at HSBC, UBS and Credit Suisse tracking the consumer staples companies. He was ranked the second highest analyst (all sectors) by Institutional Investor 1985-2015, and voted "City Analyst" of the year in 2009.

He was a managing director for 14 years at Credit Suisse and headed the European research department for 4 years and was ranked best head of research in 2011.

Charlie is an English resident.

Charlie is also a member of the Manager's Research Advisory Board, the purpose of which is to provide some advice to the Manager on investment research issues but not to take part in investment recommendation decisions. Charlie is not remunerated for this role nor is he an employee of the Manager.

### **Ali Chabaane**

Ali is the founder and managing director of FASTNET-AMS. Fastnet-ams offers a system with an innovative approach to support active investors making better decisions and generate higher quality performance for their clients while reducing their production cost and controlling their investment risk.

Ali is a seasoned investment professional with more than 20-years of experience in asset management. He served as the global head of portfolio construction for 12 years in Pioneer Investment where he built a robust and well recognised approach overseeing more than €200bln of assets across equity, fixed income and multi-asset portfolios. Previously he was the head of quantitative research and product Innovation at BNP Paribas where he developed new products, investment and risk management processes.

Ali holds a master's degree in finance and actuary from ENSAE France, a master degree in stochastic and statistical modelling from Orsay University and a general engineering degree from INAPG France.

Ali is an Irish resident.

### **Andrew Kehoe**

Andrew is the Head of Legal at KBA Consulting Management Limited, trading as KB Associates ("**KB Associates**"), an authorised alternative investment fund manager and UCITS management company and consulting firm that provides a variety of advisory and project management services to investment funds. Andrew has been a practicing lawyer since 2002. He has a broad range of experience at law firms in the U.S. and Ireland. He is responsible for legal and regulatory issues at KB Associates.

Prior to joining KB Associates, Andrew was a managing partner at a New York City law firm and worked as a solicitor at a Dublin law firm where he focused on the establishment and cross-border distribution of regulated Irish investment funds.

Andrew holds a Bachelor of Science in Business from Fairfield University, a Juris Doctor law degree from New York Law School and a Diploma in International Investment Funds from the Law Society of Ireland. He is admitted to the Roll of Solicitors in Ireland, England and Wales, and is a member of the New York, New Jersey and Connecticut Bars.

Andrew is an Irish resident.

### 3.1 **Management Company**

Katko Capital SASU has been appointed as manager of the ICAV (the “**Manager**”). The Manager is a simplified joint stock company with a single shareholder and capital of 500,000 euros, incorporated in France on 27 May 2019 with registration number 851 155 127 RCS. The Manager is authorised by the Autorité des Marchés Financiers to act as a manager to collective investment schemes. Katko Capital SASU is also the promoter of the ICAV. The directors of the Manager are Guillaume Dalibot and Alban Stiévenart. Further details on the directors of the Manager are available in Appendix VI.

The Manager has, under the terms of a management agreement concluded between the ICAV and the Manager (summarised under the heading “**Material Contracts**”), been appointed as manager of the ICAV. The Manager will be responsible for the investment and management of each of the Sub-Funds’ assets, including analysing and selecting the investments in which the Sub-Funds may invest.

The Manager will also be ultimately responsible, subject to complying with the delegation requirements referred to below, for monitoring the ongoing performance and suitability of the Investments for the ICAV in accordance with the Sub-Funds’ investment program and to ensure that each Sub-Fund adheres to the investment restrictions and guidelines set out in the Supplements.

The Manager may, in accordance with the requirements of the Central Bank delegate in whole or in part any of its duties or obligations (including discretionary investment management) to sub-investment managers or advisors upon such terms as to authority, liability and indemnity as shall be determined by the Manager. Such sub-investment managers or advisors will not be paid directly by the ICAV. Disclosure of the appointment of any sub-investment managers or advisors for a Sub-Fund will be disclosed in the relevant Supplement. The Manager shall exercise due care and diligence in such appointment and shall supervise the conduct of any delegation it makes. The appointment of discretionary sub-investment managers/advisors must be cleared in advance by the Central Bank.

### 3.2 **Depositary**

The ICAV has appointed CACEIS Bank, Ireland Branch to act as depositary in respect of the ICAV and each of its Funds pursuant to the terms of the Depositary Agreement. CACEIS Bank acting through its Ireland branch (CACEIS Bank, Ireland Branch) is regulated by the Central Bank.

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

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

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV and the Depositary by the Instrument and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Instrument and the UCITS Regulations.

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

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

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

## **Conflicts of Interest**

Pursuant to the UCITS Regulations the Depositary must act in accordance with the best interests of the Shareholders of the ICAV.

Potential conflicts of interest may arise as between the ICAV and the Depositary in circumstances, where in addition to providing depositary services to the ICAV, the Depositary or its affiliates may also provide other services on a commercial basis to the ICAV including currency hedging services as well as acting as counterparty to OTC transactions and providing credit facility arrangements. The Depositary cannot provide administration and transfer agency services to the ICAV.

To manage these situations, the Depositary has implemented, and keeps up to date, a conflicts of interest management policy intended to identify and analyse potential conflict of interest situations and record, manage and track conflict of interest situations by:

1. implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated information technology environments;
2. implementing, on a case-by-case basis:
  - (a) appropriate preventive measures including the creation of an ad hoc tracking list and new ethical wall arrangements, and by verifying that transactions are processed appropriately and/or by informing the clients in question; or
  - (b) by refusing to manage activities which may involve potential conflicts of interest.

## **Description of the safekeeping functions delegated by the Depositary, list of delegates and sub-custodians and identification of potential conflicts of interest resulting from delegation**

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

- (ii) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations; and
- (iii) the Depositary can demonstrate that there is an objective reason for the delegation; and

The Depositary: (a) exercises all due, skill, care and diligence in the selection and the appointment of the sub-custodian; (b) carries out periodic reviews and ongoing monitoring of the sub-custodian and of the arrangements put in place by the sub-custodian in respect of the delegation; and (c) continues to exercise all due skill, care and diligence in carrying out such review and monitoring.

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

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Sub-Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping

duties in respect of financial instruments in custody in countries where it does not have local representation to the third parties listed in Schedule 1.

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

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

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

### **3.3 Administrator**

CACEIS Ireland Limited has been appointed by the ICAV and the Manager to act as Administrator, Registrar and Transfer Agent under the terms of the Administration Agreement.

The Administrator will have the responsibility for the administration of the ICAV's and each Fund's affairs including the calculation of the Net Asset Value and preparation of the accounts of the ICAV, subject to the overall supervision of the Directors.

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

The Administrator is responsible for providing administration services to the ICAV, including, inter alia, communication with Shareholders, maintaining the financial and account records of the ICAV, determining the Net Asset Value and Net Asset Value per Share, serving as the ICAV's agent for the issue and redemption of Shares, acting as registrar of the ICAV and each Fund, preparing financial statements, arranging for the provision of accounting, clerical and administrative services, maintaining corporate records, and disbursing payments of fees.

The Administrator is not responsible for ensuring compliance by the ICAV and each Fund with the specific investment restrictions for a Fund as outlined in the Appendix for the relevant Fund.

The Administrator is a third party service provider to the ICAV and the Administrator is not responsible for the preparation of this Prospectus or the activities of the ICAV and therefore accepts no responsibility for any information contained in this Prospectus. The Administrator will not participate in the investment decision making process.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other.

The Administration Agreement contains indemnities in favour of the Administrator, its directors, officers, employees, servants or agents excluding matters arising by reasons of negligence, fraud, wilful default, bad faith or reckless disregard in the performance of its or their duties and obligations under the Administration Agreement and also contains provisions regarding the Administrator's legal responsibilities.

The Administration Agreement is subject to the laws of Ireland.

If a conflict of interest arises in respect of its role as administrator to the ICAV, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

### **3.4 Company Secretary**

The ICAV has appointed KB Associates as company secretary. The Company Secretary has a registered office at 5 George's Dock, IFSC, Dublin 1, Ireland.

## **4 INVESTMENT OBJECTIVE AND POLICIES**

The ICAV aims to provide investors with the opportunity to invest in a variety of Sub-Funds. The investment objectives and policies of each Sub-Fund of the ICAV will vary and full details thereof will be contained in the Supplement in respect of the relevant Sub-Fund.

The IOI provides that the investment objective and policies for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. Details of the investment objective and policies for each Sub-Fund of the ICAV appear in the Supplement for the relevant Sub-Fund. Any change to the investment objective, or any material change to the investment policy, shall only be made where the Shareholders have approved the relevant change/changes, in advance, and on the basis of a simple majority of votes cast at a general meeting or with the prior written approval of all the Shareholders (in accordance with the IOI). In the event of a change in investment objective and/or material change to the investment policy, a reasonable notification period will be provided by the ICAV to enable Shareholders to redeem their Shares prior to the implementation of such change.

There can be no assurance that the investment objective of a Sub-Fund will be achieved or that an investor will not lose some or all of its investment in the ICAV.

### **4.1 Sustainable Finance Disclosure Regulation**

The Manager, in accordance with Article 4(1)(b) of the SFDR, taking due account of the nature and scale of its activities and range of financial products it makes available, does not currently consider (in the manner specifically contemplated by Article 4(1)(a) of the SFDR) the principal adverse impacts of investment decisions of the Sub-Funds on Sustainability Factors. The Manager considers this a pragmatic and economical approach to compliance with its obligations under the SFDR.

The Investments of each Sub-Fund do not take account of Sustainability Factors or Sustainability Risks. Shareholders should note that applying Sustainability Factors or Sustainability Risks to the investment process may exclude securities of certain issuers for non-financial reasons and, therefore, may forgo some market opportunities available to other

funds that do not use Sustainability Factors or do not consider Sustainability Risks. Information on Sustainability Factors or Sustainability Risks from third-party data providers may be incomplete, inaccurate or unavailable, which may adversely impact a fund placing reliance on such data for the purposes of assessing the appropriate inclusion or exclusion of an investment based on Sustainability Factors or Sustainability Risks.

At the date of this Prospectus, the European Supervisory Authorities' Regulatory Technical Standards ("**RTS**") pursuant to Article 4(6) of SFDR, remain subject to the final stages of the legislative process. The RTS shall set out detailed requirements with regard to the content, methodologies and presentation of information on sustainability indicators in relation to adverse impacts on the climate and other environment-related adverse impacts. Following the adoption and coming into force of such RTS, currently expected to be from 1 July 2022, the Manager will reconsider its position in relation to the publication of principal adverse impacts and, if it is determined to provide such information, this Prospectus, the relevant Supplement and the Manager's website shall be updated accordingly.

## **5 INVESTMENT RESTRICTIONS**

The particular investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund and will appear in the Supplement for the relevant Sub-Fund.

Details of the investment restrictions laid down in accordance with the UCITS Regulations and other applicable restrictions in respect of all Sub-Funds are set out in Appendix II, unless specified otherwise in the Supplement for that Sub-Fund.

A Sub-Fund of the ICAV may invest in another Sub-Fund of the ICAV (the "**Receiving Sub-Fund**"), subject to the conditions set out in Appendix II. Investment will not be made in a Sub-Fund which itself invests in other Sub-Funds in the ICAV. The investing Sub-Fund may not charge an annual investment management fee in respect of that portion of its assets invested in other Sub-Funds in the ICAV.

A Sub-Fund of the ICAV may invest in a collective investment scheme which is managed directly or by delegation by the Manager or where the Manager is linked to such collective investment scheme by common management or control or by a substantial direct or indirect holding to the management company of such collective investment scheme, subject at all times to the conditions set out in Appendix II.

The ICAV will not amend such investment restrictions except in accordance with the requirements of the Central Bank and in any event, the ICAV will comply with the Central Bank UCITS Regulations.

## **6 EFFICIENT PORTFOLIO MANAGEMENT**

The ICAV may, on behalf of each Sub-Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments, provided that such techniques and instruments are used for efficient portfolio management purposes including in order to provide protection against exchange risk. Such techniques and instruments are set out in Appendix III. Efficient portfolio management means investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund.

## **7 BORROWING AND LENDING POWERS**

Borrowing and lending powers are set out in Appendix II. Any particular borrowing restrictions for a Sub-Fund will appear in the Supplement for the relevant Sub-Fund. Any borrowing will be on a temporary basis only.

Notwithstanding anything else stated in the Prospectus, the additional investment and borrowing restrictions set out in paragraph (C) of Appendix II will apply to any Sub-Funds of the ICAV which are registered and marketed in Ireland. Such Sub-Funds will not contain securities that are not fully paid and borrowing shall only be permitted for purposes of the redemption of Shares in the applicable Sub-Fund.

## **8 INVESTMENT IN FINANCIAL INDICES**

A Sub-Fund may gain exposure to financial indices through the use of FDI where considered appropriate to the investment objective and policies of that Sub-Fund.

A Sub-Fund shall only gain exposure to financial indices which comply with the requirements of the Central Bank. In this regard, any such financial indices will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced. It is not possible to comprehensively list the actual financial indices to which exposure may be taken as they have not yet been selected and they may change from time to time. Details of any financial indices used by a Sub-Fund will be included in the ICAV's annual audited reports and semi-annual reports and will also be provided to Shareholders on request by contacting the Manager.

Where the weighting of a particular constituent in the financial index exceeds the investment restrictions set down in the UCITS Regulations, the Manager will as a priority objective look to remedy the situation, taking into account the interests of Shareholders and the relevant Sub-Fund.

## **9 SECURITIES FINANCING TRANSACTIONS**

It is not intended that a Sub-Fund will enter into Securities Financing Transactions. Accordingly, it is not proposed to set out a description or rationale for the use of Securities Financing Transactions, the acceptable collateral or counterparties.

## **10 FDI RISK MANAGEMENT**

The Manager does not employ FDIs in respect of the Funds of the ICAV. The ICAV will not use FDIs until such time as a risk management process has been submitted to the Central Bank.

The use of FDIs (whether for hedging and/or for investment purposes) may expose Sub-Funds to the risks as described in the "Risk Factors" section below. Position exposure to underlying assets of FDIs (other than index based derivatives) (whether for hedging purposes and/or for investment purposes), when combined with positions resulting from direct investments, will not exceed the investment limits set out below.

Depending on the extent and type of FDI usage, the Sub-Funds may be leveraged. The average leverage of each Sub-Fund, under normal market conditions, will be set out in the relevant Supplement.

Unless otherwise disclosed in a Supplement, all Sub-Funds will use the commitment approach to measure market risk in which case the relevant Sub-Fund's global exposure relating to the use of FDI will not exceed 100% of the NAV of the relevant Sub-Fund. The commitment approach is generally calculated by converting the derivative contract into the equivalent position in the underlying asset embedded in that derivative, based on the market value of the underlying. Purchased and sold FDIs may be netted in accordance with the Central Bank's UCITS Regulations in order to reduce global exposure. Beyond these netting rules and after application of hedging rules, it is not allowed to have a negative commitment on a FDI to reduce overall exposure and as such, risk exposure numbers will always be positive or zero.

Where there is leveraged exposure to an index via FDI, or the inclusion of a leverage feature in an index, this shall be taken into account when calculating the leverage and the possibility of higher leverage levels.

## 11 RISK FACTORS

**Prospective investors should give careful consideration to the risk factors set out in Appendix IV, which are not exhaustive, in evaluating the merits and suitability of an investment in the ICAV.**

## 12 HOW TO TRANSACT IN SHARES

### 12.1 General

**Initial Offer Period and Initial Offer Price.** During the Initial Offer Period, Shares may be subscribed for at the Initial Offer Price as set out in the relevant Supplement. Following the Initial Offer Period, Shares are offered at the Net Asset Value per Share calculated on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE". A performance fee may be payable to the Manager on the subsequent outperformance by the NAV per share of the initial offer price.

**Cut-Off-Time.** After the close of the Initial Offer Period, applications for subscriptions *must* be received by the Administrator no later than the Cut-Off Time. Cut-Off Time means 5 pm Irish time on a Business Day. The relevant Valuation Point for a particular Cut-Off Time is the first Valuation Point that is at least 48 hours after that time. Where instructions are received later than the Cut-Off Time, they will not be processed on that Dealing Day but will instead be held over until the next Dealing Day.

**Pricing.** The Net Asset Value per Share is calculated weekly on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE". The calculation of the Net Asset Value per Share may be temporarily suspended in certain exceptional circumstances (SEE "HOW TO TRANSACT IN SHARES – SUSPENSION OF ISSUES, REDEMPTIONS AND SWITCHING RIGHTS"). The ICAV operates 'forward pricing' whereby the Net Asset Value per Share calculation follows the acceptance of the subscription.

**Price information.** The latest NAV price per Share may be obtained from the Administrator and from the Manager at [www.katko.com](http://www.katko.com). All prices will be up-to-date.

**Initial charge.** Any 'initial charge' on investors who subscribe for Shares will be set out in the relevant Sub-Fund Supplement.

### 12.2 How to Purchase Shares

**Subscriptions.** All applicants applying for the first time for Shares in a Sub-Fund must complete the Subscription Form and send such form, together with any other documentation such as Customer Due Diligence (CDD) documentation, promptly to the Administrator. In order

to be considered acceptable for subscription on a Dealing Day, a correctly completed Subscription Form *together with* the requisite payment confirmation must be received by the Administrator by the Cut-Off Time. Subsequent subscription requests may be sent by post, facsimile at the number given in the Subscription Form, or by other electronic means (provided that such electronic means are in accordance with the requirements of the Central Bank). Shares will be allotted based on the Net Asset Value per Share calculated at the relevant Valuation Point.

Where instructions are received later than the Cut-Off Time they will be dealt with as if received prior to the next Cut-Off Time.

Once submitted, applications shall, subject to applicable law and regulation, be irrevocable by, and binding on, the applicant.

No Share transfers will be registered or redemption payments will be made until the Subscription Form and any documents in connection with anti-money laundering (“**AML**”) procedures have been received by the Administrator and all necessary anti-money laundering checks have been completed.

Amendments to an investor’s registration details and payment instructions will only be effected on receipt of documentation or electronic instruction.

Each potential investor will be obliged to represent and warrant in an application that, among other things, such investor is purchasing Shares for its own account and that such investor is able to acquire Shares without violating applicable laws and failure to do so may result in the suspension of the processing of such application or any subsequent repurchase request.

The IOI also permits the Directors where necessary to repurchase and cancel Shares (including fractions thereof) held by, amongst others, a person who is Irish Resident or Ordinarily Resident in Ireland on the occurrence of a Chargeable Event for Irish taxation purposes.

The ICAV reserves the right to reject any subscription in whole or in part. In such cases, subscription monies or the balance thereof will be returned within fifteen Business Days of the rejection. No interest will be paid on any monies returned unless the account into which they are paid earns interest that exceeds 2% p.a. Should the account earn interest at less than 2% p.a., any such interest will be accumulated and deposited in the Sub-Fund for the benefit of all Shareholders.

**Payment.** Payment is made by wiring funds that are received and cleared for value by the Cut-Off Time. Payments for Shares should be made net of all bank charges to the bank account identified in the Subscription Form or as otherwise notified by the Administrator. Payment may also be made by authenticated SWIFT/electronic bank transfer or guaranteed funds for value on a Dealing Day. The Administrator must confirm receipt of an acceptable form of payment by the Cut-Off Time for the subscription to be accepted on that Dealing Day.

Subscription monies received, properly identified and cleared before the Cut-Off Time attract interest until the day immediately prior to the Dealing Day. The interest is added to the amount subscribed if the interest rate payable on the account as of the date the monies are cleared is 2.0% p.a. or greater. Should the account earn interest at less than 2.0% p.a., any such interest will be accumulated and deposited in the Sub-Fund for the benefit of all Shareholders. Interest earned on subscription monies on the Dealing Day accrues to the benefit of the Sub-Fund.

When another Sub-Fund managed by the Manager subscribes for Shares, these subscriptions will be accepted on the basis of cleared funds received within 10 Business Days after the Dealing Day provided that the necessary Subscription Forms are received by the Cut-Off Time.

**Minimum Investment.** Refer to individual Sub-Fund Supplements.

**Additional Contributions.** Refer to individual Sub-Fund Supplements.

**Minimum Holding.** Refer to individual Sub-Fund Supplements.

**Subscription Fee.** The subscription of Shares may be subject to a subscription fee of a percentage of the Net Asset Value per Share of the Shares being subscribed as indicated in each Sub-Fund Supplement and which shall revert, if applicable, to the Sub-Fund.

**Subscription Currency.** Subscription monies may be tendered to the ICAV in the base currency of the Sub-Fund being invested in or the currency of the Share Class.

