

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

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

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## **LUTETIA CAPITAL ICAV**

(an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C174275 pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, as may be amended from time to time)

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

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This Prospectus is dated 4<sup>th</sup> December, 2018

## IMPORTANT INFORMATION

### The Prospectus

This Prospectus describes Lutetia Capital ICAV (the “**ICAV**”), an umbrella-type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C174275 pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015, as may be amended from time to time (the “**Act**”). Each sub-fund of the ICAV (each, a “**Fund**”) is a separate portfolio of assets and liabilities maintained by the ICAV.

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

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

### Authorisation by the Central Bank

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

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

## Restrictions on Distribution and Sale of Shares

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

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

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

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

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

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

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

It is expected that to the extent that any Fund is closed-ended, the ICAV shall avail of the exemptions contained in Articles 3(2)(b) and 3(c) of the Prospectus Directive (Directive 2003/71/EC) (as amended) (the "**Prospectus Directive**") from the requirement to publish a prospectus in accordance with the Prospectus Directive. This Prospectus does not constitute a prospectus published in accordance with the Prospectus Directive.

### **Reliance on this Prospectus**

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

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

### **Risk Factors**

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

### **Translations**

This Prospectus and each Supplement may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus and Supplement. To the extent that there is any inconsistency between this

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

## DIRECTORY

### Directors

Philip Craig  
Karl McEneff  
Jean-François Comte

### Registered Office

33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Correspondent Bank(s)

As disclosed in the  
Supplement

### Alternative Investment Fund Manager

Lutetia Capital SAS  
7 place Vendôme, 75001 Paris  
France

### Investment Manager

As detailed within the relevant  
Fund Supplement, where  
applicable

### Administrator

BNY Mellon Fund  
Services (Ireland)  
Designated Activity  
Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1

### Corporate Secretary

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

### Depository

BNY Mellon Trust Company  
(Ireland) Limited  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1

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

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

### Auditors

PWC  
Spencer Dock  
North Wall Quay  
North Wall  
Dublin 1  
Ireland

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## DEFINITIONS

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

- “Accounting Date”** means 31 December in each year or such other date as the Directors may from time to time decide in respect of one or more Funds. The Central Bank will be notified in advance of any change in the Accounting Date.
- “Accounting Period”** means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of the ICAV’s registration and, in subsequent such periods, on the day following expiry of the last Accounting Period. The first Accounting Period for the first Fund shall end on 31 December, 2018, unless otherwise disclosed in the Fund Supplement.
- “Act”** means the Irish Collective Asset-management Vehicles Act, 2015 as may be amended or re-enacted from time to time.
- “Administrator”** Means BNY Mellon Fund Services (Ireland) Designated Activity Company, or any successor(s) thereto appointed by the ICAV to provide administration services to the ICAV and subject to the requirements of the Central Bank.
- “Administration Agreement”** means the Administration Agreement made between the ICAV and the Administrator dated 20<sup>th</sup> November 2017 as may be amended or modified from time to time.
- “AIF”** has the meaning given in the AIFM Regulations.
- “AIFM”** means Lutetia Capital SAS or any successor(s) thereto appointed by the ICAV in accordance with AIFM Legislation.
- “AIFM Agreement”** means the Alternative Investment Fund Management Agreement entered into between the ICAV and the AIFM dated 20<sup>th</sup> November 2017 as may be amended or modified from time to time.
- “AIFM Directive”** means the European Union Directive on Alternative Investment Fund Managers 2011/61/EU.
- “AIFM Regulations”** means the European Communities (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013), as amended.
- “AIFM Legislation”** means the AIFM Regulations, the AIFM Directive, the Level 2 Regulation, the Act and any applicable regulations made pursuant to any of them, as the case may be.
- “Anti-Money Laundering and Counter Terrorist”** means the Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 as amended by the Criminal Justice Act, 2013, as amended, supplemented, consolidated or replaced from time to time together with any guidance notes issued