**Proviso.** Shares are issued subject to the provisions of the IOI and the terms of this Prospectus. The Directors may decline to accept a subscription to purchase Shares for whatever reason. The rights and obligations of the Shareholders shall be governed by and construed in accordance with the laws of Ireland, notwithstanding the place where the subscription is executed or the citizenship or residency of Shareholders. The courts of Ireland shall have exclusive jurisdiction over any disputes Shareholders may have relating to their Shareholdings.

**Anti-Money Laundering and Counter Terrorist Financing Requirements.** As part of the ICAV's responsibility for the prevention of money laundering and terrorist financing, the Administrator will require a detailed verification of the applicant's identity and the source of the payment. Depending on the circumstances of each application, a detailed verification might not be required where the applicant is a regulated financial institution in a country with comparable AML and counter terrorist financing regulations to those in Ireland, or is a company listed on a recognised stock exchange.

*The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. 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.*

**Subscriptions in Kind.** The Directors may in their absolute discretion, provided that they and the Depositary are satisfied that there is unlikely to be any material prejudice to any existing Shareholders and subject to the provisions of the Act, allot Shares of any Class against the vesting in the Depositary on behalf of the ICAV of assets consistent with the investment objectives, policies and restrictions of the relevant Sub-Fund, which assets would form part of the Investments of the relevant Sub-Fund. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments, such value to be determined on the relevant Valuation Point. The value of the investments to be vested shall be calculated on such basis as the Directors may decide, but such value cannot exceed the highest amount at which they would be valued by applying the valuation methods described in under the heading "Valuation of Funds".

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued.

Any costs incurred in connection with a contribution in kind of securities or other instruments shall be borne by the relevant Shareholders. Subscriptions in kind will have to be previously and expressly authorized by the Board of Directors of the ICAV.

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 Fund/relevant Sub-Fund until transferred to the Sub-Fund's account. This is on the basis that the relevant bank account is the Depository's "nostro" or general cash account and is not a collection account within the meaning of the Investor Money Regulations, 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/Sub-Fund account, Investors may be exposed to the creditworthiness of the Depository and the relevant credit institution where subscription monies are held and neither the Directors nor the Fund shall have any fiduciary duties to the investor in respect of such monies.

### 12.3 Registration of Shareholding

**Applicant.** Shares may only be registered in the names of individuals of at least 18 years of age, or companies or partnerships. Persons investing in a special capacity (for example as the parent or guardian of a person under 18 years old or as a trustee or executor) should register the investment in their own name or in that of a nominee. Amendments to an investor's registration details and payment details will only be effected on receipt of a signed request from an authorised signatory of the account.

**Joint Applicants.** Shares registered in the names of more than one individual will be treated as being owned by joint applicants. In such a case, all the joint applicants must sign the Subscription Form and any instructions to switch, transfer or redeem the Shares, unless they deliver to the Administrator a properly executed power of attorney or joint mandate authorising and specifying an alternative basis of signing. If a joint applicant dies, the remaining joint applicant(s) will be the only persons recognised as having any title to the relevant Shares. Normally, the Administrator will re-register the Shares and adjust its record of authorised signatories on receipt of the death certificate or a certified copy thereof.

**Registered Holders.** Persons (such as a trustee) with Shares registered in their own name but held on behalf of others may include, as part of their registered name, a reference to the capacity in which they are acting. However, the persons in whose name the Shares are registered will be the only persons recognised under Irish law as the registered owners.

**Evidence of Transaction.** The Administrator will send out a contract note by email to acknowledge each transaction (subscription, redemption, transfer or switch). Contract notes will generally be issued no later than seven Business Days following the relevant Dealing Day.

**Form of Shareholding.** All Shares are registered and uncertificated (issued without certificates). Title to the Sub-Fund Shares shall be evidenced solely by written confirmation of entry on the ICAV's register of Shareholders.

**Market Timing.** The Directors may in their absolute discretion refuse to accept a new subscription. In particular, the Directors may exercise this discretion if they believe the Shareholder has been or intends to engage in market timing activities. For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares in a Sub-Fund generally to take advantage of variations in the price of Shares between the Valuation Points of the Sub-Funds. Short term trading of this nature may be detrimental to long term Shareholders; in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance. Investments may be made into the Sub-Funds via nominee or similar omnibus accounts.

### 12.4 How to Redeem or Transfer Shares

**The Redemption Form.** Redemption Forms may be sent to the Administrator by facsimile or as an attachment to an email provided that payment is to be made to the account of record and such electronic means are in accordance with the requirements of the Central Bank.

Redemption instructions will only be accepted if sent to the fax number(s) or email address indicated on the Application Form. The Administrator will confirm receipt of instructions received by facsimile or email during normal business hours. If a Shareholder does not receive a confirmation, he should contact the Administrator immediately to ensure that the Shareholder's communication has not gone astray. The Shareholder bears the risk of non-receipt of any instructions sent by facsimile or as an attachment to an email.

**Cut-Off Times.** Applications for redemptions *must* be received by the Administrator no later than the Cut-Off Time. Cut-Off Time means 5 pm Irish time on a Business Day. The relevant Valuation Point for a particular Cut-Off Time is the first Valuation Point that is at least 48 hours after that time. Where instructions are received later than the Cut-Off Time, they will be dealt with as if received prior to the next Cut-Off Time.

**Minimum Redemption:** Refer to individual Sub-Fund Supplements.

Partial redemptions or transfers will be declined if they would cause the current market value of a Shareholder's investment in the Sub-Fund to be less than the Minimum Holding specified in the relevant Supplement. This does not, of course, affect a Shareholder's right to make redemptions or transfers in *full*.

**Evidence of Transaction.** The Administrator will send out a contract note by email to confirm the redemption no later than seven Business Days following the Dealing Day on which the redemption took place.

**Withdrawal of Redemption Requests.** Unless the Directors consent to the withdrawal of any redemption request, a redemption request will be irrevocable. If at any time the determination of NAV is suspended and redemption rights are also suspended, then, during the period of suspension, the redemption request may be withdrawn but if not so withdrawn, then redemption will take place on the next Dealing Day following the end of the period of suspension.

**Redemption Fee.** The redemption of Shares may be subject to a redemption fee of a percentage of the Net Asset Value per Share of the Shares being redeemed as indicated in each Sub-Fund Supplement. Any redemption fee shall be levied for the benefit of the Sub-Fund concerned.

The Board of Directors of the ICAV reserves the right to levy an additional fee of up to 2% of the Net Asset Value per Share of the Shares redeemed if the Board of Directors of the ICAV considers that the redeeming investor is engaging in excessive trading (market-timing) practices. Any such fee shall be levied for the benefit of the Sub-Fund concerned.

Any redemption fee (including the additional fee of up to 2%) will not exceed 3% of the NAV per Share of the Shares being redeemed.

**Payment.** Redemption proceeds are paid in the Base Currency of the relevant Share Class.

Shareholders should provide complete remittance instructions to enable their redemption proceeds to be paid by SWIFT/electronic transfer. Redemption proceeds will be processed on receipt of faxed instructions only where payment is made to the account of record. The Sub-Fund normally bears the reasonable costs of any redemption payment made by SWIFT/electronic transfer. Provided that the proper completed documentation has been received, payments will generally be made within ten Business Days after the Cut-Off Time for the relevant Dealing Day. This allows the Sub-Fund sufficient time to make arrangements to meet such payments.

No Redemption payment will be made unless the Subscription Form has been received from the Shareholder and all documentation required by the ICAV's AML procedures have been completed.

Shares will be redeemed at net asset value per Share less any applicable duties and charges.

No interest will be paid on the redemption proceeds between the relevant Dealing Day and the date of actual payment.

**Designated Recipient.** Payments of the redemption proceeds will be made by SWIFT/electronic transfer to an account in the name of the Shareholder indicated by the Shareholder, at the Shareholder's risk. Redemption proceeds will be paid in the Base Currency of the relevant Share Class.

All costs of effecting any telegraphic transfer will be borne by the Shareholder and may be deducted from the monies to be paid. No redemption of Shares may be effected during the period of any suspension of the determination of the NAV (for details see the section headed "Valuation and Prices").

**Redemption in specie.** Any Shareholder may redeem Shares in specie, provided that the ICAV determines that the redemption would not be detrimental to the remaining Shareholders, the redemption is effected in compliance with the conditions set forth by Irish law and that the Shareholder has consented to redemption in specie. Any costs incurred in connection with redemptions in kind shall be borne by the relevant Shareholders. Redemptions in kind are subject to the prior and express authorisation of the Directors.

Where there is a redemption in specie, the asset allocation of such a redemption is subject to the approval of the Depositary.

A determination to provide redemption in specie is solely at the discretion of the Manager where the redeeming Shareholder requests redemption of a number of units that represents at least 5% of the NAV of the ICAV. In this event the ICAV will, if so requested by the redeeming unitholder, sell the assets on behalf of the shareholder/unitholder and the cost of the sale of the relevant units may be charged to the shareholder/unitholder.

**Compulsory Redemption.** Shares may be compulsorily redeemed or transferred if it comes to the notice of the ICAV that those Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority, by any person who shall belong to or be comprised within any class of persons from time to time determined by the Directors or in circumstances (whether directly or indirectly) which, in the opinion of the Directors, may result in regulatory, pecuniary, legal or material administrative disadvantage for the ICAV, the relevant Sub-Fund or its Shareholders as a whole.

If a redemption would cause the value of a Shareholder's Shares to fall below the Minimum Holding as specified in the relevant Supplement then the Directors will also have the right to compel redemption of all Shares held by such Shareholder.

Any Sub-Fund may be terminated by the Directors, at their discretion, by notice in writing to the Depositary and the holders of Shares in such Sub-Fund if the NAV of the relevant Sub-Fund is below USD 5 million or its equivalent in another currency, or such other level as may be determined by the Directors in their discretion. With effect from the date at which any Sub-Fund is to terminate, no Shares of the relevant Sub-Fund or Class or Classes within that Sub-Fund may be issued or sold by the ICAV and neither the ICAV nor any holder of the relevant Shares shall have any right to require the repurchase of any such Shares.

The ICAV shall, on the instructions of the Directors, realise all the Investments then comprised in the relevant Sub-Fund and, from time to time, distribute (upon production of written confirmation of entry or other evidence as to title relating to the Shares as the ICAV may require) to the relevant Shareholders in proportion to their respective interests in the relevant Sub-Fund all net cash proceeds derived from the realisation of the relevant Sub-Fund, subject to the retention of any monies in its hands as part of the relevant Sub-Fund to pay full provisions for all costs, charges, expenses, claims and dividends incurred, made or apprehended by the ICAV or the Directors in connection with or arising out of the termination of the relevant Sub-Fund.

Any unclaimed proceeds or other cash held by the ICAV hereunder may, at the expiration of twelve months from the date upon which the same were payable, be paid into a bank account subject to the right of the ICAV to deduct such expenses therefrom as is necessary to make such payment.

**Transfers.** A Shareholder may transfer ownership of his/her holdings to an acceptable investor by forwarding a completed Transfer Form to the Administrator.

**Deferred Redemption.** If the aggregate value of the redemption and switching requests received by the Registrar and Transfer Agent on any day corresponds to the trigger percentage disclosed in a Supplement, the ICAV may defer such redemption and conversion requests for such period, as long as it is needed to sell the assets and only if it is considered to be in the best interest of the Sub-Fund or of a Class and its Shareholders. Unless otherwise disclosed in a Supplement for a Sub-Fund the aggregate value of the redemption and switching requests received by the Registrar must correspond to at least 10% to trigger a deferred redemption. The ICAV shall pro rata reduce any requests for redemption on that Dealing Day and shall treat the redemption requests as if they were received on each subsequent Dealing Day until all shares to which the original request related have been redeemed.

Should at the time of the request of redemption the documentation requested by the Registrar and Transfer Agent in compliance with all applicable laws and regulations regarding the prevention of money laundering not be complete, the redemption request will not be processed until the said documentation is completed.

## 12.5 How to Switch Funds

Subject to the minimum investment and holding requirements of the relevant Sub-Fund, Shareholders can switch between Sub-Funds and different Classes within the same Sub-Fund on any Dealing Day provided the Administrator has received the Shareholder's completed Switch Form by the Cut-Off Time. Instructions received after the aforesaid time will be dealt with on the next following Dealing Day. There is no charge for this service. Requests to switch Sub-Funds should be made by completing the Switch Form and sending it to the Administrator specifying the number or value of Shares to be exchanged and the relevant Sub-Fund selected for reinvestment. Switch Forms can be sent by facsimile or via email as a PDF attachment at the number given in the Application Form, or by other electronic means (provided that such electronic means are in accordance with the requirements of the Central Bank). Shares switched will be issued and repurchased (as appropriate) at the Net Asset Value per Share calculated on the basis described in "VALUATION AND PRICES – CALCULATION OF NET ASSET VALUE.

## 12.6 Suspension of Issues, Redemptions and Switching Rights

The Directors may with the prior agreement of the Depositary at any time declare a temporary suspension of subscriptions, redemptions, switches and transfers of Shares or of any one or more Sub-Funds or of the calculation of the NAV of any such Sub-Fund during:

- 12.6.1 any period when any market on which a substantial part of the investments of the relevant Sub-Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays;
- 12.6.2 any period when dealings on any such market are substantially restricted or suspended;
- 12.6.3 the existence of any state of affairs as a result of which disposal of the Investments of the relevant Sub-Fund cannot, in the opinion of the Directors, be effected normally or without seriously prejudicing the interests of the holders of that Sub-Fund;
- 12.6.4 any breakdown in the means of communication normally employed in determining the value of net assets of the relevant Portfolio or when, for any other reason, the value of any assets of the relevant Portfolio cannot be promptly and accurately ascertained;
- 12.6.5 any period during which the Depositary is unable to repatriate funds required for making payments due on redemption of Shares,
- 12.6.6 any period during which the realisation of Investments or the transfer of funds involved in such realisation cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- 12.6.7 any period when a substantial part of the Investments of the relevant Sub-Fund cannot be valued in accordance with the valuation method of the relevant Investments as set out in the IOI and as described in the Section of this Prospectus entitled 'VALUATION AND PRICES',
- 12.6.8 during any period when the Directors so decide, provided all shareholders are treated on an equal footing and all relevant laws and regulations are applied (i) as soon as an extraordinary general meeting of Shareholders of the ICAV or a Sub-Fund has been convened for the purpose of deciding on the liquidation or dissolution of the ICAV or a Sub-Fund and (ii) when the Board of Directors is empowered to decide on this matter, upon its decision to liquidate or dissolve a Sub-Fund;
- 12.6.9 following the suspension of the calculation of the net asset value, issue, redemptions or conversions of shares or units of a fund into which a Sub-Fund invests as its Feeder; or
- 12.6.10 upon occurrence of an event causing it to enter into merger, liquidation or upon the order of the Central Bank.

Notice of any such temporary suspension in respect of any Sub-Fund will be given to any Shareholder tendering his Shares for redemption or switching and notice will be similarly given upon the termination of such temporary suspension.

In the event that transfers, valuations, subscriptions, switches and redemptions are suspended temporarily, such temporary suspensions shall be notified immediately on the same Business Day to the Central Bank without delay, and where possible, all reasonable steps will be taken to bring any period of temporary suspension to an end as soon as possible.

Applicants for Shares and Shareholders wishing to redeem or switch Shares will be notified of the declaration and termination of any temporary suspension and may withdraw their applications and requests for redemption or switching so long as such temporary suspension

continues. Unless withdrawn, applications for subscriptions, redemptions and switches will be considered on the first Dealing Day following the termination of a temporary suspension.

Should the Directors declare a temporary suspension they will give notice on the website of the Manager at [www.katkocapital.com](http://www.katkocapital.com). At the end of the period of suspension the Directors will again give notice on the website [www.katkocapital.com](http://www.katkocapital.com) indicating that the suspension has ended.

**Cash Accounts.** 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 Sub-Fund until transferred to the Sub-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, 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 ICAV. Accordingly, Investors should note that prior to transfer to the Sub-Fund account, Investors may be exposed to the creditworthiness of the Depositary and the relevant credit institution where subscription monies are held and neither the Directors nor the ICAV shall have any fiduciary duties to the investor in respect of such monies.

## 12.7 Data Protection

**Introduction.** In accordance with Data Protection Legislation, the ICAV and the Manager, being data controllers, must provide investors with information on how the personal data they provide as part of their subscription for shares will be processed by the ICAV, the Manager, its service providers and delegates and their duly authorised agents and any of their respective related, associated or affiliated companies.

Prospective investors should note that by completing the Subscription Form they will be providing personal information to the ICAV, which may constitute personal data within the meaning of Data Protection Legislation, including but not limited to, the names, addresses and contact details which investors supply to the ICAV directly via the Subscription Form and/or which the ICAV may obtain from investors' AML due diligence documents.

As a consequence of investing in the ICAV, the ICAV and the Manager, acting as data controllers may themselves (or through third parties including but not limited to the Administrator, the investment manager, the money laundering reporting officer, local paying agents and mailing firms appointed by any of the foregoing, along with any of their delegates and their duly authorised agents and any of their respective related, associated or affiliated companies (together the "**Service Providers**") obtain, hold, use, disclose and process an investors' personal data or, to the extent that an investor is not a natural person, the personal data of an investor's directors, officers, employees, intermediaries and/or beneficial owners.

It should also be noted that the Administrator may, in certain circumstances, act as a data controller of personal data provided to the ICAV where this is necessary for compliance with a legal obligation to which they are directly subject (i.e. to comply with applicable AML or counter terrorist financing laws or where mandated by a court order or regulatory sanction). The Administrator, in respect of this specific use of personal data, would also act as a data controller of investors' personal data. In such circumstances where the Administrator act as a data controller of such personal data, all rights afforded to investors as data subjects of the Administrator under the GDPR shall be exercisable solely against the Administrator.

**Purpose of Processing and Legal Basis for Processing.** Investors' personal data will be processed for any one or more of the following purposes listed below where such processing is based upon an investor's consent, is in the ICAV's, the Manager's or the Service providers' legitimate interest(s), is necessary for the performance of a contract with an investor or for the

implementation of pre-contractual measures taken in response to a request by an investor, is required by law or the public interest or is necessary in order to comply with any legal obligation imposed on the ICAV or the Manager:

(a) to facilitate the opening of the investor's account with the ICAV and to manage and administer the investor's holding in the ICAV and any related accounts on an on-going basis, including without limitation the processing of redemption, conversion, transfer and additional subscription requests and the payments of any distributions;

(b) in order to carry out AML checks and related actions which the Manager considers appropriate to meet any legal obligations imposed on the ICAV relating to the prevention of fraud, money laundering, terrorist financing, bribery, corruption, tax evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an on-going basis, in accordance with the Manager's and the Administrator's AML procedures (each of which adopt such procedures for an on behalf of the ICAV);

(c) to report tax related information to tax authorities, including disclosure to the U.S. Inland Revenue Service to meet the ICAV's obligations under FATCA as further disclosed in the section entitled "Tax Considerations" below, and to comply with legal, tax and regulatory obligations applicable to the investor and the ICAV;

(e) to monitor and record calls and electronic communications for (i) processing and verification of instructions, (ii) investigation and fraud prevention purposes, (iii) crime detection, prevention, investigation and prosecution, (iv) to enforce or defend the ICAV, the Manager and its affiliates, itself or through third parties to whom it delegates such responsibilities or rights in order to comply with any legal obligation imposed on the ICAV or the Manager;

(f) to disclose information to third parties such as service providers, auditors, regulatory authorities, tax advisers, and technology providers and any of their delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies;

(g) to update and maintain records and fee calculation;

(h) to retain AML and other records of the investors and individuals to assist with the subsequent screening of them by the Administrator on behalf of the ICAV.

(i) for any other specific purposes where the investor has given specific consent;

Please note that where personal data is processed for the purposes of legitimate interests you have a right to object to such processing and the ICAV, the Manager and the service providers will no longer process the personal data unless it can be demonstrated that there are compelling legitimate grounds for the processing which override your interests, rights and freedoms or for the establishment, exercise or defence of legal claims.

**Recipients of Data and International Transfer of Data.** The ICAV and the Manager may disclose your personal information as follows:

- To the service providers, including the Administrator, and their affiliates and other third party service providers or advisers engaged by the ICAV in order to process the data for the above mentioned purposes;
- To competent authorities (including tax authorities), courts and bodies as required by law or requested or for reporting purposes.

The disclosure of personal information to the third parties set out above may involve the transfer of data to the USA and other jurisdictions outside the EEA in accordance with the requirements of the GDPR. Such countries may not have the same data protection laws as your jurisdiction. Any transfers of personal data outside the EEA by or on behalf of the ICAV will be in accordance with the GDPR, which specifies a number of safeguards to be applied to such transfers, including the use of standard contractual clauses (also known as 'model clauses'). The ICAV, and the Manager acting on behalf of the ICAV, has authorised the Administrator as its agent to put in place standard contractual clauses with relevant parties to whom personal data may be transferred. Please contact the Administrator for copies of any standard contractual clauses entered into on behalf of the ICAV.

**Profiling and Screening.** The ICAV, the Manager and their Service Providers may screen investors in the ICAV to ascertain if those investors are politically exposed persons ("**PEP**") or are subject to financial sanctions under EU or other laws, for the purposes of complying with AML legislation and with United Nations, EU and other applicable sanctions regimes. The implementation of PEP and financial sanctions screening programmes may result in the ICAV, the Manager or their Service Providers refusing an application for Shares or delaying or refusing to make any redemption or distribution payment to an investor if that investor, or its directors or any beneficial owner of the Shares appear on such screening programmes. In the event that an investor is identified as a PEP as a result of the screening process, that investor may be required to provide additional information and/or documentation to the ICAV or their Service Providers. Such processing may reveal an investor's political opinion but is considered lawful on the grounds of substantial public interest under the GDPR.

**Undertaking in connection with other parties.** By accepting to provide personal data to the ICAV and the Manager, investors which are not natural persons, undertake to be authorised to disclose to the ICAV and the Manager relevant information applicable to the beneficial owner of the investment, to your directors and authorised signatories and to persons that own, directly or indirectly, an interest in the ICAV. In this respect, investors confirm that they have provided these persons with all the information required under applicable data protection law, notably regarding their data protection rights, and received from those persons their authorisation for the processing and transfer of their personal data to us.

**Your data protection rights.** Investors have the following rights, in certain circumstances, in relation to their personal information:

- Right to access their personal information. The ICAV and the Manager will provide an investor with a copy of the personal data it holds on the investor as data controller as soon as practicable and in any event not more than one month after a valid written request received from the investor. Generally, the ICAV and the Manager will not charge an investor to access personal data, except where a request is manifestly unfounded or excessive. The ICAV and the Manager may request proof of identification to verify an access request.
- Right to rectify their personal information.
- Right to restrict the use of their personal information (in certain specific circumstances).
- Right to request that their personal information is erased (in certain specific circumstances).
- Right to object to processing of their personal information (in certain specific circumstances).
- Right to data portability (in certain specific circumstances) in order to transfer the investor's personal data to another data controller in a structured, commonly used and

machine readable format where this is technically feasible, subject to certain conditions.

Investors have the right to lodge a complaint with a supervisory authority in the EU Member State of their habitual residence or place of work or in the place of the alleged infringement if the investor considers that the processing of personal data relating to them carried out by the ICAV or its Service Providers infringes the GDPR.

All queries about data protection matters and data subject requests should be addressed to [info@katkocapital.com](mailto:info@katkocapital.com).

**Failure to provide personal data.** As outlined above, the provision of personal data by an investor is required for the ICAV to manage and administer an investor's holdings in the ICAV and so that the ICAV can comply with legal, regulatory and tax requirements referred to above. Where an investor fails to provide such personal data in order to comply with AML/CTF or other legal requirements, in certain circumstances, the ICAV may be prohibited from making redemption or any applicable dividend payments to such an investor and/or may be required to discontinue our business relationship with such an investor by compulsorily redeeming the investor's shareholding in the ICAV.

**Retention period.** The ICAV, the Manager and the Administrator will retain an investor's personal information for as long as required for the ICAV, the Manager or the Administrator to perform the Services or perform investigations in relation to same and for as long as the ICAV, the Manager and the Administrator is required to retain your personal information in accordance with the ICAV, the Manager and the Administrator's legal and regulatory obligations.

## 13 FEES AND EXPENSES

### 13.1 The Manager's Fee

The Manager shall be entitled to receive out of the assets of the ICAV a management fee (the "**Management Fee**").

Details of the fees and expenses payable to the Manager relating to each Sub-Fund are set out in the relevant Supplement.

### 13.2 The Administrator's Fee

Details of the fees and expenses payable to the Administrator relating to each Sub-Fund are set out in the relevant Supplement.

### 13.3 The Depositary's Fee

Details of the fees and expenses payable to the Depositary relating to each Sub-Fund are set out in the relevant Supplement.

### 13.4 Local Paying Agents and Distributors

The ICAV may appoint paying agents and distributors. Local laws in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are obliged

under local laws to pay subscription monies or receive redemption monies via an intermediary entity with respect to (a) subscription monies, prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediary entity to the relevant

investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the ICAV at normal commercial rates.

### **13.5 Fee Increases**

Unless otherwise disclosed in the relevant Supplement, the maximum Manager's fee that may be charged shall not exceed 2% per annum of the NAV of the relevant Sub-Fund. The fees of the Manager may be increased up to this maximum amount and Shareholders will be notified in advance of any proposed increase of such fees up to such maximum. The maximum Manager's fees may not be increased without the approval of Shareholders by a resolution passed at a general meeting of the Shareholders, by a majority of the votes cast at that meeting. A reasonable notification period must be provided to Shareholders in advance of the implementation of such increase of the Manager's fees.

### **13.6 Other Fund Expenses**

The costs of forming the ICAV and its first Sub-Fund, including the fees and expenses of legal advisors, product development fees and expenses, regulatory and listing fees and expenses and any other fees and expenses arising on the formation and launch of the ICAV, which are capped at €100,000 (with any additional expenses being borne by the Promoter), will be borne by the ICAV and amortised over a period of 5 years.

### **13.7 Ongoing Charges and Expenses**

The ICAV may pay the following expenses out of the assets of any one or more of the Sub-Funds:

- 13.7.1 expenses incurred in acquiring and disposing of Investments;
- 13.7.2 expenses incurred in distributing income to Shareholders;
- 13.7.3 expenses incurred in marketing the Sub-Funds;
- 13.7.4 fees in respect of the publication and circulation of details of the NAV of each Sub-Fund and each Class of Shares of each Sub-Fund;
- 13.7.5 the fees and expenses of the auditors and legal, tax and other professional advisors of the ICAV and of the Directors;
- 13.7.6 the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Sub-Fund or in any particular Class within a Sub-Fund);
- 13.7.7 the costs of printing and distributing reports, accounts and any Prospectus;
- 13.7.8 the costs of publishing prices and other information which the ICAV is required by law to publish and any other administrative expenses;
- 13.7.9 taxes and duties payable by the ICAV;
- 13.7.10 interest on and charges incurred in relation to borrowings;
- 13.7.11 fees and expenses in connection with the listing of Shares on any stock exchange;
- 13.7.12 the cost of obtaining and maintaining the listing of the Shares on any exchange, including the fees of any sponsoring broker;

- 13.7.13 any costs incurred in modifying the IOI of the ICAV or the Prospectus;
- 13.7.14 insurance which the ICAV may purchase and/or maintain for the benefit of and against any liability incurred by any Director of the ICAV in the performance his or her duties;
- 13.7.15 liabilities on amalgamation or reconstruction arising where the assets of a body corporate or another collective investment scheme are transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of the assets had it arisen before the transfer and, in the absence of any express provision in the IOI forbidding such payment, the Directors are of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;
- 13.7.16 any costs incurred in forming a Sub-Fund or a Class of Shares (details of which will be set out in the relevant Supplement or Appendix), aside from the initial Sub-Funds and Classes of Shares of the ICAV (the cost of which is included in the establishment costs which will be covered by the Promoter);
- 13.7.17 any other costs or expenses that may be taken out of the ICAV 's assets in accordance with the IOI and the rules of the Central Bank including any fees and expenses incurred by the ICAV when engaging paying agents and other representatives in the jurisdictions where the ICAV markets its Shares provided always that such fees and expenses are at normal commercial rates;
- 13.7.18 any fees payable to the Central Bank; and
- 13.7.19 any fees or costs associated with the provision of additional value added services to the ICAV, including securities lending and cash management.

The Directors, other than such persons who are executives of the Manager, will be entitled to remuneration which will be accrued on each Dealing Day for each Sub-Fund for their services as Directors, provided that the aggregate emoluments of such Directors in respect of any twelve month Accounting Period shall not exceed €40,000 per Sub-Fund or such other amount as the Directors may determine from time to time and notify in advance to Shareholders. Such Directors may also be reimbursed for expenses reasonably incurred on behalf of the ICAV, such as in attending board meetings.

### **13.8 Remuneration Policies and Practices**

The Manager has a remuneration policy in place to ensure compliance with the UCITS Regulations. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Sub-Funds, staff in control functions or any employees in the same remuneration bracket of those whose professional activities have a material impact on the Manager's risk profile or any of the Manager's funds under management.

The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds and the Instrument of Incorporation, and will be consistent with the UCITS Regulations. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the ICAV, the Sub-

Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's rank and professional activity as well as best market practice. The Manager may provide the opportunity to certain identified staff to receive variable remuneration based on the performance of the individual, of the Company and of the funds under management. Assessment of performance will consider both financial and non-financial factors. Particular consideration will be given to risk-related factors.

The Manager's policy is to pay all identified staff a fixed component representing a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. The fixed and variable elements of remuneration are in line with the principles listed above. No variable remuneration will be paid to any non-executive member of the Board of the Manager. The fixed fee of the non-executive Director of the Manager will be commercially negotiated.

The remuneration of identified staff is approved by the Board of the Manager and overseen by the responsible designated person.

The Remuneration Policy is compliant with the relevant provisions of the UCITS Regulations and the ESMA Remuneration Guidelines.

#### Application of the Principle of Proportionality

Taking into account its size, nature, the scope of its activities and its business model, the Manager has dis-applied the following requirements of the ESMA Remuneration Guidelines:

- Variable remuneration in instruments and related retention guidelines;
- Deferral of Variable Remuneration;
- Requirement to establish a remuneration committee

#### Delegation

The remuneration policy may be obtained free of charge on request from the Manager. The details of the up-to-date remuneration policy, including, but not limited to; (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists; are available on the website of the Manager at [www.katkocapital.com](http://www.katkocapital.com).

## **14 DIVIDENDS, REPORTS, STATEMENTS AND MEETINGS**

### **14.1 Dividends**

The ICAV may, at its discretion, declare dividends annually within four months of the end of the Accounting Period (and/or at such other periodic intervals as shall be determined by the ICAV and disclosed in the relevant Supplement, and notified to Shareholders). Any dividends declared will, unless otherwise stated in the relevant Appendix, normally be declared within four months of the Accounting Period to which they relate and these dividends will be paid within two months thereafter.

Dividends may be paid out of the net income, being the accumulated revenue (consisting of all revenue accrued including interest and dividends) earned by the Sub-Funds less all expenses of the Sub-Funds and/or realised and unrealised capital gains on the

disposal/valuation of investments less realised and unrealised capital losses of the Sub-Funds. The ICAV does not employ equalisation and consequently does not distinguish between income and capital elements which make up the NAV at the point that shares are either issued or redeemed. Therefore, the amount of any dividends payable may be affected by the level of issue and redemption of shares in a particular Class. Dividends payable to Shareholders will be re-invested for additional Shares of the same Class in the relevant Sub-Fund unless a cash distribution is required. Additional Shares will be issued to Shareholders on the same day if it is a Dealing Day, or if not, on the next Dealing Day at a price calculated in the same way as for other issues of the relevant Class of Shares on this. There is no minimum number of such further Shares which may be so subscribed. In the event that a cash distribution is required, dividends will be paid by electronic transfer to Shareholders within the timeframes specified above. Dividends are considered to be a capital reimbursement.

All unclaimed dividends may be invested or otherwise made use of for the benefit of the relevant Sub-Fund until claimed. Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Sub-Fund without the necessity for any declaration or other action by the ICAV.

If the dividend policy is changed in respect of any Sub-Fund or Class within a Sub-Fund in the future, full details will be provided in a Supplement or Appendix to the Prospectus and all Shareholders of the Sub-Fund or Class will be notified in advance.

#### **14.2 Reports, Statements and General Meetings**

The annual Accounting Period of the ICAV or its Sub-Funds will end on 31 December in each year. Annual reports of the ICAV will be published within four months following the end of the annual Accounting Period. The initial annual report will be submitted to the Central Bank for the period ended 31 December 2021. Half-yearly reports for the period to 30 June will be published within two months following the end of the half-yearly accounting period. The initial half-yearly report will be submitted to the Central Bank for the period ended 30 June 2022. Such reports and accounts will contain a statement of the NAV of each Sub-Fund and of the Investments comprised therein as at the year-end or the end of such semi-annual period.

The annual audited financial reports for the ICAV or its Sub-Funds will be sent to Shareholders and prospective investors upon request.

Annual reports for the ICAV or its Sub-Funds will be sent to the Central Bank within four months of the end of the period to which they relate and semi-annual reports will be sent to the Central Bank within two months of the period to which they relate.

General meetings of the ICAV may be convened from time to time by the Directors by notice in writing to Shareholders.

All financial statements (if requested by shareholders), notices and other documents will be sent, in the case of joint holders of Shares, to the holder who is named first in the Register of Members of the ICAV at his registered address by the Administrator.

### **15 TAXATION**

**The attention of potential investors is drawn to the tax risks associated with investing in the ICAV set out in Appendix V to this Prospectus. Shareholders and potential investors are advised to consult their own professional advisors regarding their tax treatment in the jurisdiction(s) applicable to them. Distributions out of capital may have a different tax implication to distributions out of income. Shareholders should only rely upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them.**

## 16 VALUATION AND PRICES

### 16.1 Calculation of Net Asset Value

**Time.** Subject to the suspension provisions set out below, the NAV for each Sub-Fund and the Net Asset Value of each Sub-Fund attributable to each Class shall be determined separately by reference to the Portfolio pertaining to that Sub-Fund and to each such determination the following provisions shall apply.

The Net Asset Value of each Portfolio shall be determined and shall be equal to the value as at the Valuation Point of all the investments, less all the liabilities, of that Portfolio.

**Net Asset Value Calculation.** For the purposes of calculating the NAV of each Sub-Fund the following provisions will apply:

#### 16.1.1 The assets of the Sub-Fund shall include:

- (a) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon,
- (b) all certificates of deposit, treasury bills, trade bills, bank acceptances, bills of exchange, bills, demand notes, promissory notes and accounts receivable,
- (c) all bonds (whether government or corporate, fixed or floating), time notes, shares, stock, debentures, debenture stock, subscription rights, warrants, options, securities of whatever description, any form of interest in any of the foregoing and other Investments and securities owned or contracted for, other than rights and securities issued by it,
- (d) all stock and cash dividends and cash distributions which the Directors consider will be received by the ICAV in respect of the Portfolio but which have not yet been received by it but have been declared payable to stockholders of record on a date before the relevant Valuation Point,
- (e) all interest accrued on any interest-bearing securities forming part of the Portfolio except to the extent that the same is included or reflected in the principal value of the security,
- (f) all other assets of the Portfolio of every kind and nature including prepaid expenses relating to that Sub-Fund and a proportion of any prepaid expenses relating to the ICAV generally, such prepaid expenses to be valued and defined from time to time by the Directors.

#### 16.1.2 The liabilities of the Sub-Fund shall be deemed to include:

- (a) all bills, notes and accounts payable;
- (b) all management, performance and administrative fees and charges payable and accrued;
- (c) the aggregate amount of all borrowings and interest, commitment fees and other charges in connection therewith;

- (d) all known liabilities present and future including the amount of any unpaid dividends declared upon the Shares, contractual obligations for the payment of money and outstanding payments on any Shares previously redeemed;
- (e) an appropriate provision for taxes as determined from time to time by the Manager; and
- (f) all other liabilities of the Sub-Fund of whatsoever kind and nature except liabilities represented by Shares and reserves (other than reserves authorized or approved by the Manager for duties and charges and contingencies). In determining the amount of such liabilities the Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

16.1.3 The IOI provides for the method of valuation of the assets and liabilities of each Sub-Fund. Assets shall be valued as follows:

Securities which are quoted, listed or traded on a Recognised Exchange will be valued at the last traded price (or if no last traded price is available, at closing mid-market prices). Where any investment is listed or dealt in on more than one market the Manager shall select in its absolute discretion the market which constitutes the main market or the market which it determines provides the fairest criteria in a value for the security. The Manager shall apply this policy on a consistent basis.

Securities listed or traded on a regulated market, but acquired or traded at a premium or at a discount outside or off the relevant market may be valued by a competent person, firm or corporation (including the Manager) selected by the Directors and approved for the purpose by the Depositary, taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Securities which are listed or traded on a regulated market where the market price is unrepresentative or not available and unlisted securities shall be valued at probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person appointed by the Directors and approved for such purpose, by the Depositary. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the Manager, who in each case shall have been approved for such purposes by the Depositary, shall be sufficient.

Cash and other liquid assets such as money market instruments will be valued at their face value plus interest accrued, where applicable.

Exchange traded futures and options contracts (including index futures) will be valued based on the settlement price for such instruments as determined by the market where the exchange traded future/option contract is traded. If no settlement price is currently available, such instruments shall be valued on the basis of their probable realisation value determined with care and with good faith by the Directors or a competent person appointed by the Directors provided that the Depositary shall approve such competent person for the purpose of making such valuation.

A particular/specific asset valuation may be carried out using an alternative method of valuation if the directors deem it necessary and the alternative method must be approved by the Depositary and the rationale/methodologies used shall be clearly documented.

The valuation of units or shares in any collective investment scheme which provides for the units or shares therein to be redeemed at the option of the holder out of the assets of that undertaking shall be valued at:

- i. the last available Net Asset Value per unit or share as published by the collective investment scheme; or
- ii. the latest bid price as published by the collective investment scheme.

For money market Sub-Funds, the amortised cost method of valuation may be used to determine the value of money market instruments with a residual maturity of less than three months and which have no specific sensitivity to market parameters, including credit risk. Under the amortised cost method, the ICAV's investments are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at current market value. A review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.

Currencies or values in currencies other than in the currency of designation of a particular Sub-Fund shall unless the Directors determine otherwise be converted or translated at the exchange rate prevailing at the Valuation Point in the foreign exchange market or such other market as the Directors, or their delegate, may consider appropriate having regard (*inter alia*) to any premium or discount which may be relevant and to costs (if any) of exchange into the currency of designation of that Sub-Fund. A currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates as described.

Notwithstanding the generality of the foregoing, the Directors may adjust the value of any asset if taking into account currency, marketability, dealing costs and/or such other considerations as they may deem relevant, such as, applicable rate of interest, anticipated rate of dividend, maturity or liquidity, they consider that such adjustment is required to reflect the fair value thereof. Such alternative method of valuation or adjustment must be clearly documented.

In the absence of negligence, fraud or wilful default, every decision taken by the Administrator, the Directors or any committee of the Directors or any duly authorised person on behalf of the ICAV in calculating the NAV of a Sub-Fund or Class or the Net Asset Value per Share shall be final and binding on the ICAV and on present, past or future Shareholders.

For the purpose of valuing the ICAV's investments as aforesaid the Directors may rely upon the opinions of any person(s) who appear to them to be competent to value investments by reason of any appropriate professional qualification or of experience of any relevant market.

The liabilities of a Portfolio shall be deemed to include all liabilities (including charges incurred on the acquisition and realisation of investments and operating expenses that the Directors consider to be attributable to a particular Portfolio, and such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by Shares in the ICAV. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance.

In the case of a Sub-Fund having more than one Class of Shares, the NAV of the Sub-Fund attributable to each Class of Shares within such Sub-Fund shall be determined by taking into account such adjustments to the Net Asset Value of the relevant Portfolio as the Directors shall specify by reference to the different rights attaching to each such Class of Shares and the Net

Asset Value per Share per Class shall be determined by dividing the resulting Net Asset Value of the Portfolio attributable to the particular Class by the total number of Shares of such Class then in issue.

All valuations will be binding on all persons and in no event shall the Directors, or the Manager, incur any individual liability or responsibility for any determination made or other action taken or omitted by them in the absence of manifest error or bad faith.

Prospective investors should be aware that situations involving uncertainty as to the valuation of positions could have an adverse effect on a Sub-Fund's net assets and could lead to inequalities between investors subscribing for Sub-Fund Shares on different Dealing Days, if the ICAV or the Manager's judgment regarding appropriate valuations should prove incorrect.

Details of the most recently calculated Net Asset Value per Share shall be available from the Administrator.

**Number of Shares.** For the purpose of calculating the number of Shares in issue or deemed to be in issue at a Valuation Point, Shares to be issued on a Dealing Day are deemed not to be in issue until the following day, and Shares to be redeemed on a Dealing Day are deemed to remain in issue until the following day.

**NAV per Sub-Fund Share Valuation.** This calculation is made by dividing the NAV of the Sub-Fund attributable to a particular Class of Shares by the number of Shares of that Class in issue, all determined as indicated in this section. Any certification of the Net Asset Value per Share given in good faith by or on behalf of the Directors is binding on all parties.