<b>Financing Legislation</b>	pursuant thereto.
<b>“Application Form”</b>	means any application form to be completed by subscribers for Shares as prescribed by the ICAV from time to time.
<b>“Auditors”</b>	means PWC or any alternative(s) or successor(s) thereto appointed by the ICAV to act as auditors of the ICAV.
<b>“Base Currency”</b>	means the currency of account of the Fund as specified in the Supplement relating to that Fund.
<b>“Business Day”</b>	means in relation to the Fund such day or days as shall be so specified in the relevant Supplement for that Fund.
<b>“Capital Commitment”</b>	means, in respect of any closed-ended Fund and open-ended with limited liquidity Fund, if so determined by the Directors and reflected in the Supplement, the undertaking of each investor to purchase and pay for Shares in the Fund when required to do so by the AIFM or Investment Manager.
<b>“Cash Account”</b>	means a cash account designated in a particular currency opened in the name of the relevant Fund into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (ii) dividend or distribution payments owing to Shareholders are deposited and held until paid to such Shareholders.
<b>“Capital Subscription”</b>	in respect of an investor or Shareholder, the amount of capital subscribed or required to be subscribed by that investor or Shareholder for Shares of a Class pursuant to such investor’s or Shareholder’s Capital Commitment Agreement;
<b>“Central Bank”</b>	means the Central Bank of Ireland.
<b>“Class”</b>	means a particular division of Shares of the ICAV issued in respect of a Fund.
<b>“Clear Days”</b>	means in relation to a period of notice that calendar day period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
<b>“Dealing Day”</b>	means in relation to an open-ended Fund or limited liquidity Fund such day or days as shall be specified in the Supplement for that Fund which may be referred to in that Supplement as a “Subscription Day” or a “Redemption Day” as the context may require.
<b>“Dealing Deadline”</b>	means in relation to an open-ended Fund or limited liquidity Fund the time by which a request to purchase or redeem Shares on a Dealing Day must be received as shall

be set out in the Supplement for the relevant Fund.

<b>“Debenture”</b>	means debenture stock, bonds and any other securities of an Irish collective asset-management vehicle whether constituting a charge on the assets of the ICAV or not.
<b>“Depositary”</b>	means BNY Mellon Trust Company (Ireland) Limited or any alternative(s) or successor(s) thereto appointed by the ICAV and approved by the Central Bank to act as depositary of the ICAV.
<b>“Depositary Agreement”</b>	means the Depositary Agreement made between the ICAV, the AIFM and the Depositary dated 20 <sup>th</sup> November, 2017, as may be amended or modified from time to time.
<b>“Distributor”</b>	means any distributor appointed by the AIFM or the ICAV with respect to a Fund as shall be set out in the Supplement for the relevant Fund (which may include the AIFM or the Investment Manager).
<b>“Directors”</b>	means the directors of the ICAV or any duly authorised committee thereof.
<b>“ERISA”</b>	means the United States Employee Retirement Income Security Act of 1974, as amended.
<b>“ERISA Investor”</b>	means (i) any plan subject to Title I of ERISA (e.g., U.S. corporate plans) (ii) any plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the “ <b>Code</b> ”) (e.g., IRAs) and (iii) any passive investment fund whose underlying assets include “plan assets” (generally because plans (described in (i) or (ii) own 25% or more of a class of the ICAV’s equity interests).
<b>“External Valuer”</b>	means an external valuer appointed in accordance with the AIFM Regulations.
<b>“Fund”</b>	means a sub-fund of the ICAV which is established by the Directors from time to time with the prior approval of the Central Bank representing the designation by the Directors of a particular pool of assets separately invested in accordance with the investment objective and policies applicable to such sub-fund.
<b>“GDPR”</b>	means Regulation (EU) 2016/679 of the European Parliament and of the Council.
<b>“ICAV”</b>	means Lutetia Capital ICAV.
<b>“Independent Valuer”</b>	means such qualified independent valuer(s) as the AIFM may from time to time appoint in respect of one or more Funds to value one or more assets of a Fund pursuant to an agreement made between the AIFM and the relevant valuer. The Independent Valuer may constitute an “External Valuer” for the purposes of the AIFM Regulations and if so the appointment or resignation of such an Independent Valuer will be disclosed in the relevant Fund’s annual reports.

<b>“Initial Offer Period”</b>	means the period, as specified in the relevant Supplement as appropriate, during which Shares in a Fund are offered at their Initial Issue Price and which in the case of a closed-ended Fund may be described as the “Initial Commitment Offer Period”.
<b>“Initial Offer Price”</b>	means the price, as specified in the Supplement for the relevant Fund, at which Shares in a Fund will be offered during the Initial Offer Period.
<b>“Instrument”</b>	means the Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank.
<b>“Investment Company Act”</b>	means the United States Investment Company Act of 1940, as amended.
<b>“Investment Manager”</b>	means such entity as detailed in the relevant Fund Supplement.
<b>“Ireland”</b>	means the Republic of Ireland.
<b>“Level 2 Regulation”</b>	Commission Delegated Regulation No. 231/2013 of 19 December, 2012 as may be amended, supplemented or substituted from time to time.
<b>“Management Shares”</b>	a management share in the capital of the ICAV which shall have the right to receive profits or income arising from the acquisition, holding, management or disposal of investments of the ICAV in an amount not to exceed the consideration paid for such management share.
<b>“Member”</b>	a person who is registered as the holder of Shares or Management Shares the prescribed particulars of which have been recorded in the ICAV's register of Shareholders.
<b>“Member State”</b>	means a member state of the European Union.
<b>“Minimum Holding”</b>	means the minimum number or value of Shares which must be held by the Shareholders in a Fund or Class as specified in the Supplement for that Fund as appropriate.
<b>“Minimum Subscription”</b>	means the minimum initial amount which may be subscribed for Shares in a Fund or Class or committed by way of Capital Commitment as specified in the Supplement provided that the minimum initial amount of investment or Capital Commitment in the ICAV shall be not be less than €100,000 or its equivalent in another currency or such higher amount as may be set out in the Supplement for a particular Fund (subject in either case to any exemption therefrom that may, unless prohibited by the Rulebook, be permitted by the Central Bank) and the