## 17 INSTRUMENT OF INCORPORATION OF THE ICAV

The IOI comprises the constitution of the ICAV. Copies of the IOI may be obtained by Shareholders from the Administrator free of charge or may be inspected at the offices of the Administrator during normal business hours on a Business Day.

### 17.1 Sole Object of the ICAV

The sole object of the ICAV is set out in full in Section 3 of the IOI as the collective investment of its funds in property and giving Shareholders the benefit of the results of the management of its funds.

### 17.2 Other provisions

The IOI provides, *inter alia*, as follows:

### 17.3 Incorporation and Share Capital

The ICAV is registered as an umbrella type open-ended externally managed Irish Collective Asset-management Vehicle with limited liability under the laws of Ireland with registered number C195028. The ICAV is authorised in Ireland as an Irish Collective Asset-management Vehicle pursuant to the UCITS Regulations.

The authorised Share capital of the ICAV is EUR 2 divided into 2 Subscriber Shares of EUR 1 each and 500,000,000,000 Shares of no par value each having the rights provided for and as hereinafter appearing. The minimum issued Share capital of the ICAV is EUR 2 and the maximum issued Share capital of the ICAV is EUR 500,000,000,000 or its equivalent in any other currency. The Share capital of the ICAV shall be equal to the value for the time being of the issued Share capital of the ICAV.

The Directors may establish one or more Sub-Funds and one or more Classes referable to each such Sub-Fund, in accordance with the requirements of the Central Bank.

The IOI provides that un-issued Shares are at the disposal of the Directors who may offer, allot, issue, or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors see fit.

The ICAV may by ordinary resolution increase its share capital, consolidate its Shares or subdivide any of them into Shares of a smaller amount or cancel authorised but unissued Shares.

The holders of Shares shall:

- 17.3.1 have the right to vote at a general meeting. On a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Share;
- 17.3.2 be entitled to such dividends as the Directors may from time to time declare; and
- 17.3.3 in the event of a winding up or dissolution of the ICAV, have the entitlements referred to under "Liquidation" below.

#### **17.4 Variation of Rights**

The rights attached to any separate Class of Shares may, subject to the laws of Ireland and unless otherwise provided by the terms of issue of the Shares of that Class, be varied or abrogated with the consent in writing of the holders of three fourths of the issued Shares of that Class or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of the Class by a majority of two thirds of the votes cast at that meeting. The rights attached to the Shares of the Class are deemed not to be varied by the creation or issue of any other separate Class of Shares or by the creation or issue of any Shares of the same Class ranking *pari passu* with them.

#### **17.5 Portfolio**

Each Share when allotted and issued must be designated by reference to a Portfolio and the proceeds from the allotment and issue of each such share shall be applied in the books of the ICAV to the Portfolio established for that share and designated by reference to it. The assets and liabilities and income and expenditure attributable thereto shall be applied to each Portfolio by the Directors.

The assets of each Sub-Fund shall belong exclusively to the relevant Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for such purpose.

#### **17.6 Quorum and Voting rights**

If the ICAV has only one Shareholder entitled to vote at a general meeting the quorum shall be that one Shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. In all other cases at least two Shareholders present in person or by proxy who are entitled to vote shall be a quorum for all purposes at any general meeting of the ICAV.

At any general meeting on a show of hands every holder of a share who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.

## 17.7 Directors

The Directors shall be entitled to such sums (if any) by way of fees as shall from time to time be determined by the Directors. Such sums shall be divided among the Directors as the Directors may determine and be subject to the maximum amount disclosed in the Fees and Expenses section of this Prospectus.

Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general and Class meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the ICAV's business or in the discharge of his duties as a Director.

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, or may act in a professional capacity to the ICAV, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified from his office by contracting with the ICAV either as vendor, purchaser or otherwise, nor shall any such contract or 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 so contracting or being 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 relation thereby established, provided that the nature of his interest shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested.

The chairman of a director's meeting shall have a casting vote at any meetings of the Directors.

The Directors may exercise the ICAV's powers to borrow and to charge its assets.

## 17.8 Alteration of the Instrument of Incorporation

The IOI may at any time be altered or added through the following means:

- by special resolution of the Shareholders; or
- where the Depositary has certified in writing that the alteration does not prejudice the ICAV's shareholders, does not relate to any such matter as may be specified by the Central Bank as one in the case of which an alteration may be made only if approved by shareholders of an ICAV and is in accordance with the requirements of the Central Bank.

## 17.9 Liquidation

The ICAV may be wound up pursuant to the Act. The assets available for distribution among the holders of the Shares would be distributed in a winding up in accordance with their respective interest in the respective Sub-Funds on the following basis:

17.10 If the ICAV shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of the ICAV on the basis that any liability incurred or attributable to a Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

17.10.1 The assets available for distribution among the Shareholders shall then be applied in the following priority:

- (a) First, in the payment to the holders of the Shares of each Sub-Fund or Class of a sum in the currency in which that is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Sub-Fund or Class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Sub-Fund to enable such payments to be made. In the event that, as regards any Sub-Fund or Class of Shares, there are insufficient assets available in the relevant Sub-Fund to enable such payment to be made recourse shall be had:

firstly, to the assets of the ICAV not comprised within any of the Sub-Funds; and

secondly, to the assets remaining in the Sub-Funds for the other Sub-Funds or Classes of Shares, after payment to the holders of the Shares of the Sub-Funds or Classes to which they relate of the amounts to which they are respectively entitled under this paragraph (i) pro rata to the total value of such assets remaining within each such Sub-Fund.

- (b) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any of the Sub-Funds remaining after any recourse thereto under paragraph (b)(i) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds.
- (c) Thirdly, in the payment to the holders of each Sub-Fund or Class of Shares of any balance then remaining in the relevant Sub-Fund, such payment being made in proportion to the number of Shares of that Sub-Fund or Class held.
- (d) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Sub-Funds, such payment being made in proportion to the number of Shares held.

17.11 If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the Shareholders in specie the whole or any part of the assets of the ICAV, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Shareholders provided always that should such resolution be passed, the liquidator shall at the request in writing of a Shareholder arrange for the Shareholder's pro-rata share of the said assets to be realised and a sum equivalent to the net realisation proceeds shall be paid to the Shareholder. The liquidator may, with the like authority, vest any part of the assets in trustees on such trusts for the benefit of Shareholders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that

no Shareholder shall be compelled to accept any assets in respect of which there is any liability.

## 18 GENERAL INFORMATION

None of the Shares of the ICAV are under option, or agreed, conditionally or unconditionally to be put under option.

As at the date of this Prospectus the ICAV has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### 18.1 Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the ICAV and are, or may be, material:

- 18.1.1 the Management Agreement between the Manager and the ICAV entered into on 23 August 2021 pursuant to which Katko Capital SASU has been appointed as Manager to the ICAV and each of its Sub-Funds. The Manager is responsible for the investment policy, objectives and management of the ICAV and its Sub-Funds. The Management Agreement will continue in force unless terminated. The Management Agreement shall have an initial term of one year and will continue in full force and effect for successive periods of twelve months thereafter, unless terminated.

Under the terms of the Management Agreement, the ICAV, if directed by its Shareholders to do so pursuant to a special resolution of non-management Investors, may terminate the appointment of the Manager if (i) the Manager shall commit any material breach of its obligations under the Management Agreement; (ii) any verdict, judgment, arbitration award, preliminary or permanent injunction, order, or decree is granted or made by any court or regulatory authority of competent jurisdiction against the Manager; (iii) there is an insolvency event; (iv) the Manager ceases to be authorised pursuant to Article L. 532-9 of the French *Code monétaire et financier* as a UCITS management company or in the event that the Manager ceases to be permitted by the Central Bank to provide the services of manager in respect of the ICAV; and (v) the Central Bank directs the removal of the Manager, provided that any replacement Manager shall have been approved by the Central Bank.

The Management Agreement may be terminated by the Manager by notice in writing to the ICAV if at any time the ICAV (i) commits any material breach of its obligations under the Management Agreement; becomes incapable of performing its duties or obligations under the Management Agreement due to any change in law or regulatory practice; (iii) be the subject of an effective resolution for its winding up or goes into liquidation; (iv) becomes unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (v) be the subject of any petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (vi) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; or (vii) has any like events happen to it whether at the direction of an appropriate regulatory authority or court of competent jurisdiction or otherwise.

The Management Agreement contains certain indemnities in favour of the Manager (and its officers and employees) which are restricted to exclude, *inter alia*, matters arising by reason of the negligence, wilful default or fraud of the Manager or its permitted delegates in the performance of its obligations and duties.

- 18.1.2 the Administration Agreement between the Manager, ICAV and the Administrator entered into on 23 August 2021 pursuant to which the Administrator was appointed as Administrator of the ICAV by the Manager. The Administration Agreement has an initial term of one year, which is automatically renewed each year. The Administration Agreement may be terminated at any time or after the first anniversary upon ninety (90) days prior written notice by either party or immediately in certain circumstances. The Administration Agreement contains certain indemnities in favour of the Administrator (and its officers and employees) which are restricted to exclude, *inter alia*, matters arising by reason of the negligence, wilful default or fraud of the Administrator or its permitted delegates in the performance of its obligations and duties.
- 18.1.3 the Depositary Agreement between the Depositary and the ICAV entered into on 23 August 2021 pursuant to which the Depositary was appointed as Depositary to the ICAV. This Agreement may be terminated upon ninety (90) calendar days prior written notice by either party or immediately in certain circumstances. The appointment of the Depositary will continue until a replacement Depositary approved in advance by the Central Bank has been appointed or the authorisation of the ICAV has been revoked. The Depositary Agreement contains certain indemnities in favour of the Depositary (and its officers and employees) which are restricted to exclude, *inter alia*, matters arising by reason of the negligence, wilful default or fraud of the Depositary or its permitted delegates in the performance of its obligations and duties.

Please refer to each Supplement for details of other relevant material contracts (if any) in respect of each Sub-Fund.

## 18.2 Indemnity

Section 42 of the IOI of the ICAV contain provisions indemnifying the Directors, Secretary and other officers and servants of the ICAV from liability in certain circumstances.

The ICAV has agreed to provide indemnities to each of the Manager, the Administrator and the Depositary on terms set out in the Management Agreement, Administration Agreement and Depositary Agreement which are set out in the Material Contracts Section.

## 18.3 Miscellaneous

The ICAV has not established and does not intend to establish a place of business in the United Kingdom or the United States.

## 18.4 Litigation

The ICAV is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened by or against the ICAV.

## 18.5 Trading allocations and brokerage commissions

The Manager, or any delegate investment manager duly appointed by the Manager, may appoint a third party broker to execute trades on its behalf, in which case the Sub-Funds will incur the brokerage commissions incurred.

The Manager has no obligation to deal with any specific broker or group of brokers in executing transactions in portfolio securities. Such transactions may be subject to a commission or dealer mark-up which may not be the lowest commission or spread available. In the event of the Manager not appointing a third party to execute transactions:

- 18.5.1 the Manager will have complete discretion in deciding which brokers the Sub-Fund will use and in negotiating its commissions, rates and spreads;
- 18.5.2 the Manager may also take into account the broker's facilities, reliability, financial responsibility, costs of products or services, and responsiveness to the Manager;
- 18.5.3 the Manager may consider the value of the products and services received and which are described in its "no soft dollar policy" which is available from the Manager on request; and
- 18.5.4 a broker will not be excluded from receiving brokerage business because it does not provide products and services.

Securities may be held by, or be an appropriate investment for, the Sub-Funds as well as other clients of the Manager or its affiliates. Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more clients are selling the same security. If purchases or sales of securities for the Sub-Funds or other clients for which the Manager acts as investment manager or advisor arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the Sub-Funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of Sub-Fund securities for one or more clients have an adverse effect on other clients.

## **18.6 Paying Agents**

The ICAV may engage paying agents and other representatives in jurisdictions where the ICAV markets its Shares. These appointments will be made in accordance with the rules of the Central Bank.

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid to investors. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to the Depositary (e.g. a sub-distributor or agent in the 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 and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of paying agents and other representatives will be borne by the ICAV.

## **18.7 Directors**

Since the incorporation of the ICAV, no benefits in kind or loans have been granted to the Directors, and the ICAV has not provided any guarantee for the benefit of any Director.

Save as disclosed elsewhere herein:

- 18.7.1 no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the ICAV;
- 18.7.2 no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the ICAV; and
- 18.7.3 no Director (nor any spouse or child under 18 of a Director or any connected person of a Director the existence of which is known or could with reasonable diligence be ascertained by that Director) has been granted any options or has any interests in respect of Shares of the ICAV. Such persons may acquire Shares on the same terms as other investors.

The Directors may vote on any transaction in which they have a material interest if they first disclose the nature of their interest to the ICAV. The IOI contains no provision requiring Directors to retire on attaining a particular age.

No Director has:

- 18.7.1 any unspent convictions in relation to indictable offences; or
- 18.7.2 been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- 18.7.3 been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any Class of its creditors; or
- 18.7.4 been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- 18.7.5 had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- 18.7.6 been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

## 19 CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Manager, Administrator, Depositary, and any investment manager/advisor and any of their directors, officers, employees, agents, affiliates and the Directors ("**Interested Parties**") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the ICAV. These may include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisors, or agents of other funds or other companies. The Manager may provide services to third parties similar to those provided to the ICAV and shall not be liable to account for any profit earned from any such services. Where a conflict arises, the Manager will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, the ICAV and the Manager may be

faced with conflicts of interest with regard to such duties; however, they will endeavour to ensure that investment opportunities in those circumstances will be allocated fairly.

In addition, the Manager (or a related party) may be involved in determining the probable realisation value of certain securities which are not listed or traded on any stock exchange or over-the-counter market. The probable realisation value of such securities will be reflected in the NAV. The Manager's fees are calculated by reference to the most recently calculated NAV and accordingly the fees payable to the Manager will increase as the NAV increases.

Transactions and dealings in the investments of any Sub-Fund may take place with entities related to the Depositary, the Administrator, the Manager or any agent of any of them. The Manager may buy and deal in Shares and sell securities and other assets from and to the ICAV. Banking and similar transactions may also be undertaken with or through the Depositary or any associate of the Depositary. Any such transactions are permissible provided that the Directors ensure that any such transaction is conducted at arm's length and in the best interests of Shareholders. The Directors may enter into a transaction, on behalf of the ICAV, with a connected person only if at least one of the conditions in paragraphs (i), (ii) or (iii) below is complied with:

- 19.1.1 the value of the transaction is certified by either:
  - (a) a person approved by the Depositary as being independent and competent; or
  - (b) a person who has been approved by the Directors as being independent and competent in the case of a transaction involving the Depositary,
- 19.1.2 execution is on best terms on an organised investment exchange under the rules of the relevant exchange; or
- 19.1.3 when 19.1.1 or 19.1.2 are not practical execution is on terms which the Depositary or, in the case of a transaction involving the Depositary, the Directors, is/are satisfied will be conducted at arm's length and is in the best interests of Shareholders.

The Depositary, or the Directors in the case of transactions involving the Depositary, must document how it complied with paragraphs (i), (ii) or (iii) above. Where transactions are conducted in accordance with paragraph (iii), the Depositary or in the case of transactions involving the Depositary the Directors, must document their rationale for being satisfied that the transaction conformed to the requirements outlined.

The Directors, Manager, the Depositary, the Administrator and/or associated or group companies of any of them may buy, hold and deal in any Investments of any kind, nature or description whatsoever notwithstanding that similar Investments may be held by the ICAV, provided that any such dealings are carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the ICAV, or is interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the ICAV effected by it for the account of the ICAV and which may or may not be for the benefit of the ICAV. Where the Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for the ICAV, the rebated

commission shall be paid to the ICAV. The Manager may be paid/reimbursed out of the assets of the ICAV for fees charged by the Manager and reasonable properly vouched costs and expenses directly incurred by the Manager in this regard.

Certain of the Directors are also directors of related parties. The fiduciary duties of the Directors may compete with or be different from the interests of the ICAV. The Directors and the service providers may have conflicts of interest in relation to their duties to the ICAV. However, each shall, at all times, pay regard to its obligation to act in the best interests of the ICAV and the Directors will endeavour to ensure that all such potential conflicts of interest are resolved fairly and in the interests of Shareholders.

The Manager or, where applicable, an investment manager, shall be entitled to effect transactions with or through the agency of another person with whom the Manager has an arrangement under which that person will from time to time provide to or procure for the Manager services or other benefits, the nature of which are such that they are lawful and appropriate aids to the Manager in carrying out its investment decision making responsibilities and the benefits provided assist in the provision of investment services to the ICAV and for which it makes no direct payment but instead undertakes to place business with that person. Any such arrangements shall provide for best execution standards. A report shall be included in the ICAV's annual reports which shall describe the Manager's soft commission practices. Such benefits may not directly accrue to the ICAV. The Manager may not retain cash rebates and any cash rebates received must revert back to the ICAV. The Manager, Depositary, Administrator and other service providers may have conflicts of interest in relation to their duties to the ICAV. However, each shall, at all times, have regard to the best interests of the ICAV in discharging their duties.

Subject to the policy described above, the Manager, the Depositary, the Administrator, any of their associates and directors of the foregoing may have an interest in the ICAV or its Sub-Funds or any transaction effected with or for the ICAV or Sub-Funds or have a relationship of any description with any other person which may involve a potential conflict of their respective duties to the ICAV or deal with or otherwise use the services of any associate in connection with the performance of such duties; and none of them will be liable to account for any profit or remuneration derived from so doing. In addition the Manager and sub-investment manager will also provide services to other clients and the Manager and sub-investment manager will endeavour to ensure that any conflict of interest arising from the allocation of investment opportunities among other clients will be resolved fairly.

## **20 INSPECTION OF DOCUMENTS**

Copies of this Prospectus, the Key Investor Information Documents, the IOI, the Act, and the agreements with the Manager, the Administrator, the Depositary or any investment manager or investment advisor and summarised herein may be inspected at the office of the Administrator at the address set out in the Directory by Shareholders and prospective investors, free of charge, during normal business hours on Business Days.

## **21 FUND PRICES AND SHAREHOLDER QUERIES**

The latest issue and redemption prices of the Sub-Funds are available from the Administrator and also on the website of the Manager at [www.katkocapital.com](http://www.katkocapital.com).

All dealing prices published on the above websites will be up-to-date.

While this Prospectus is intended to answer most questions, if you have any further enquiries, please do not hesitate to contact the appropriate party indicated below:

### ***Account and Investment Queries***

Katko Capital SASU  
9 Avenue Franklin Roosevelt  
75008 Paris  
France

### **Complaints**

Shareholders may file any complaints regarding the Manager at the registered office of the Manager.

Shareholders may file any complaints in relation to an investment in the ICAV in writing to the ICAV at its registered office at the following address: 2nd Floor, Block 5, Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland.

If the ICAV is unable to resolve the complaint, then the Applicant may, if eligible, appeal in writing to the Financial Services Ombudsman at the following address:

Financial Services and Pensions Ombudsman  
3rd Floor  
Lincoln House  
Lincoln Place  
Dublin 2,  
D02 VH29  
Ireland

### **Tax Queries**

Questions regarding taxation, estate planning or other legal matters are best answered by a professional advisor.

## **22 GLOSSARY**

For the purposes of this Prospectus, the following expressions have the following meanings:

<b>Accounting Period</b>	means the annual accounting period for the ICAV ending on 31 December in each calendar year.
<b>Act</b>	means the Irish Collective Asset-management Vehicle Act 2015 and every statute or other provision of law amending, supplementing or re-enacting the Act, from time to time.
<b>Administrator</b>	Caceis Ireland Limited and any other person or persons for the time being duly appointed administrator by the ICAV in accordance with the requirements of the Central Bank.
<b>Administration Agreement</b>	means the agreement by which the ICAV has appointed the Administrator to provide administrative services to the ICAV.
<b>Approved Counterparty</b>	means any entity selected by the Manager as may be described in the relevant Supplement, provided always that the relevant entity is, in relation to OTC derivatives, one falling within a category permitted by the Central Bank UCITS Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations.

<b>Asset-backed Securities</b>	means asset-backed securities that entitle the holder thereof to receive payments that depend primarily on the cash flow from the assets underlying the securities.
<b>Base Currency</b>	means Euro.
<b>Business Day</b>	means a day on which the banks in Ireland are open for normal banking business, or in any financial centre that the Directors may determine to be relevant for the operations of the Sub-Fund and as disclosed in the relevant Supplement as applicable, or any such other day(s) as the Directors may determine.
<b>Central Bank</b>	means the Central Bank of Ireland and any successor thereto.
<b>Central Bank UCITS Regulations</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as may be amended from time to time.
<b>Class</b>	means a class of Shares within a Sub-Fund for which a separate Portfolio shall not be maintained.
<b>Courts Service</b>	The Court Service is responsible for the administration of moneys under the control or subject to the order of the Courts.
<b>Data Protection Legislation</b>	means the Data Protection Acts 1988 to 2018 (as amended, extended or replaced from time to time) and, with effect from 25 May 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC) and any implementing legislation and all amendments thereto.
<b>Dealing Day</b>	means the day on which the Shares of the Sub-Funds may be subscribed for or redeemed, being the first Business Day following the relevant, weekly Valuation Point and/or such other days in addition thereto or substitution therefor as determined by the Directors and notified in advance to Shareholders, provided that there shall be at least one Dealing Day per week.
<b>Depository</b>	means Caceis Bank, Ireland Branch, and any other person for the time being duly appointed Depository with the prior approval of the Central Bank.
<b>Depository Agreement</b>	means the agreement by which the ICAV has appointed the Depository to provide custodial services to the ICAV in respect of the assets of the Sub-Funds.
<b>Directors</b>	means the directors for the time being of the ICAV or assembled as a board or committee thereof.

<b>Distribution Agreement</b>	means the agreement between a Sub-Distributor and the Manager where the Sub-Distributor agrees to provide the services of a distributor for the ICAV and one or some of the Sub-Funds.
<b>Equities and Equity-Related Securities</b>	includes but is not limited to, equities, depository receipts (such as American Depository Receipts and Global Depository Receipts), REITs and preferred shares.
<b>ESMA</b>	means the European Securities and Markets Authority
<b>ESMA Remuneration Guidelines</b>	ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive.
<b>ETF</b>	Means an Exchange Traded Fund.
<b>Euros and EUR</b>	means the basic unit of currency among participating European Union countries.
<b>Exempt Irish Investor</b>	<p>means the categories of persons Resident or Ordinarily Resident in Ireland, as listed below, that are exempt from tax on the occurrence of a chargeable event where a Relevant Declaration has been provided to the ICAV and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Investor must notify the ICAV if it ceases to be an Exempt Irish Investor. However, it is important to note that full details and conditions for each type of Exempt Irish Investor can be found in Sections 739B and 739D of the TCA. In all cases where a Shareholder considers themselves to be an “Exempt Irish Investor” it should contact its own taxation advisers to ensure that it meets all necessary requirements:</p> <ul style="list-style-type: none"> <li>(a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the TCA applies;</li> <li>(b) a company carrying on a life business within the meaning of Section 706 of the TCA;</li> <li>(c) an investment undertaking within the meaning of Section 739(B)(1) of the TCA;</li> <li>(d) an investment limited partnership within the meaning of Section 739J of the TCA;</li> <li>(e) a special investment scheme within the meaning of Section 737 of the TCA;</li> <li>(f) a unit trust to which Section 731(5)(a) of the TCA applies;</li> <li>(g) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;</li> <li>(h) a qualifying fund manager within the meaning of Section 784A(1)(a) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;</li> </ul>

- (i) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (j) 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 TCA and the Shares are assets of a PRSA;
- (k) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (l) the National Asset Management Agency;
- (m) the National Treasury Management Agency or a fund investment vehicle within the meaning of Section 739D(6)(kb) of the TCA;
- (n) the Motor Insurers’ Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 164 (amended by the Insurance (Amendment) Act 2018);
- (o) an Irish resident company that is or will be within the charge to corporation tax in accordance with Section 739G(2) of the TCA, but only where the fund is a money market fund;
- (p) a company which is within the charge to corporation tax in accordance with Section 110(2) of the TCA, in respect of payments made by it to the ICAV;
- (q) an Intermediary acting on behalf of Shareholder listed at a) to o) above;
- (r) an Intermediary acting on behalf of persons who are neither Resident nor Ordinarily Resident in Ireland for tax purposes;
- (s) any other Irish Resident or 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.

**ICAV**

KATKO ICAV.

**Initial Offer Period**

the initial offer period for each Class of Shares in the Sub-Funds, the dates of which are set out in the relevant Supplement(s), or such other dates as the Directors may determine and notify to the Central Bank.

**Institutional Accredited Investor**

an “accredited investor” as defined in Rule 501(a) (1), (2), (3) or (7) of Regulation D under the 1933 Act.

**Intermediary**

a person who:

(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons;

or

(b) holds Shares in an investment undertaking on behalf of other persons.

**Investments**

any asset for the time being of a Sub-Fund as well as any contractual entitlements and/or obligations made or entered into by the Sub-Fund;

**IOI**

the Instrument of Incorporation of the ICAV.

**Ireland**

the Republic of Ireland.

**Irish Real Estate Fund**

means an 'IREF' within the meaning of Section 739K of the TCA being, generally, an investment undertaking 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 Irish land or mineral rights, shares in an Irish REIT or certain other Irish real estate related assets.

**Irish Resident**

any person resident or Ordinarily Resident in Ireland for tax purposes.

The Irish tax year operates on a calendar year basis. An individual will be regarded as resident in Ireland for a particular tax year if he/she is present in Ireland: (a) for a period of at least 183 days in that tax year, or (b) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual shall be deemed to be present in Ireland for a day if the individual is present in Ireland at any point in time during the particular day.

A trust will generally be Irish resident where all of the trustees 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:

(a) the company or 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 company under a double taxation treaty between Ireland and that country; or

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

Companies incorporated in Ireland on or after 1 January 2015 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 companies completing Relevant Declarations in relation to their tax residency are referred to the specific legislative provisions contained in Section 23A of the TCA.

<b>Manager</b>	Katko Capital SASU, authorised and regulated by the Autorité des Marchés Financiers.
<b>Management Agreement</b>	the agreement by which the ICAV has appointed the Manager as its UCITS management company including responsibility for portfolio management, managing and distributing the ICAV's investments.
<b>Management Fee</b>	the fees payable to the Manager calculated as described under "Fees and Expenses".
<b>MIFID</b>	EU Directive 2014/65/EU on markets in financial instruments, as may be amended, modified or supplemented from time to time.
<b>Minimum Subscription</b>	the amount as specified in the Supplement.
<b>NAV</b>	the net asset value of the relevant Sub-Fund or of the ICAV determined by the Administrator under delegated authority from the Directors as described in the Section entitled 'Valuation of Funds'.
<b>OECD Member State</b>	a member state of the Organisation for Economic Co-operation and Development.
<b>Ordinarily Resident in Ireland</b>	means, in the case of an individual, an individual who is ordinarily resident in Ireland for tax purposes.  'Ordinary residence' is distinct from 'residence' in relation to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual will be regarded as ordinarily resident in Ireland for a particular tax year if she/he has been Resident for the previous three 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 not been 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.

<b>Personal portfolio investment undertaking or PPIU (as this term is used in the 'Taxation' section of the Prospectus and affects all Irish Investors to the extent there are any)</b>	<p>an investment undertaking, under the terms of which some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by -</p> <ul style="list-style-type: none"> <li>(a) the investor,</li> <li>(b) a person acting on behalf of the investor,</li> <li>(c) a person connected with the investor,</li> <li>(d) a person connected with a person acting on behalf of the investor,</li> <li>(e) the investor and a person connected with the investor, or</li> <li>(f) a person acting on behalf of both the investor and a person connected with the investor.</li> </ul>
<b>Portfolio</b>	<p>An investment undertaking is not a personal portfolio investment undertaking if the only property which may or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land or real property, any investment made by an individual is limited to 1% of the total capital required.</p> <p>the separate portfolio of investments less the liabilities attributable to a Sub-Fund of the ICAV determined according to the IOI.</p>
<b>Prospectus</b>	<p>this document, the Supplements and the and Subscription Form.</p>
<b>Qualified Purchaser</b>	<p>a "qualified purchaser" as defined in Section 2(a)(51)(A) of the 1940 Act.</p>
<b>Rating Agency</b>	<p>each of S&amp;P, Moody's and Fitch or any other internationally recognised external credit assessment institution, reasonably chosen by the Manager.</p>
<b>Recognised Exchange</b>	<p>any regulated market or exchange contained in Appendix I.</p>

<b>Recognised System</b>	<b>Clearing</b>	any clearing system listed in Section 246A of the TCA (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 TCA, by the Irish Revenue Commissioners, as a recognised clearing system.
<b>REITs</b>		real estate investment trusts, a form of collective investment vehicle which invests exclusively in property, and is traded openly on the stock market.
<b>Relevant Period</b>		An eight year period beginning with the acquisition of the Shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.
<b>Relevant Declaration</b>		a completed and signed declaration on an Irish Revenue prescribed form as set out in Schedule 2B of the TCA. A declaration by a non-Irish Resident Shareholder or an Intermediary is only a Relevant Declaration where the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.
<b>SEC</b>		the United States of America Securities and Exchange Commission.
<b>Securities Transaction or SFT</b>	<b>Financing</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) a repurchase transaction;</li> <li>b) reverse repurchase transaction; or</li> <li>c) securities lending.</li> </ul> <p>as defined in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.</p>
<b>SFDR</b>		Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended and as may be further amended from time to time.
<b>Shareholder</b>		a person who is registered on the register of members of the ICAV as the holder of a Share.
<b>Shares</b>		participating Shares in a Sub-Fund.
<b>Sub-Distributor</b>		any person for the time being duly appointed as Sub-Distributor of any Fund by the Manager and as identified in the relevant Sub-Fund Supplement.
<b>Sub-Fund</b>		each sub-fund of the ICAV representing a particular Portfolio which may be further sub-divided into Classes of Shares.

<b>Subscriber Share</b>	a subscriber share in the capital of the ICAV issued in accordance with the IOI.
<b>Subscription Form</b>	the form that needs to be completed to subscribe for Shares in the Sub-Fund.
<b>Supplement</b>	the relevant supplement for each Sub-Fund.
<b>Sustainability Factors</b>	environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters, as defined in the SFDR.
<b>Sustainability Risks</b>	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Fund's investments, as defined in the SFDR.
<b>TCA</b>	the Taxes Consolidation Act 1997 (of Ireland) as amended.
<b>UCITS Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended by the European Communities (Undertakings for Collective Investment in Transferable Securities)(Amendment) Regulations, 2016, as may be amended, supplemented, consolidated or re-enacted from time to time.
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia.
<b>US Person</b>	<p>(a) "US person" as such term is defined in Regulation S under the 1933 Act,</p> <p>(b) a person that is not a "Non-United States person" as such term is defined in Part 4 of the CFTC's regulations, or</p> <p>(c) a "Specified US person" under the Foreign Account Tax Compliance Act.</p>
<b>Valuation Point</b>	the point in time by reference to which the NAV of a Sub-Fund is calculated as is specified in the Supplement for the relevant Sub-Fund.
<b>1933 Act</b>	the US Securities Act of 1933, as amended.
<b>1940 Act</b>	the US Investment Company Act of 1940, as amended.

## APPENDIX I RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets in which the assets of the ICAV may be invested from time to time and is set out in accordance with the Central Bank's UCITS Regulations. With the exception of permitted investments in unlisted securities investment will be restricted to the stock exchanges and markets below. The Central Bank does not issue a list of approved stock exchanges or markets.:

- 1 Any stock exchange which is located in any Member State of the European Union or located in any of the following countries:

Australia;

Canada;

Japan;

New Zealand;

Norway;

Switzerland;

United States of America;

Hong Kong;

- 2 Or any stock exchange included in the following list:

Argentina	Bolsa de Cereales de Buenos Aires;
Argentina	Mercado a Término de Buenos Aires SA (BCBA);
Argentina	Bolsa de Comercio de Buenos Aires;
Argentina	Bolsa de Comercio de Cordoba;
Argentina	Bolsa de Comercio de Rosario;
Argentina	Bolsa de Comercio de Mar del Plata;
Argentina	Bolsa de Comercio de Mendoza S.A;
Argentina	Bolsa de Comercio de Santa Fe;
Argentina	Mercado Abierto Electrónico (MAE);
Argentina	Mercado a Termino de Rosario;
Argentina	Mercado de Valores de Rosario;
Argentina	(Merfox);
Argentina	Rosario Futures Exchange (ROFEX);
Botswana	the stock exchange in Botswana;

Brazil	Bolsa Brasileira de Futuros;
Brazil	Bolsa de Mercadorias e Futuros (BM&F);
Brazil	Bolsa de Valores Bahia, Sergipe, Alagoas;
Brazil	Bolsa de Valores do Extremo Sul;
Brazil	Bolsa de Valores Minas, Espirito Santo, Brasilia;
Brazil	Bolsa de Valores do Paraná;
Brazil	Bolsa de Valores de Pernambuco e Paraiba;
Brazil	Bolsa de Valores Regional;
Brazil	Bolsa de Valores de Rio de Janeiro;
Brazil	Bolsa de Valores de São Paulo (BOVESPA);
Brazil	Bolsa de Valores de Santos;
Chile	Bolsa de Comercio de Santiago;
China	the stock exchanges in Shanghai and Shenzhen;
Colombia	the stock exchanges in Bogota and Medellin;
Egypt	the stock exchanges in Cairo and Alexandria;
Iceland	the stock exchange in Reykjavik;
India	the stock exchanges in Bombay , Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
Indonesia	the stock exchanges in Jakarta and Surabaya;
Israel	the stock exchange in Tel Aviv;
Jordan	the stock exchange in Amman;
Kenya	the stock exchange in Nairobi;
Korea	Korea Futures Exchange (KOFEX)
Korea	Korea Stock Exchange (KSX)
Korea	Korean Securities Dealers Association, Automated Quotation (KOSDAQ)
Malaysia	the stock exchange in Kuala Lumpur;
Mexico	Bolsa Mexicana de Valores
Mexico	Mercado Mexicana de Derivados

Morocco	the stock exchange in Casablanca;
Peru	the stock exchange in Lima;
Philippines	Philippine Stock Exchange
Singapore	the stock exchange in Singapore;
South Africa	the stock exchange in Johannesburg;
Taiwan (Republic of China)	GreTai Securities Market (GTSM)
Taiwan (Republic of China)	Taiwan Futures Exchange (TAIFEX)
Taiwan (Republic of China)	Taiwan Stock Exchange
Thailand	Market for Alternative Investments (MAI)
Thailand	Stock Exchange of Thailand (SET)
Turkey	the stock exchange in Istanbul;

3 Any of the following:

- 3.1 the market operated by the members of the International Capital Market Association;
- 3.2 the market conducted by the “**listed money market institutions**”, as described in the Financial Conduct Authority publication: “The Investment Business Interim Prudential Sourcebook” (which replaces the “**Grey Paper**”) as amended from time to time;
- 3.3 the market in United States government securities conducted by primary dealers which are regulated by the Federal Reserve Bank of New York;
- 3.4 the over-the-counter market in the United States conducted by primary and secondary dealers which are regulated by the United States National Association of Securities Dealers and the United States Securities and Exchange Commission and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- 3.5 NASDAQ Europe,
- 3.6 NASDAQ;
- 3.7 SESDAQ;
- 3.8 KOSDAQ, the Korean stock exchange for high-tech start-ups and small to medium sized enterprises (the general level of liquidity may not compare favourably to that found on more established markets);
- 3.9 TAISDAQ- the over-the-counter stock market in Taiwan (the general level of liquidity may not compare favourably to that found on more established markets);
- 3.10 the over-the-counter Market in Japan regulated by the Securities Dealers Association of Japan;
- 3.11 The over-the-counter Canadian Government Bond market as regulated by the Investment Dealers Association of Canada; or

- 3.12 AIM, the Alternative Investment Market in the United Kingdom regulated and operated by the London Stock Exchange.
- 3.13 All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:
- (a) in a Member State;
  - (b) in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein);
  - (c) in the United States of America, on the:
    - (i) Chicago Board of Trade;
    - (ii) Chicago Board Options Exchange;
    - (iii) Chicago Mercantile Exchange;
    - (iv) Eurex US;
    - (v) New York Board of Trade; or
    - (vi) New York Mercantile Exchange;
  - (d) in China, on the Shanghai Futures Exchange;
  - (e) in Hong Kong, on the Hong Kong Futures Exchange;
  - (f) in Japan, on the
    - (i) Osaka Securities Exchange;
    - (ii) Tokyo International Financial Futures Exchange; or
    - (iii) Tokyo Stock Exchange;
  - (g) in New Zealand, on the New Zealand Futures and Options Exchange; or
  - (h) in Singapore, on the
    - (i) Singapore International Monetary Exchange; or
    - (ii) Singapore Commodity Exchange.
  - (i) on the Johannesburg Stock Exchange (JSE) financial futures and options market SAFEX.
  - (j) on the Australian Securities Exchange (ASX).

For the purposes only of determining the value of the assets of the ICAV, the term “**Recognised Exchange**” shall be deemed to include, in relation to any derivatives contract utilised by the ICAV, any organised exchange or market on which such contract is regularly traded.

The markets and exchanges described above are listed in the IOI and are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

The ICAV may in the future also invest in other stock exchanges and markets which are regulated, operate regularly and are recognised and open to the public provided such stock exchanges and markets are referred to in the IOI. Details of such regulated stock exchanges and markets will be included in the subsequent semi-annual and annual audited accounts of the ICAV and noted in an Addendum or Supplement to the Prospectus.

## **APPENDIX II INVESTMENT RESTRICTIONS**

The permitted investments and investment restrictions applying to the ICAV, in accordance with the qualifications and exemptions contained in the UCITS Regulations, and in the Central Bank UCITS Regulations, are set out below.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interests of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the ICAV are placed. Any such further restrictions shall be in accordance with the requirements of the Central Bank UCITS Regulations.

### **A GENERAL**

#### **1 PERMITTED INVESTMENTS**

Investments of the ICAV are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of Alternative Investment Funds.
- 1.6 Deposits with credit institutions.
- 1.7 Financial derivative instruments.

#### **2 INVESTMENT RESTRICTIONS**

- 2.1 Each Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Recently Issued Transferable Securities
  1. Subject to paragraph 2, each Sub-Fund shall not invest any more than 10% of assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.
  2. Paragraph 1 will not apply in relation to an investment by a Sub-Fund in US securities known as "Rule 144A securities" provided that:
    - (A) the relevant securities have been issued with an undertaking to register the securities with the US Securities and Exchanges Commission within 1 year of issue; and
    - (B) the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.

- 2.3 Each Sub-Fund may invest no more than 10% of its NAV in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the NAV of the Sub-Fund.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed:
- a 10% of the NAV of a Sub-Fund; or
  - b where the cash is booked in an account with the Depositary, 20% of the net assets of a Sub-Fund.
- 2.8 The risk exposure of each Sub-Fund to a counterparty to an over the counter derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 Each Sub-Fund may invest up to 100% of its net assets in transferable securities and money market instruments issued by or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more

Member States are members. The following are permitted issuers for the purpose of the investment restriction:

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

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

A Sub-Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of net assets.

### **3 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES (“CIS”)**

Save in respect of a Sub-Fund which has an investment objective and policy that is more restrictive in respect of investment in CIS, the following will apply:

- 3.1 Each Sub-Fund may invest no more than 20% of net assets in any one CIS.
- 3.2 Investment in Alternative Investment Funds may not, in aggregate, exceed 30% of its NAV.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company may not charge subscription, conversion or redemption fees on account of a Sub-Fund's investment in the units of such other CIS.
- 3.5 Whereby virtue of investment in the units of another investment fund, the Manager, the investment manager or an investment advisor receives a commission on behalf of a Sub-Fund (including a rebated commission), the Manager, the investment manager or investment advisor shall ensure that the relevant commission is paid into the property of that Sub-Fund.

### **4 INDEX TRACKING UCITS**

- 4.1 Each Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## 5 GENERAL PROVISIONS

5.1 A Sub-Fund or the Manager acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 Each Sub-Fund may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

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

5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
- (v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4 Each Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1 and for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of any Sub-Fund, or as a result of the exercise of subscription rights, then that Sub-Fund must

adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 Neither the Manager, nor any of the Sub-Funds, may carry out uncovered sales of:

- transferable securities;
- money market instruments\*;
- units of CIS; or
- FDI.

*\*any short selling of money market instruments by the ICAV is prohibited.*

5.8 Each Sub-Fund may hold ancillary liquid assets.

## **6 Financial Derivative Instruments ('FDIs')**

6.1 The ICAVs global exposure relating to FDI must not exceed its total NAV.

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

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

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

## **B Restrictions on Borrowing, Lending and Dealing**

1 Each Sub-Fund may only borrow an amount which in the aggregate does not exceed 10% of the NAV of the Sub-Fund. Such borrowings may, however, only be made on a temporary basis. The Depositary may give a charge over the assets of the Sub-Fund in order to secure borrowings. A Sub-Fund may not invest in partly paid securities.

2 Each Sub-Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the UCITS Regulations and (1) above, provided that the offsetting deposit:

- (iv) is denominated in the Base Currency of the Sub-Fund;
- (v) equals or exceeds the value of the foreign currency loan outstanding.