aggregate of an investor's investments or Capital Commitments in one or more Funds or Classes may not be taken into account for the purpose of satisfying the regulatory minimum subscription requirement, unless otherwise provided in the relevant Supplement.

**“Net Asset Value”** means the Net Asset Value of a Fund or attributable to a Class (as appropriate), as described in the section of this Prospectus entitled “*Net Asset Value and Valuation of Assets*”.

**“Net Asset Value per Share”** means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.

**“Ordinary Resolution”** a resolution of the Members or of the Shareholders of a Fund or Class of Shares in general meeting passed by a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, the Fund or Class of Shares as the case may be.

**“OTC”** means Over-the-Counter.

**“Paying Agent”** means any paying agent appointed with respect to a Fund as required to be appointed under local regulations in a jurisdiction where the Shares of that Fund are registered for sale.

**“Performance Fee”** means as defined in the relevant Supplement.

**“Prospectus”** means this prospectus and each Supplement and addenda thereto issued in accordance with the requirements of the Central Bank.

**“Qualifying Investor”** means:

- (a) An investor who is a professional client within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) (“MiFID”); or
- (b) An investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the scheme; or
- (c) An investor who certifies that they are an informed investor by providing the following:
  - (i) Confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or

- (ii) Confirmation (in writing) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the ICAV.

Qualifying investors must certify in writing to the ICAV that they meet the minimum criteria listed above and are aware of the risks involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested. The Minimum Subscription for Qualifying Investors is €100,000 (or its equivalent in other currencies) (except for "Knowledgeable Persons") or where disclosed in the Supplement for the relevant Fund, €500,000 (or its equivalent in other currencies). The aggregate of an investor's investments in different Funds or Classes can generally, unless prohibited by the Rulebook, be taken into account for the purposes of determining this requirement. The Directors may also increase this amount to take into account legal or regulatory requirements of other jurisdictions and will notify investors subscribing for Shares of any changes in advance of each subscription. The Directors have full discretion to limit investment by an investor who would meet the above criteria, but their investment would result in the legal or beneficial ownership of such Shares by a person in contravention of any restrictions on ownership or might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole.

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

<b>"Redemption Charge"</b>	means the charge, if any (which is charged for the benefit of a Fund), to be paid out of the Redemption Price which Shares may be subject to, as specified in the relevant Supplement.
<b>"Redemption Day"</b>	means such day or days in each year as the Directors may from time to time determine in respect of an open-ended Fund or limited liquidity Fund and specified in the relevant Supplement.
<b>"Redemption Deadline"</b>	means the deadline by which completed Redemption Requests must be received by the Administrator in respect of an open-ended Fund or limited liquidity Fund, as described in the relevant Supplement, or such other date as the Directors may determine upon prior notification to the Shareholders in the relevant Fund.
<b>"Redemption Price per Share"</b>	means the price at which a Share may be redeemed in any open-ended Fund or limited liquidity Fund as specified in the section of this Prospectus titled " <i>Matters Relating to Open-Ended Funds and Limited Liquidity Funds</i> " - " <i>Redemptions and Conversions</i> ".