3 However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (1) above.

- 4 Each Sub-Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Sub-Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.
- 5 Without prejudice to the powers of each Sub-Fund to invest in transferable securities, each Sub-Fund may not lend or act as guarantor on behalf of third parties.
- 6 Each Sub-Fund may not use borrowings to cover exposure to financial derivative instruments.

## APPENDIX III EFFICIENT PORTFOLIO MANAGEMENT

### A Use of Financial Derivative Instruments and Portfolio Management Techniques

Each Sub-Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Sub-Fund under the conditions and within the limits stipulated by the Central Bank and set out below. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: (i) the reduction of risk; (ii) the reduction of cost; or (iii) the generation of additional capital or income for a Sub-Fund with an appropriate level of risk, taking into account the risk profile of the Sub-Fund. Such investment techniques and instruments may be used for hedging purposes as described below, but will not be used for performance enhancement, unless otherwise specified for a particular Sub-Fund. The financial derivative instruments which may be used for the purposes of hedging (whether against market movements or currency exchange) are forward foreign currency contracts. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by a Sub-Fund may not correspond with the securities positions held. A Sub-Fund may hold securities, which currency is different from that of the Sub-Fund. For that reason, each Sub-Fund may enter into forward currency contracts for hedging purposes. All hedging transactions will be clearly attributable to a specific class and/or the Sub-Fund, as applicable, and the ICAV shall not combine or offset currency exposures of different currency classes or allocate currency exposures of the assets of the ICAV to separate share classes. Losses and gains of hedging transactions will accrue solely to the relevant share class.

Should any specific revenue arise from efficient portfolio management techniques, the Manager shall ensure that such revenue shall be returned to the relevant Sub-Fund or share class following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to counterparties engaged by the ICAV, in respect of the relevant Sub-Fund from time to time which, may include the Depository or entities related to the Depository. The identity of the entities to which such direct and indirect costs and fees are paid shall be disclosed in the annual financial statements of the ICAV. Counterparties will not be related to the Manager. All revenues generated through the use of derivatives, net of direct and indirect operational costs and fees, will be returned to the relevant Sub-Fund.

The ICAV employs an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to financial derivative instrument positions. Financial derivative instruments which have not been included in this Prospectus will not be utilised until a revised risk management process and prospectus incorporating those instruments has been prepared and submitted to the Central Bank. The Manager will provide on request to Shareholders supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

Investors should refer to the Risk Factors in Appendix IV, specifically the subsections 'Efficient Portfolio Management' and 'Financial Derivatives, Techniques and Instrument Risks' and to the section 'Conflicts of Interests' for more information on the risks associated with efficient portfolio management.

A description of the main techniques and instruments that may be used for hedging purposes are set out below.

**Forward Foreign Currency Contracts.** A currency forward is a form of OTC derivative that obliges one party to purchase a currency from another party at a fixed future date for a price and currency specified in the terms of the contract.

The Sub-Fund Supplement will contain details of which FDIs may be used by that Sub-Fund.

## **B Permitted Financial Derivative Instruments**

- 1 Each Sub-Fund may invest in financial derivative instruments (“**FDI**”) provided that:
  - 1.1 the relevant reference items or indices, consist of one or more of the following:
    - a) instruments referred to in Appendix II, paragraphs 1.1 to 1.6 of this Prospectus,
    - b) foreign exchange rates
    - c) or currencies; and
  - 1.2 the FDI do not expose the Sub-Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Sub-Fund cannot have a direct exposure);
  - 1.3 the FDI do not cause the Sub-Fund to diverge from its investment objectives;

the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank UCITS Regulations; and

FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

Notwithstanding paragraph 3, each Sub-Fund may invest in FDI dealt in over-the-counter, “OTC derivatives” provided that the counterparty is; (a) a credit institution listed in Regulation 7 of the Central Bank UCITS Regulations or (b) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, or (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.;

Where a counterparty within subparagraphs (b) or (c) of paragraph 3:

- 1.4 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Sub-Funds in the credit assessment process; and
- 1.5 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Sub-Funds without delay.

Where an OTC derivative referred to in subparagraphs (a), (b) and (c) of paragraph 3 is subject to a novation, the counterparty after the novation must be:

- 1.5.1 an entity that is within any of the categories set out in subparagraphs (a), (b) and (c) of paragraph (4); or
- 1.5.2 a central counterparty that is:
  - (a) authorised or recognised under EMIR; or

- (b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
  - (i) by the SEC as a clearing agency; or
  - (ii) by the Commodity Futures Trading Commission of the United States of America as a derivatives clearing organisation

Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with subparagraph (b).

In assessing risk exposure to the counterparty to an OTC derivative for the purpose of Regulation 70(1)(c) of the UCITS Regulations:

- (a) the Sub-Funds shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC derivative with that counterparty;
- (b) the Sub-Funds may net derivative positions with the same counterparty, provided that the ICAV is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the ICAV has with the same counterparty;
- (c) the Sub-Funds may take account of collateral received by the ICAV in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank UCITS Regulation.

Collateral received may be in the form of cash or securities and must at all times meet the criteria set out in the Central Bank UCITS Regulations.

The Sub-Funds shall ensure, in engaging in efficient portfolio management techniques and instruments, that:

- 1.6 every asset that is received by a Sub-Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;
- 1.7 such techniques comply with the criteria set down in Appendix II of this document;
- 1.8 at all times, collateral that is received by a Sub-Fund meets the criteria specified in Schedule 3 of the Central Bank UCITS Regulations.

The ICAV shall ensure that the ICAV's investment risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.

Where a Sub-Fund receives collateral on a title transfer basis, the ICAV shall ensure that that collateral is held by the Depositary.

Where a Sub-Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary provided that such depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

A Sub-Fund shall not sell, pledge or re-invest the non-cash collateral received by the Sub-Fund.

Where a Sub-Fund invests the cash collateral received by the Sub-Fund, such investments shall only be made in one or more of the following:

- a) a deposit with a credit institution referred to in Regulation 7 of the Central Bank UCITS Regulations;
- b) a high-quality government bond;
- c) a reverse repurchase agreement, provided that the transaction is with a credit institution referred to in regulation 7 of the Central Bank UCITS Regulations and the ICAV is able to recall at any time the full amount of cash on an accrued basis; or
- d) short-term money-market fund as defined in Regulation 2(14) of the Money Market Funds Regulation (EU) 2017/1131.

Where a Sub-Fund invests the cash collateral received by the Sub-Fund:

- a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and
- b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

The ICAV shall ensure that, where a Sub-Fund receives collateral for at least 30 per cent of its assets:

- a) there is in place a stress testing policy that prescribes the components set out in paragraph (viii); and
- b) stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the ICAV to assess the liquidity risk attached to the collateral.

The components of the stress-testing policy to which paragraph 17 refers are:

- a) the design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- b) the empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) the reporting frequency and the threshold(s) for limits and losses; and
- d) the mitigation actions to be taken to reduce loss including haircut policy and gap risk protection.

The ICAV shall establish and ensure adherence to a haircut policy for the ICAV, adapted for each class of assets received as collateral. When devising the haircut policy, the Manager shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank UCITS Regulations. The Manager shall document the haircut policy

and the Manager shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.

### **Asset Cover & Collateral Policy**

Where the ICAV invests in FDI which includes a future commitment, the risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide the Sub-Funds with collateral. Netting agreements are incorporated in the ISDAs, which reduce the future commitment the counterparty and the Manager will ensure that the ICAV retains sufficient cash or cash equivalent securities to cover the exposure.

Cash collateral may not be invested other than in accordance with Regulation 24(5) of the Central Bank UCITS Regulation..

In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral.

A Sub-Fund receiving collateral for at least 30% of its assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Sub-Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c) reporting frequency and limit/loss tolerance threshold/s; and mitigation.

The Manager will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

### **Calculation of issuer concentration risk and counterparty exposure risk**

- 1 The Sub-Funds must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.
- 2 The risk exposures to a counterparty arising from OTC derivatives and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit referred to in Regulation 70 (1) (c) of the UCITS Regulations.
- 3 The Sub-Funds must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange traded or OTC FDI, which is not protected by client money rules or other similar arrangements to protect the Sub-Fund in question against the insolvency of the broker, within the OTC counterparty limit referred to in Regulation 70 (1) (c) of the UCITS Regulations.
- 4 When calculating exposure for the purposes of Regulation 70 of the UCITS Regulations, the Sub-Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.
- 5 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. This provision does not apply in the

case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by the ICAV, regardless of whether it uses VaR for global exposure purposes.

- 6 This provision does not apply in the case of index based FDI providing the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.
- 7 A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the Central Bank UCITS Regulations and which contain a component which fulfils the following criteria:
  - 7.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, ind
  - 7.2 ex of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand alone derivative;
  - 7.3 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - 7.4 it has significant impact on the risk profile and pricing of the transferable security or money market instrument.

A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.

### **Cover requirements**

Each Sub-Fund must ensure that its global exposure relating to FDI does not exceed its total NAV. Global exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. A Sub-Fund may not therefore be leveraged in excess of 100% of NAV.

Each Sub-Fund must, at any given time, be capable of meeting its payment and delivery obligations incurred by transactions involving FDI. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Sub-Funds.

Where a Sub-Fund seeks to hedge against currency exchange rate fluctuations, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager. Each Sub-Fund shall ensure that under-hedged positions do not fall short of 95% of the portion of the NAV of the relevant Class which is to be hedged, and do not exceed 105% of the net asset value of the hedged currency class. The Sub-Funds shall keep all hedged positions under review to ensure this limit is not

breached. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Sub-Fund must be covered as follows:

in the case of FDI which automatically, or at the discretion of the Sub-Fund, are cash settled the Sub-Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.

in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the Sub-Fund. Alternatively the Sub-Fund may cover the exposure with sufficient liquid assets where:

7.4.1 the underlying assets consists of highly liquid fixed income securities; and/or

7.4.2 the Sub-Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in paragraph 18 below, and details are provided in the Prospectus.

## **Risk Management**

- 1 Each Sub-Fund must employ a Risk Management Process to accurately monitor, measure and manage the risks attached to FDI positions.
- 2 Each Sub-Fund must provide the Central Bank with details of its proposed Risk Management Process with details of its FDI activity. The initial filing is required to include information in relation to:
  - 7.5 Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
  - 7.6 Details of the underlying risks;
  - 7.7 Relevant quantitative limits and how these will be monitored and enforced;
  - 7.8 Methods for estimating risks.
- 3 Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments rejected by the Central Bank may not be made.
- 4 Each Sub-Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 11(ii) above, must be submitted with the annual report of the ICAV. A Sub-Fund must, at the request of the Central Bank, provide this report at any time.

## APPENDIX IV RISK FACTORS

**Prospective investors should give careful consideration to the risk factors set out below, which are not exhaustive, in evaluating the merits and suitability of an investment in the Sub-Funds.**

**General.** There is no assurance that the investment approach of the Sub-Fund will be successful or that the Sub-Fund will achieve its investment objective. It should be remembered that the price of Shares and the income from them can go down as well as up and that investors may not receive, on redemption of their Shares, the amount that they invested. Past performance data is not necessarily indicative of future performance.

An investment in the Shares involves certain risks relating to the investment strategies to be utilised by the Manager. The performance of the Sub-Fund will reflect the volatility in the Sub-Funds underlying investments and therefore the ICAVs NAV can also be volatile.

The Sub-Funds' performance record does not guarantee future results of the Sub-Funds or of the Manager.

At times the Sub-Funds' assets may be concentrated in certain countries, industry sectors, or even individual issuers, although the extent of this will be limited by the investment restrictions in Appendix II.

Changes in economic conditions, including, for example, interest rates, currency rates, inflation rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the business and prospects of the Sub-Funds. None of these conditions will be within the control of the ICAV or the Manager.

World stock markets can be volatile, driven by economic, political, legislative conditions or market sentiment. Since the Sub-Funds may be largely invested in selected global equities, the value of an investment in the Sub-Funds could fluctuate with the markets.

Individual shares purchased can and often do fall in value for many reasons such as changes in a company's internal operations, management actions, changes in its business environment or investor sentiment. Share prices can be volatile and dividend payments from shares may also vary over time.

As with all managed funds, there are risks particular to the Sub-Funds, including that they could terminate, the fees and expenses could change and the investment professionals could change.

**Global Economic and Market Conditions - Emerging Markets Economies.** The Sub-Funds may invest in currencies, securities and instruments traded in various markets throughout the world, including in global emerging markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in currencies or securities of developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of the underlying investment funds' investments. Unexpected volatility or illiquidity could impair the ICAV's, profitability, or result in losses. The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency

depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

**Market Risk.** Some of the Recognised Exchanges on which the Sub-Funds may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which a Sub-Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that some Sub-Funds may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the relevant Sub-Fund.

The trading and settlement practices of some of the stock exchanges or markets on which the Sub-Funds may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Sub-Funds. In addition, Sub-Funds will be exposed to credit risk of parties with whom they trade and will bear the risk of settlement default

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed OECD Member States and there may be less publicly available information on the issuers than is published by or about issuers in such OECD Member States. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed OECD Member States. In particular, greater reliance may be placed by the auditors on representations from the manager of a company and there may be less independent verification of information than would apply in many developed OECD member countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

All banks, custodians, brokers and dealers with which the Sub-Fund will be doing business may encounter financial difficulties that impair the operational capabilities or capital position of the Sub-Funds. The Manager will generally have sole discretion to select the financial institutions through which their investment transactions are executed for the underlying investments.

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

**Euro and Eurozone Risks.** The global economic crisis of the last decade has resulted in deteriorating sovereign debt in several EU member states, with a risk of contagion to more stable countries. Concerns persist regarding the risk that Eurozone countries may be subject to an increase in borrowing costs and an economic crisis similar to that of countries such as Greece, Italy, Ireland, Spain and Portugal. This situation, along with Brexit, has raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes in the composition of the Eurozone. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or

market perceptions concerning these and related issues, could adversely affect the value of a Sub-Fund's investments. It is difficult to predict the final outcome of the Eurozone crisis.

**Risks associated with Brexit.** In a referendum held on 23 June 2016, the electorate of the United Kingdom voted to leave the EU. The result has led to political and economic instability, volatility in the financial markets of the United Kingdom and more broadly across Europe. It may also lead to a weakening in consumer, corporate and financial confidence in such markets as the UK negotiates its exit from the EU. There is likely to be continued uncertainty as the UK and the EU put in place the political, economic and legal framework necessary to reflect the UK's exit from the EU. The decision of the United Kingdom electorate may also lead to calls for similar referendums in other European jurisdictions which may also cause increased economic volatility in wider European and global markets.

Currency volatility resulting from this uncertainty may mean that the returns of a Sub-Fund and its investments are adversely affected by market movements and a potential decline in the value of Sterling and/or Euro. This may also make it more difficult, or more expensive, for a Sub-Fund to execute prudent currency hedging policies.

This mid to long term uncertainty may have an adverse effect on the economy generally and the ability of the ICAV, its Sub-Funds and their investments to execute their respective strategies and to receive attractive returns, and may also lead to increased costs to the Sub-Funds. It may also lead to increased illiquidity of investments located in the United Kingdom, EU or elsewhere and changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price and terms on which they are prepared to enter into transactions, with the ICAV.

Ireland will remain a member of the EU and the ICAV will, as an EU regulated UCITS, be able to avail of passporting rights under the UCITS Regulations to market and sell Shares in the Sub-Funds in the EU, subject to complying with the terms of the UCITS Regulations. However, the Sub-Funds may be negatively impacted by changes in law and tax treatment resulting from the United Kingdom's departure from the EU and the ICAV may not have a right to market and sell Shares in a Sub-Fund in the United Kingdom following its exit from the EU.

**Taxation.** Any change in the ICAV's tax status or in taxation legislation could affect the value of the investments held by the ICAV and affect the ICAV's ability to provide the investor returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein and in each 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 and each Supplement. 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. The attention of potential investors is drawn to the tax risk associated with investing in the ICAV. See section headed 'TAXATION'.

**Risks associated with US Assets.** Sections 1471 through 1474 of the US Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time), including any regulations issued pursuant thereto (**FATCA**) 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 the 30% withholding tax on certain United States source payments made after 30 June 2014 (in the case of gross proceeds, after 31 December 2016), the ICAV will be required to comply with the Intergovernmental Agreement ("**IGA**") signed by Ireland and the US to implement FATCA, pursuant to which they will be required to identify and report on certain direct and indirect United States owners or investors (see section entitled "FATCA" in Taxation for further details).

Each Shareholder will be required to (and by applying for Shares agrees to) provide the necessary information to comply with such information reporting as required under the Ireland - US IGA and draft implementing regulations. Any such information provided to the ICAV may be shared with the IRS. Shareholders are deemed to have given their consent to the disclosure of information. If a Shareholder either fails to provide correct, complete and accurate information that may be required for the ICAV to comply with FATCA or is a non-participating foreign financial institution (**NPFPI**), the ICAV will be obliged to include the relevant Shareholder as a reportable account under the IGA. The ICAV may also repurchase the Shareholder's Shares, or take certain other actions to mitigate the consequences of a Shareholder's failure to comply with the requirements described above.

The ICAV will endeavour to satisfy the requirements imposed on the ICAV by the IGA to avoid the imposition of FATCA withholding tax. However, in the event of significant non-compliance by the ICAV with the requirements imposed by the IGA and the ICAV suffering US withholding tax on its investments as a result of non-compliance, the net asset value of the ICAV may be adversely affected and the ICAV may suffer significant loss as a result. It is however the intention of the ICAV to comply with its obligations under the terms of the IGA.

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

We refer you to the section entitled "FATCA" in the Taxation section for a definition of Specified US Persons.

**Currency Risk.** Assets of a Sub-Fund may be denominated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and the currency of such assets may lead to a depreciation of the value of the Sub-Fund's assets as expressed in the Base Currency. The Manager may or may not try to mitigate this risk by using financial instruments. Sub-Funds may from time to time enter into currency exchange transactions either on a spot (i.e. cash) basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. A Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions or for speculative purposes.

A Sub-Fund may also enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of that Sub-Fund. For example, a Sub-Fund could enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Base Currency of that Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

The adoption of a currency hedging strategy for a Class of Share may substantially limit the holders of such Class from benefiting if the currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated.

Investments in any Sub-Fund in which the base currency is different to the base currency of the ICAV, or subscriptions or redemptions to a Class of Shares denominated other than in Euro means an exposure to possibly adverse currency fluctuations.

To the extent that hedging is successful, the performance of a hedged class is likely to move in line with the performance of the underlying assets and that Shareholders in a hedged class will not benefit if the class currency falls against the base currency and/or the currency in which the assets of the ICAV are denominated

If the ICAV considers it appropriate, any Class of Shares that is not designated in the base currency of the Sub-Fund can be hedged as an overlay on the Sub-Fund base currency Net Asset Value. Therefore it cannot be assumed that there is no currency exposure.

The Sub-Funds may employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. Over-hedged or under-hedged positions may arise due to factors outside of the control of the ICAV.

The Sub-Funds may not be fully hedged against benchmark currencies at all times thereby creating a possible exposure to currency movements. If such movements go against the Sub-Fund a currency loss may result.

**Hedged Currency Classes.** The Manager may (but is not obliged to) enter into certain currency-related transactions in order to hedge, fully or partially, the currency exposure of the assets of a Sub-Fund attributable to a particular Class into the currency of denomination of the relevant Class. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange-rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant Sub-Fund. Any financial instruments used to implement such strategies with respect to one or more Classes will be assets/liabilities of a Sub-Fund as a whole but will be attributable solely 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 Sub-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 Sub-Fund. The currency exposure of the assets attributable to a may not be allocated to other Classes.

While not the intention of the Manager, over-hedged or under-hedged positions may arise due to factors outside of its control. Such under-hedged positions do not fall short of 95% of the portion of the net asset value of the share class which is to be hedged and the Manager will keep any under-hedged under review to ensure it is not carried forward from month to month. Similarly such over-hedged positions will not be permitted to exceed 105% of the Net asset value of the relevant Class at the time the Manager entered into or rolled over the hedging transaction. 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. Hedge positions will not be adjusted to reflect the performance of a Class between successive Valuation Points. Subject to the provisions outlined above, a Class will not be leveraged as a result of currency hedging transactions. The annual report of the ICAV will indicate how transactions undertaken to provide protection against exchange-rate risks have been utilised.

Currency hedging costs will not reduce the performance of a Sub-Fund for the purposes of calculating any performance fees due to the Manager.

**Efficient Portfolio Management:** Efficient Portfolio Management may be used by a Sub-Fund to reduce risk and/or costs in the Sub-Fund and to produce additional capital or income for the Sub-Fund. In adverse conditions, a Sub-Fund's use of derivatives may become ineffective in

hedging or efficient portfolio management and a Sub-Fund may suffer loss as a result. There is no guarantee that a Sub-Fund will achieve the objective for which they entered into a transaction in relation to efficient portfolio management. This may result in losses for investors.

The ability of a Sub-Fund to use efficient portfolio management may be limited by market conditions, regulatory limits and tax considerations.

Efficient portfolio management may involve a Sub-Fund entering into derivatives, borrowing, cash holding and stock lending transactions with a counterparty where there may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations. To mitigate that risk, the counterparties to these transactions may be required to provide collateral to the Sub-Fund.

**Liquidity Risk.** There may be times when securities may not be readily sold (for example, in a falling market where shares may become less liquid) without a substantial decline in value. The Manager expects that trading volumes will generally be sufficient to satisfy liquidity requirements when necessary, however unexpectedly large withdrawals from the Sub-Funds in a short period of time could affect liquidity. Neither the ICAV nor the Manager guarantees the liquidity of the Sub-Fund's investments.

**Valuation Risk.** Sub-Funds may invest some of their assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Section "Valuation of Assets". Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. A Sub-Fund may, for the purpose of efficient portfolio management, invest in derivative instruments and there can be no assurance that the value as determined in accordance with the Section "Valuation of Assets" reflects the exact amount at which those instruments may be "closed out".

**Umbrella Structure and Cross-Liability Risk.** The ICAV is structured as an umbrella fund in that different Sub-Funds may be established with one or more Share Classes. Each Sub-Fund represents a single portfolio of assets with one or more Share Classes per Sub-Fund. Each Sub-Fund will be responsible for paying its fees and expenses, regardless of the level of its profitability.

Each Sub-Fund of the ICAV enjoys segregation of liabilities between the ICAV's Sub-Funds. Therefore, the assets, income, earnings and profits generated by the Sub-Fund are kept separate and segregated in the Sub-Fund to which they relate. Under Irish law the ICAV will not be liable as a whole to third parties and there will not be the potential for cross-liability between the Sub-Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Sub-Funds would necessarily be upheld.

**Financial Derivatives, Techniques and Instruments Risks.** A range of financial derivatives, for example futures and options, may be used to manage risk and for investment by the Sub-Funds. The Manager expects to use derivatives within tight guidelines (refer to Investment Restrictions above). Derivatives introduce an extra element of risk to the Sub-Fund that may be hard to quantify.

The prices of derivative instruments, including futures, options and swap prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control 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 markets in currencies and interest rate related futures and options. Such

intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by any of the Sub-Funds, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemptions.

Each Sub-Fund may from time to time utilise both exchange traded and over the counter credit derivatives, such as collateralised debt obligations or credit default swaps as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks 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, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over the counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

**Collateral Risk.** Collateral or margin may be passed by a Sub-Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. As the Sub-Funds may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Sub-Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

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

**Over-the-Counter Markets Risk.** Where any Sub-Fund acquires securities on over-the-counter markets, there is no guarantee that the Sub-Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

**Derivative Instrument Risk.** The Sub-Funds may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

**Counterparty Risk.** Each Sub-Fund may have credit exposure to counterparties by virtue of investment positions in options, repurchase transactions and forward exchange rate and other contracts held by the Sub-Fund. To the extent that a counterparty defaults on its obligation

and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

**Settlement Risk.** The risk that the counterparty to a Sub-Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties. Delays in settlement could result in temporary periods where assets of a Sub-Fund are uninvested and no return is earned thereon. The inability of a Sub-Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of securities due to settlement problems could result in losses to a Sub-Fund due to a subsequent decline in value of that security or, if it has entered into a contract to sell the security, it could result in a possible liability to the purchaser.

Where a Sub-Fund invests in emerging markets, there is further Settlement risk which must be considered. Custodial and/or settlement systems in emerging markets may not be fully developed, which may result in a risk to the assets of a Sub-Fund where assets of that Sub-Fund are traded in emerging markets and which are entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary.

**Custodial Risk.** As the Sub-Funds may invest in markets including emerging markets, where trading, custodial and/or settlement systems are not fully developed, the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in circumstances where the use of sub-custodians is necessary may be exposed to risk.

**Basis Risk.** The risk that a derivative value does not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity. Where this is the case, basis risk is measured as an additional independent source of volatility.

**Legal and Documentation Risk.** Applies to OTC contracts. The risk of loss due to an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

**Forward Trading Risk.** A Sub-Fund, or the underlying investment funds in which a Sub-Fund may invest, may enter into forward contracts and options thereon. Forward contracts do not have standard terms and are not traded on exchanges. Each transaction is carried out by individual agreements, with banks and dealers acting as principals. Trading in forwards and “cash” trading are both largely unregulated; there is no limitation on daily price movements and speculative position limits are not applicable to the markets, which can be highly illiquid because the principals involved are not obliged to make markets in the currencies or commodities they trade. At times, participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market because of unusually high trading volume, political intervention or other factors. The imposition of controls by governmental authorities might also limit such forward (and futures) trading, to the possible detriment of a Sub-Fund. Market illiquidity or disruption could result in major losses to a Sub-Fund. The Sub-Fund may be exposed to credit risks on the counterparties and to risks associated with settlement default. Such risks could result in substantial losses to a Sub-Fund.

**Accounting Standards.** Various accounting standards could cause a Sub-Fund to be required to reserve for certain expenses or taxes or could otherwise impact the net asset value of a Sub-Fund. A prospective shareholder should be aware that, among other things, these accounting standards could have a material adverse effect on the periodic calculations of the net asset value of the ICAV, including reducing the NAV of a Sub-Fund to reflect reserves for expenses or taxes that may be payable in respect of prior periods by a Sub-Fund. This could

adversely affect certain shareholders, depending upon the timing of their purchase and redemption of their Shares. Furthermore, accounting standards in certain emerging markets are not as highly developed and do not always align with internationally recognised accounting standards. The reported financial performance of companies in such jurisdiction whose shares are selected for investment by the ICAV may thus be subject to significant uncertainty. This could result in losses in the ICAV related to those investments.

### **Risks relating to Cash Accounts.**

In the event that Shares are allotted prior to settlement of subscription monies, the ICAV reserves the right to reverse such allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the ICAV shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the ICAV in the event that the redemption proceeds are less than the amount originally subscribed for.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for AML purposes may result in a delay in the settlement of redemption proceeds which shall remain an asset of the ICAV and the Shareholder will rank as an unsecured general creditor of the ICAV until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds will be released. In such circumstances, any sums payable by way of dividend to Shareholders shall remain an asset of the Sub-Fund until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which such dividend will be paid.

Subscription monies will become the property of the ICAV upon receipt and accordingly investors will be treated as unsecured general creditors of the ICAV during the period between receipt of subscription monies and the issue of Shares.

In the event of an insolvency of a Sub-Fund, there is a possibility that money held in the cash account, correctly owned by another Sub-Fund, may be incorrectly allocated to the insolvent Sub-Fund. In such an event the ICAV and the Depositary will provide all relevant details and supporting documentation to the insolvency practitioner and assist and petition the insolvency practitioner as necessary to ensure the timely recovery of the monies due to the other Sub-Fund. This may, however, result in a delay in payment of redemption or dividend monies to investors, or a delay in the issuance of Shares.

**Cyber Security Risk.** The ICAV and its service providers rely strongly on digital technologies to conduct their operations. This reliance makes them increasingly exposed to risks relating to cyber security and cyber incidents, including unauthorised access to its digital systems for the purpose of gaining access to sensitive information, corrupting data or causing organisational disruption. Such an incident could compromise confidential information of the ICAV, the Shareholders or third parties with whom the ICAV interacts with and may result in negative consequences for the ICAV including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage, all of which could adversely affect the liquidity of a Sub-Fund.

**Regulatory Risk.** The EU's Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (the General Data Protection Regulation) ("GDPR"), applicable across the EU from 25 May 2018, introduces new compliance obligations in relation to the commercial use of personal data (with significant fines of up to 4% of global turnover or 20 million euros, whichever is the greater, for certain aspects of non-compliance). The GDPR ascribes a strict timeline to breach notification with in-scope entities required to inform their supervisory authority within 72 hours of any loss of personal data. Furthermore, the GDPR

provides for extensive individual rights in relation to personal data, including rights of access, correction, deletion, blocking, objection, erasure and data portability. Amongst other requirements, the GDPR requires that in-scope entities implement technical and organisational measures to ensure a level of security appropriate to the risk involved in the data usage. It is possible that the GDPR will affect the operations of the ICAV.

## APPENDIX V TAXATION

***The following is of a general nature and does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. Accordingly, its applicability will depend on the particular circumstances of each shareholder. This summary does not constitute legal or tax advice. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the date of this Prospectus will apply at any other date.***

***Shareholders and potential investors are advised to consult their own professional advisors concerning possible taxation, exchange control and other implications or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.***

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. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV the NAV will not be re-stated and the benefit will be prorated between the existing Shareholders at the time of the repayment.

Shareholders and potential investors should refer to the section entitled “Glossary” above for the meaning of certain defined terms within this Taxation section.

### **Ireland**

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.

### **The ICAV**

The ICAV will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the ICAV is not regarded as resident elsewhere. It is the intention of the Directors that the business of the ICAV will be conducted in such a manner as to ensure that it is Irish resident for tax purposes. On this basis, the Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B of the TCA.

Under current Irish law and practice, the ICAV is not liable to Irish tax on its income and gains so long as the ICAV is resident for tax purposes in Ireland. 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, deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period), cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer. A chargeable event does not include:

- a) An exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;
- b) Any transactions (which might otherwise be a chargeable event) in relation to Shares in the ICAV held in a Recognised Clearing System, irrespective of the tax status of the Shareholder holding the Shares;
- c) A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions;
- d) An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking;
- e) The cancellation of Shares arising from an exchange in relation to a scheme of amalgamation (as defined in Section 739HA of the TCA);
- f) An exchange of Shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) of the TCA, subject to certain conditions; or
- g) A scheme of migration (within the meaning of Section 739D(8E) of the TCA, subject to certain conditions.

No tax will arise on the ICAV on chargeable events in respect of a Shareholder who is neither 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 a Relevant Declaration there is a presumption that the Shareholder is Resident or Ordinarily Resident in Ireland. A chargeable event will also not arise if at the time of the chargeable event appropriate 'equivalent measures' have been put in place by the ICAV to ensure that Shareholders in the ICAV are neither Resident nor Ordinarily Resident in Ireland and the ICAV has received approval from the Irish Revenue Commissioners to this effect and the approval has not been withdrawn.

Where the Shares are not held in a Recognised Clearing System, the ICAV will not be subject to Irish tax on chargeable events for Shareholders who are neither Resident nor Ordinarily Resident in Ireland and Shareholders who are Exempt Irish Investors, if a signed and completed Relevant Declaration has been provided to the ICAV 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 a Relevant Declaration there is a presumption that the Shareholder is Resident or Ordinarily Resident in Ireland and the ICAV will deduct tax on the happening of a chargeable event in relation to such Shareholder. The tax deducted will generally not be refunded.

Where the ICAV becomes liable to account for Irish tax when a chargeable event occurs, the rate of tax is currently 41%. However, where a chargeable event arises in connection with an Irish Resident corporate Shareholder, tax will be deducted at the rate of 25%, provided such Shareholder has provided the ICAV with its Irish tax reference number. 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.

The ending of a Relevant Period is also considered a chargeable event, whereby a deemed disposal occurs for Shareholders who are Resident or Ordinarily Resident in Ireland in respect of Shares held by them in the ICAV at the ending of each Relevant Period. Similar to other forms of chargeable event, a gain may arise unless the Shareholder giving rise to the chargeable event is (i) neither Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, or (ii) an Exempt Irish Investor (provided in either case the Shareholder has provided a Relevant Declaration).

For Shareholders (both corporate and non-corporate) impacted by the ending of the Relevant Period, it is essentially a deemed disposal for Irish tax purposes. They will be charged to tax at the current rate on any deemed gain accruing to them based on the increased value (if any) of the Shares since purchase or since the ending of the previous Relevant Period, whichever is later. There are provisions which seek to ensure double taxation does not arise where an actual disposal follows a deemed disposal. In the case of Shares held in a Recognised Clearing System, no chargeable event is deemed to arise and the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

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), 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).

The ICAV may elect not to account for Irish tax in respect of deemed disposals in certain circumstances.

#### *10% Threshold*

Where the total value of the Shares held by Shareholders who are Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) is less than 10% of the Net Assets Value of the relevant sub-fund immediately before a deemed disposal, then 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 as opposed to the ICAV provided:

- a) the ICAV has made an appropriate election in accordance with Section 739E(2A)(ii) of the TCA; and
- b) the ICAV has advised the relevant Shareholder accordingly in this regard.

Shareholders should contact the ICAV to ascertain whether the ICAV has made such an election in order to establish their responsibilities to account for Irish tax. To the extent that any tax arises on such a chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. In the case of Shares held in a Recognised Clearing System, the Shareholders may have to account for the appropriate tax arising at the end of a Relevant Period on a self-assessment basis.

#### *15% Threshold*

Where Shareholders who are Resident or Ordinarily Resident in Ireland (other than Exempt Irish Investors) hold less than 15% of the relevant sub-fund (calculated by value of Shares) immediately before the deemed disposal and (i) a refund of tax arises (for example, due to a subsequent loss on an actual disposal), (ii) the ICAV has made an appropriate election in accordance with Section 739E(1A)(b)(ii)(II) of the TCA, and (iii) the ICAV has advised the relevant Shareholder accordingly in this regard, then, in such circumstances, the relevant Shareholder must seek to be refunded the amount of excess tax directly from the Irish Revenue Commissioners as opposed to the ICAV seeking same.

#### *Other*

To avoid multiple deemed disposal events for multiple Shares, an irrevocable election under Section 739D(5B) of the TCA can be made by the ICAV to value the units held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the end of the Relevant Period, rather than on the date of the end of the Relevant Period itself.

Shareholders (depending on their own personal tax position) who are 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.

In accordance with the IOI, the Directors (or their agent) may (i) deduct from any payment to a Shareholder all sums necessary, or (ii) compulsorily repurchase from a Shareholder's holding of Shares, Shares of such value as is necessary to offset any liability to taxation arising in respect of any chargeable event. Shareholders shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax if no such deduction or redemption 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 an appropriate declaration to the payer that it is an investment undertaking beneficially entitled to the dividends on Irish equities which will entitle the ICAV to receive such dividends without deduction of Irish dividend withholding tax.

#### *Stamp Duty*

On the basis that the ICAV qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty, documentary transfer or registrations or other tax is payable in Ireland on the issue, sale, transfer, cancellation, subscription, repurchase or redemption of Shares in the ICAV, provided that no application for Shares or repurchase or redemption of Shares is satisfied by an *in specie* transfer of any Irish situated property. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares *in specie* should be considered on a case by case basis.

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

#### **Taxation of Shareholders**

For the purpose of determining the Irish tax liability of any Shareholder, payments made by the ICAV to a Shareholder who holds Shares which are held in a Recognised Clearing System, will be deemed to be payments from which tax has not been deducted.

### **Shareholders whose shares are held in a Recognised Clearing System**

Where Shares are held in a Recognised Clearing System, the obligation falls on the Shareholders, (rather than the ICAV) to self-account for any tax arising on a chargeable event. Thus, the ICAV will not have to deduct any Irish taxes on such payments regardless of whether they are held by Shareholders who are Resident or Ordinarily Resident in Ireland, or whether a non-Irish Resident Shareholder has made a Relevant Declaration. However, Shareholders who are Resident or Ordinarily Resident in Ireland and Shareholders who are non-Irish Resident but whose Shares are attributable to a branch or agency carried on in Ireland, may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

In the case of an individual, tax, currently at the rate of 41% should be accounted for by the Shareholder on any distribution payments and on gains on a cancellation, redemption or transfer of Shares and on the ending of a Relevant Period (subject to the 10% threshold outlined above). For Irish Resident Shareholders who are individuals, where the investment in the Shares constitutes a personal portfolio investment undertaking (“PPIU”) a gain arising on chargeable event in relation to a PPIU will be taxed at the rate of 60% (80% where details of the payment/disposal are not correctly included in the individual’s tax returns).

Where the Irish Resident Shareholder is a company, which is not an Exempt Irish Investor, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted at 25%.

It should be noted that a Relevant Declaration is not required to be made where the Shares are held in a Recognised Clearing System.

Where Shares are denominated in a currency other than Euro certain Irish Resident Shareholders will be liable to tax on chargeable gains at 33% on the foreign exchange difference between the foreign currency and the Euro for the duration of the Shareholding period. Shareholders who are neither Resident nor Ordinarily Resident in Ireland will only be liable to this charge if the Shares are held for the purpose of trade carried on through a branch or agency in Ireland.

Where an Irish Resident or Ordinarily Resident Shareholder (who is not an Exempt Irish Investor) realises a loss on disposal of Shares (excluding a currency loss) that loss cannot be utilised unless a gain from the Shares would be considered trading income.

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

### **Shareholders who are neither Resident 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 who does not hold Shares in connection with a trade or business carried on in Ireland through a branch or agency if, (a) the Shareholder is neither Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration, and (c) the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, or (d) the ICAV has put in place appropriate ‘equivalent measures’ to ensure that Shareholders in the ICAV are neither Resident nor

Ordinarily Resident in Ireland and the ICAV has received the appropriate approval from the Irish Revenue Commissioners. In the absence of a Relevant Declaration or the approval from the Irish Revenue Commissioners referred to above, tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below and will generally not be refunded.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither 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 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 or if the ICAV has received approval from the Irish Revenue Commissioners that appropriate equivalent measures are in place and this approval has not been withdrawn.

Shareholders who are neither Resident nor Ordinarily Resident in Ireland and who have made Relevant Declarations in respect of which the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or if the ICAV has received approval from the Irish Revenue Commissioners that appropriate measures are in place and this approval has not been withdrawn, 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 deducted by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholders, Irish legislation does not provide for a refund of tax to non-corporate Shareholders or to corporate Shareholders who are neither Resident nor Ordinarily in the Ireland and who are not within the charge to Irish corporation tax other than in the following circumstances:

- a) The appropriate tax has been correctly returned by the ICAV and within one year of the making of the return the ICAV can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid, to be repaid to the ICAV.
- b) Where a claim is made for a refund of Irish tax under Sections 189, 189A and 192 of the TCA (relieving provisions relating to certain incapacitated persons).

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

Unless a Shareholder is an Exempt Irish Investor, 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, currently at the rate of 41%, will be required to be deducted by the ICAV from a distribution or gain to a non-corporate Shareholder who is Resident or Ordinarily Resident in Ireland. Any gain will be computed on the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules. The ICAV will be entitled to deduct the appropriate tax from payments or redeem and cancel such number of Shares as are required to meet the appropriate tax of the relevant Shareholder and will pay the appropriate tax to the Irish Revenue Commissioners.

In the case of a corporate Shareholder, tax, currently at the rate of 25%, will have to be deducted by the ICAV on any distribution or gain arising on an encashment, redemption,

cancellation or transfer of shares by the corporate Shareholder. Tax will also have to be deducted in respect of Shares held at the end of a Relevant Period (in respect of any excess in value over the cost of the relevant Shares) to the extent that the Shareholder is Resident or Ordinarily Resident in Ireland and is not an Exempted Irish Investor who has made a Relevant Declaration.

Irish Resident corporate Shareholders who receive distributions from their Shares or realise a gain on an encashment, redemption, cancellation or transfer of their Shares from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the TCA from which tax, currently at the rate of 25%, has been deducted. Corporate non-Exempt Irish Investors whose Shares are held on a trading account in connection with a trade will be taxable on any income or gains (grossed up for any tax deducted) as part of that trade with a set-off against corporation tax payable for any tax deducted by the ICAV.

Any corporate Shareholders who are Irish Resident and receive a payment from the ICAV from which tax has not been deducted will be fully taxable on that payment under Case IV of Schedule D (except where the Shares are held on a trading account in which case they are taxable under Case I of Schedule D). However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares or the ending of a Relevant Period, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholders for the acquisition of the Shares.

Where Shares are denominated in a currency other than Euro certain Irish Resident Shareholders will be liable to tax on chargeable gains at 33% on the foreign exchange difference between the foreign currency and the Euro for the duration of the Shareholding period. Shareholders who are neither Resident nor Ordinarily Resident in Ireland will only be liable to this charge if the Shares are held for the purpose of trade carried on through a branch or agency in Ireland.

In general, non-corporate, non-Exempt Shareholders who are Resident or Ordinarily Resident in Ireland will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been correctly deducted by the ICAV on payments received by the Shareholder.

#### Exempt Irish Investor

The ICAV will not deduct tax in respect of an Exempt Irish Investor so long as the ICAV is in possession of a completed Relevant Declaration from those persons and the ICAV has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Investor must notify the ICAV if it ceases to be an Exempt Irish Investor. Exempt Irish Investor in respect of whom the ICAV is not in possession of a Relevant Declaration will be treated by the ICAV as if they are not an Exempt Irish Investor.

#### *Personal Portfolio Investment Undertaking (PPIU)*

An investment undertaking will be considered a PPIU in relation to a specific individual investor where that investor has influence over 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. An investment undertaking will only be considered a PPIU in respect of those individuals who can "influence" selection. Those individuals who can "influence" the selection of investments will be taxed at a penal rate of 60% on the occurrence of a chargeable event (80% where details of the payment/disposal are not correctly included in the individual's tax returns).

Specific exemptions apply where the property invested in has been widely marketed and made available to the public. An investment undertaking is not a personal portfolio investment undertaking if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required. As a result, it is unlikely the provisions in respect of PPIUs will apply in respect of this investment undertaking.

### *Return of Values*

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares acquired by investors on an annual basis. The details to be reported include the name, address, date of birth (if an individual) and the value of the Shares held. For new Shares acquired, the details to be reported will also include the tax reference number, or in the absence of the number, a special marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

- a) Exempted Irish Investors (provided the Relevant Declaration has been made); or
- b) Shareholders whose shares are held in a Recognised Clearing System; or
- c) Shareholders who are neither Resident nor Ordinarily Resident in Ireland (provided a Relevant Declaration has been made).

### Capital Acquisitions Tax

Provided the ICAV continues to qualify as an investment undertaking as defined by Section 739B of the TCA, no Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- a) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- b) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

## **THE UNITED KINGDOM**

The following is a summary of various aspects of the United Kingdom (“UK”) taxation regime which may apply to UK resident persons acquiring Shares in the Class or Classes of a Sub-Fund, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. There can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the ICAV is made will endure indefinitely. Such law and practice may be subject to change, and the below summary is not exhaustive. Further, it will apply only to those UK Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover UK Shareholders which are tax exempt or subject to special taxation regimes.

This summary should not be taken to constitute legal or tax advice and any prospective Shareholder should consult their own professional advisers as to the UK tax treatment of returns from the holding of Shares in the ICAV.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding, purchasing, switching or disposing of Shares in the place of their citizenship, residence and domicile.

### The ICAV

The affairs of the ICAV are intended to be conducted in such a manner that it should not become resident in the UK for taxation purposes. Therefore, on the condition that the ICAV does not carry on a trade in the UK through a permanent establishment located in the UK for corporation tax purposes or a branch or agency within the charge to income tax, then the ICAV will not be subject to UK corporation tax or income tax on income or chargeable gains arising to it, other than withholding tax on certain UK source income. The Directors and the Manager each currently intend that the respective affairs of the ICAV and the Manager are conducted so that the ICAV will not be deemed to be trading in the UK insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will be satisfied in the future.

Interest and other income received by the ICAV which has a UK source may be subject to withholding taxes in the UK.

Income and gains received by the ICAV may be subject to withholding or similar taxes imposed by the country in which such returns arise.

Liability to UK stamp duty will not arise provided that any instrument in writing, transferring Shares in the ICAV, or Shares acquired by the ICAV, is executed and retained at all times outside the UK. However, the ICAV may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the ICAV on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

Since the ICAV is not incorporated in the UK and the register of Shareholders will be kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares.

### Shareholders

Subject to their personal tax position, Shareholders resident in the UK may be liable to UK income tax or corporation tax in respect of any dividends or other income distributions of the ICAV and any dividends funded out of realised capital profits of the ICAV.

The Offshore Funds (Tax) Regulations 2009 (the "Offshore Funds Regulations") set out the regime for the taxation of investments in offshore funds which operates by reference to whether a fund opts into a reporting regime ("reporting funds") or not ("non-reporting funds"). If an investor who is resident in the United Kingdom for taxation purposes holds an interest in an offshore fund that does not have reporting fund status, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income and not as a capital gain. Investors in reporting funds are subject to tax on the share of the reporting fund's income attributable to their holding in the reporting fund, whether or not distributed, and any gains on disposal of their holding would be taxed as capital gains, with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax). Investors in non-reporting funds would not be subject to tax on income retained by the non-reporting fund.

Individual Shareholders resident in the UK may under certain circumstances benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets, distributions or reported income will be treated and taxed as interest in the hands of the individual, with no tax credit.

Under Part 9A of the Corporation Tax Act 2009, dividend distributions made by an offshore fund to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for this purpose.

Shareholdings in the ICAV are likely to constitute interests in “offshore funds”, as defined for the purposes of Part 8 of the Taxation (International and Other Provisions) Act 2010, with each Class of the Sub-Funds treated as a separate ‘offshore fund’ for these purposes.

Where an offshore fund may have been a non-reporting fund for part of time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. In these circumstances, from the date the offshore fund changes status such elections have specified time limits in which they can be made. If any election is not made, the entire gain will be taxed as income on disposal. Investors should refer to their tax advisors for further information.

It should be noted that a “disposal” for UK tax purposes would generally include a switching of interest between Sub-Funds within the ICAV and might in some circumstances also include a switching of interests between Classes in the same Sub-Fund of the ICAV.

In broad terms, a ‘reporting fund’ is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. Both Sub-Funds of the ICAV gained entry to the Reporting Fund regime with effect from 1 January 2010. The Directors intend to manage the affairs of the ICAV so that these upfront and annual duties are met and continue to be met on an ongoing basis for those Classes within the ICAV which have been accepted into the UK Reporting Fund Regime. Such annual duties include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). Investors are referred to HM Revenue & Customs’ published list of reporting funds for confirmation of those Classes of the ICAV which are approved as reporting funds. UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date six months following the final day of the reporting period.

The ICAV may operate equalisation arrangements in relation to any Sub-Fund or Class in accordance with the relevant Supplemental Prospectus. Depending on the equalisation method adopted, there may be an impact upon the calculation of reportable income and the taxation of investors joining during the period.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 provides that specified transactions carried out by a regulated fund, such as the ICAV, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that

all Classes with reporting fund status are primarily intended for and marketed to the categories of retail and institutional investors. For the purposes of the regulations, the Directors undertake that interests in the ICAV will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

The attention of individual Shareholders resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the UK Income Taxes Act 2007, which may render them liable to income tax in respect of undistributed income or profits of the ICAV. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of the ICAV on an annual basis. The legislation will, however, not apply if a Shareholder can satisfy HM Revenue & Customs that either:

- a) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected;
- b) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
- c) all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under Chapter 2 of Part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

Corporate Shareholders resident in the UK should note the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010, which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. A charge to tax cannot however arise unless the non-resident company is under the control of persons resident in the UK and, on apportionment of the non-resident's "chargeable profits" more than 25% would be attributed to the UK resident and persons associated or connected with them is resident in a low tax jurisdiction. The legislation is not directed towards the taxation of chargeable gains. The effect of these provisions would be to render such companies liable to UK corporation tax in respect of the undistributed income of the non-UK resident company in respect of their share of the profits of the ICAV unless the conditions for one of the available exemptions is met. For accounting periods of a Shareholder beginning on or after 1 January 2013, these provisions will not apply if the Shareholder reasonably believes that it does not hold a 25% interest in the ICAV throughout the relevant accounting period.

The attention of UK resident corporate Shareholders is drawn to Chapter 3 of Part 6 of UK Corporation Tax Act 2009, whereby interests of UK companies in offshore funds may be deemed to constitute a loan relationship; with the consequence that all profits and losses on such relevant interests are chargeable to UK corporation tax in accordance with a fair value basis of accounting. These provisions apply where the market value of relevant underlying interest bearing securities and other "qualifying investments" of the offshore fund (broadly investments which yield a return directly or indirectly in the form of interest) are at any time more than 60% of the value of all the investments of the offshore fund.

The attention of Shareholders resident in the United Kingdom is drawn to the provisions of Section 13 of UK Taxation of Chargeable Gains Act 1992 ("Section 13"). Section 13 can apply

to any such person whose proportionate interest in a Sub-Fund (whether as a shareholder or otherwise as a “participator” for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 25% or greater and if, at the same time, the ICAV is itself controlled in such manner that it would, were it to be resident in the UK for taxation purposes, be a “close” company for those purposes. Section 13 could, if applied, result in a person with such an interest in a company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the company (such as the disposal of any of its investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the ICAV (determined as mentioned above). No liability under Section 13 could be incurred by such a person, however, in respect of a chargeable gain or an offshore income gain accruing to the company if the aggregate proportion of that gain could be attributed under Section 13, both to that person and to any persons connected with him for United Kingdom taxation purposes, does not exceed one quarter of the gain. Exemptions also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the UK.

Any individual Shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

Shareholders should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in the ICAV.

#### *Anti-avoidance*

Individuals resident in the United Kingdom for taxation purposes should note that Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the ICAV.

#### *Transfer taxes*

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5 per cent of the consideration paid rounded up to the nearest £5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

### **European Union Savings Directive (EUSD)**

On 10 November 2015, the Council of European Union adopted the Directive repealing the European Union Savings Tax Directive (EUSD). As a result of the repeal of the EUSD, Irish paying agents will no longer be required to report interest payment information to the Irish Revenue Commissioners on payments made to individuals resident in another EU Member State under the EUSD. The final period for which information is required to be exchanged under the EUSD for Irish paying agents is the period to 31 December 2015. The EU has adopted the Common Reporting Standard (see below) as the standard for automatic exchange of financial information for member states from 1 January 2016.

### **FATCA**

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder (“**FATCA**”) impose a reporting regime on non-US financial institutions (“**FFIs**”). The ICAV expects that it

will constitute a FFI. In accordance with FATCA the IRS may impose a 30 per cent withholding tax on certain US source payments, including interest (and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income, made on or after 1 July 2014 and the gross proceeds from a disposition of property of a type which can produce US source interest or dividends made on or after 1 January 2017 (collectively “**Withholdable Payments**”), if paid to a FFI that fails to enter into, or fails to comply with once entered into, an agreement with the US Internal Revenue Service to provide certain information about their US accountholders, including direct and indirect holdings. This withholding tax will not be imposed on payments made under obligations that constitute debt (for US federal income tax purposes) outstanding on 1 July 2014 unless such obligations are deemed reissued as a result of a “significant modification” on or after 1 July 2014.

The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the “**IGA**”). A FFI (such as the ICAV) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to US source income. Further, a FFI that complies with the terms of the IGA will not be required to withhold under FATCA on payments it makes to accountholders of such FFI (unless it has agreed to do so under the US “qualified intermediary,” “withholding foreign partnership” or “withholding foreign trust” regimes). Pursuant to the IGA, a FFI is required to report certain information in respect of certain accountholders to its home tax authority, whereupon such information will be provided to the US Internal Revenue Service. The ICAV undertakes to comply with the IGA and any local implementing legislation, but there is no assurance it will be able to do so.

The first reporting to the Irish Revenue Commissioners under FATCA was required by 31 July 2015 in respect of 2014. Going forward reporting will be required by 30 June of the year following the calendar year being reported.

### **Common Reporting Standard**

The Common Reporting Standard (CRS) was implemented within the EU under Council Directive 2014/107/EU (“**DAC2**”) and came into effect in Ireland on 1 January 2016, pursuant to Section 891F of the TCA and implementing regulations. The aim of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local financial institutions relating to account holders who are tax resident in other CRS participating jurisdictions. The ICAV is expected to fall under the definition of financial institution and is required to comply with CRS. The OECD leveraged the FATCA Model 1 IGA to design the CRS and, as such, it is broadly similar to the FATCA requirements, albeit with numerous differences. It should result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported. To date, more than 90 jurisdictions have publically committed to the implementation of CRS.

The CRS contains the due diligence and reporting that underpins the automatic exchange of financial account information. Ireland has provided for the implementation of CRS through Section 891F of the TCA and the Returns of Certain Information by Reporting Financial Institutions Regulations 2015. From 1 January 2016, Irish Financial Institutions, such as the ICAV, will be required to obtain certain tax information and undertake due diligence procedures in respect of pre-existing and new investors, including ensuring appropriate self-certifications are obtained from new investors at account opening stage. Reporting to the Irish Revenue Commissioners is required on an annual basis, the first of which must be made by 4 September 2017, in respect of the year ended 31 December 2016.

The information to be reported with respect to reportable accounts includes details of the name, address, taxpayer identification number(s) (“**TIN**”), place of residence and, in the case of investors who are individuals, the date and place of birth, together with financial details relating

to the investment in the ICAV, such as account balance or value, sales proceeds and other income payments. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations), and the CRS includes a requirement to look through passive entities to report on the relevant controlling persons.

#### **FATCA and CRS shareholder/ unitholder information requirements**

The ICAV (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of its FATCA and CRS obligations. Investors will be deemed, by their shareholding to have authorized the automatic disclosure of such information by the ICAV (or any nominated service provider) or any other person to the relevant tax authorities.

The ICAV (or any nominated service provider) agree that information (including the identity of any Shareholders) supplied for the purposes of FATCA and CRS compliance is intended for the ICAV's (or any nominated service provider) use for the purposes of satisfying its requirements under FATCA and CRS and the ICAV (or any nominated service provider) agree, to the extent permitted by applicable law that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA and CRS compliance, (iii) to any person with the consent of the applicable Shareholders, or (iv) as otherwise required by law or court order.

Prospective investors should consult their tax advisors about the potential application of FATCA and CRS.

## **APPENDIX VI BIOGRAPHIES OF THE DIRECTORS OF THE MANAGER**

The below are the biographies of the directors of the Manager:

**Guillaume Dalibot, CEO**

Guillaume is Founder and CEO of Katko Capital SASU, a UCITS management company firm based in Paris. Prior to founding Katko Capital SASU, Guillaume was the portfolio manager of Echiquier Agressor, a long-only European equity fund with approximately €1.5bn of assets under management. After an initial professional experience as a corporate banker in China Guillaume joined Credit Suisse in London in 1999 as a sell-side equity analyst. In 2001 he became part of the consumer goods team which won several awards for the quality of its research. In 2008 he joined Alken Asset Management as a buy-side equity analyst. During his tenure with Alken Asset Management assets under management rose from approximately €2bn to over €10bn. Guillaume graduated from EDHEC Business School in 1996.

**Alban Stiévenart, COO**

Alban is Katko Capital Chief Operating Officer. His primary responsibilities include the management of the Katko Fund operations & risk as well as its commercial development. Prior to joining Katko Capital SASU, Alban founded Longane Capital in 2018, a Paris-based financial investment advisory firm, which mission was to distribute a selection of investment funds as well as macro-economic research on China to institutional investors and family offices. Alban started his career as buy-side fund analyst in London at Lafayette Investment Management, a €6bn asset management firm. From 2009 to 2014, Alban worked at Stormharbour and Forbes Private Capital where he was responsible for the marketing of several private equity, venture capital, infrastructure, real estate and hedge funds. He then became a stockbroker at Everbright Sun Hung Kai where he specialized in the distribution of Chinese equity research product to French-speaking family offices and institutional investors

## SCHEDULE 1: LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE DEPOSITARY

The Depositary has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to the Depositary or any of the sub-delegates listed below. The Depositary will notify the board of the ICAV of any such conflict should it so arise.

<b>CACEIS Correspondents in respect of Financial Instruments as at 18 February 2019. Subject to change by the Depositary.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
<b>EUROPE</b>	
BELGIUM	CACEIS BANK
CYPRUS	HSBC FRANCE, ATHENS BRANCH
DENMARK	DANSKE BANK A/S, COPENHAGEN
FINLAND	SKANDINAVISKA ENSKILDA BANKEN, HELSINKI
FRANCE	CACEIS BANK
GERMANY	CACEIS BANK S.A, GERMANY BRANCH
GREECE	HSBC FRANCE, ATHENS BRANCH
ICELAND	CLEARSTREAM BANKING, LUXEMBOURG
IRELAND	HSBC SECURITIES SERVICES, LONDON
ITALY	CACEIS BANK, ITALY BRANCH
LUXEMBOURG	CLEARSTREAM BANKING, LUXEMBOURG
THE NETHERLANDS	CACEIS BANK
NORWAY	SKANDINAVISKA ENSKILDA BANKEN, AB
PORTUGAL	BANCO SANTANDER TOTTA, LISBOA
SPAIN	CACEIS BANK SPAIN S.A.U.
SWEDEN	SE BANKEN, STOCKHOLM
SWITZERLAND	CACEIS BANK, SWITZERLAND BRANCH
TURKEY	DEUTSCHE BANK A.S., ISTANBUL
UNITED KINGDOM	HSBC, LONDON
AUSTRIA	CACEIS BANK S.A., GERMANY BRANCH
POLAND	BANK PEKAO S.A.
<b>EASTERN EUROPEAN STATES</b>	
ESTONIA	AS SEB PANK, TALLINN

**CACEIS Correspondents in respect of Financial Instruments as at 18 February 2019.  
Subject to change by the Depository.**

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
AUSTRIA	CACEIS Bank S.A., GERMANY BRANCH
BULGARIA	UNICREDIT BULBANK, SOFIA
CROATIA	ZAGREBACKA BANKA ZAGREB
ROMANIA	UNICREDIT BANK S.A. BUCHAREST
SERBIA	UNICREDIT BANK SERBIA BELGRADE
RUSSIA	AO UNICREDIT BANK
SLOVENIA	UNICREDIT BANKA SLOVENIJA d.d
LITHUANIA	SEB BANKAS, VILNIUS
LATVIA	SEB BANKA, RIGA
HUNGARY	UNICREDIT BANK HUNGARY Zrt.
SLOVAKIA	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.
CZECH REPUBLIC	UNICREDIT BANK CZECH REPUBLIC AND SLOVAKIA, A.S.
<b>AMERICAS</b>	
ARGENTINA	BANCO SANTANDER RIO SA (Argentina)
BRAZIL	SANTANDER CACEIS BRASIL VTVM S.A
CANADA	CIBC MELLON, TORONTO
CHILE	BANCO DE CHILE, SANTIAGO DE CHILE
COLOMBIA	SANTANDER CACEIS Colombia S.A., SOCIEDAD FIDUCIARIA
MEXICO	BANCO S3 (MEXICO) S.A.
PERU	CITIBANK DEL PERU SA, LIMA
USA	BROWN BROTHERS HARRIMAN, NEW YORK
<b>ASIA</b>	
BANGLADESH	THE HONGKING AND SHANGHAI BANKING CORPORATION LIMITED, DHAKA
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, HONG KONG
INDIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, INDIA
INDONESIA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, JAKARTA BRANCH

<b>CACEIS Correspondents in respect of Financial Instruments as at 18 February 2019. Subject to change by the Depository.</b>	
<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
JAPAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TOKYO
KOREA (SOUTH)	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SEOUL
MALAYSIA	HSBC, KUALA LUMPUR
PAKISTAN	STANDARD CHARTERED BANK, KARACHI
PHILIPPINES	HSBC, MANILLA
SINGAPORE	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, SINGAPORE
SRI LANKA	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, COLOMBO
TAIWAN	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, TAIPEI
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, BANGKOK
VIETNAM	HSBC BANK (VIETNAM) LTD
<b>AFRICA</b>	
BOTSWANA	STANDARD CHARTERED BANK (BOTSWANA) LIMITED
EGYPT	CITIBANK, CAIRO
GHANA	STANDARD CHARTERED BANK, GHANA
IVORY COAST	STANDARD CHARTERED BANK, CÔTE D'IVOIRE
KENYA	STANDARD CHARTERED BANK (KENYA) LIMITED
MOROCCO	ATTIJARIWAFI BANK, CASABLANCA
MAURITIUS	STANDARD CHARTERED BANK (MAURITIUS) LTD
SOUTH AFRICA	STANDARD CHARTERED BANK JOHANNESBURG
NIGERIA	STANDARD CHARTERED BANK NIGERIA LIMITED
ZAMBIA	STANDARD CHARTERED BANK ZAMBIA PLC
<b>MIDDLE EAST</b>	
ISRAEL	HAPOALIM BANK, TEL AVIV
JORDAN	STANDARD CHARTERED BANK, JORDAN

**CACEIS Correspondents in respect of Financial Instruments as at 18 February 2019.  
Subject to change by the Depository.**

<b>NAME OF COUNTRY</b>	<b>SUB-CUSTODIAN</b>
BAHRAIN	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Manama)
KUWAIT	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Kuwait)
OMAN	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Ruwi)
QATAR	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Doha)
UNITED ARAB EMIRATES	BNY MELLON, BRUSSELS (which sub-delegates to HSBC Bank Middle East, Dubai)
<b>OCEANIA</b>	
AUSTRALIA	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED
NEW ZEALAND	HSBC NOMINEES (NEW ZEALAND) LIMITED