<b>“Redemption Request”</b>	means any redemption request to be completed by Shareholders as prescribed by the ICAV from time to time in respect of a particular Fund.
<b>“Reference Currency”</b>	means the currency of account of a Class of Shares as specified in the Supplement relating to the Fund in which such Classes are issued where applicable.
<b>“Rulebook”</b>	means any rulebook issued by the Central Bank in relation to alternative investment funds pursuant to the Act or any regulations, notices or guidance issued by the Central Bank in lieu thereof or supplemental thereto.
<b>“Share”</b>	means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the ICAV.
<b>“Shareholder”</b>	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.
<b>“Special Resolution”</b>	means a special resolution of the Members or the Shareholders of a Fund or Class in general meeting passed by a majority of 75 (seventy five) % (per cent) of votes cast in person or by proxy at a general meeting of the ICAV, the Fund or Class as the case may be.
<b>“Specified US Person”</b>	means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States <b>excluding</b> (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the Code, as a corporation described in paragraph (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the Code; (6) any bank as defined in section 581 of the Code; (7) any real estate investment trust as defined in section 856 of the Code; (8) any regulated investment company as defined in section 851 of the Code or any entity registered with the Securities Exchange Commission under the Investment Company Act (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the Code; (10) any trust that is exempt from tax under section 664(c) of the Code or that is described in section 4947(a)(1) of the Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State;

or (12) a broker as defined in section 6045(c) of the Code. This definition shall be interpreted in accordance with the Code.

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

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

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

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

**“Supplement”** means a supplement to this Prospectus specifying certain information in respect of a Fund.

**“Valuation Day”** means such day or days as disclosed in the relevant Fund Supplement as the Directors may determine and notify to Shareholders in advance. In the case of open-ended funds there shall be at least one Valuation Day in respect of each Dealing Day and provided that, in respect of the Funds which are limited liquidity Funds or closed-ended Funds, there shall be at least one Valuation Day every twelve months.

**“Valuation Point”** means such time as shall be specified in the Supplement for the Fund.

**“VAT”** means value added tax.

## THE ICAV

### Establishment

The ICAV is an umbrella-type Irish collective asset management vehicle with variable capital and segregated liability between sub-funds registered in Ireland with the Central Bank on 31<sup>st</sup> October, 2017 with registration number C174275 and authorised by the Central Bank, pursuant to Part 2 of the Act.

### Structure

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

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

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

### Legal implications of an investment in the ICAV

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

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

Shares are intangible personal property which give the holders thereof certain legal rights.

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

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

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

### **Investment Objective and Policies**

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

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

### *Changes to Investment Objective and Policy*

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

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

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

### *Fee Increases*

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

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

### *Expiry of Term*

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

- (a) as the Directors consider appropriate, taking into account the interests of Shareholders as they deem appropriate, liquidate the Fund's portfolio of investments and return the net proceeds thereof to Shareholders as and when such proceeds become available through distributions or the compulsory repurchase of Shares, and, following such liquidation, terminate the Fund and apply to the Central Bank for revocation of the Fund's approval.

Such liquidation shall commence immediately upon expiry of the Closed-Ended Period of the Fund unless extended as described in sub-paragraph (d) below;

- (b) repurchase all outstanding Shares in the relevant Fund and will apply to the Central Bank for revocation of the relevant Fund's approval provided that, if the relevant Fund is the last Fund of the ICAV, the Directors will apply to the Central Bank for revocation of the ICAV's authorisation;
- (c) convert the relevant Fund into an open-ended Fund, the relevant subscription and redemption details of which shall be in accordance with the requirements of the Central Bank and specified in an addendum to this Prospectus or in a new Prospectus or supplement to this Prospectus issued upon such conversion and as determined by a duly convened and held general meeting of Shareholders of that Fund; or
- (d) obtain the approval of Shareholders by way of Special Resolution to extend the Closed-Ended Period of the Fund for a further finite period. However, where a redemption facility is available to those Shareholders who do not wish to extend the Closed-Ended Period, an Ordinary Resolution shall be sufficient to extend the Closed-Ended Period.

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

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

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

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

#### *Fee Increases*

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

### *Subscription for Shares*

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

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

### *Redemption of Shares*

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

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

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

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

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

### *Operation of Cash Accounts*

Your attention is drawn to the section of this Prospectus entitled “Risk Factors” – “*Risk of Loss of Investor Money Pre-Issue, Post-Dividend and Post-Redemption of Shares*” below.

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

In respect of Funds which deal on up to a monthly basis if the number of Shares to be redeemed on any Redemption Day equals one tenth or in the case of a quarterly dealing Fund, one quarter or more of the total number of Shares of a Fund in issue on that day the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth or in the case of a quarterly dealing Fund, one quarter of the total number of Shares in issue as aforesaid and, if they so refuse, the requests for redemption on such Redemption Day shall be reduced rateably and the Shares which are not redeemed by reason of such refusal will be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Shares to which the original request related have been redeemed.

In the event that the Directors exercise their discretion to defer redemption requests, the Directors will use reasonable endeavours to procure that, subject to the terms of the Prospectus and the right to declare a temporary suspension of the determination of the Net Asset Value of a Fund, and the duties of the Directors to the Company and the relevant Fund, redemption requests shall not be deferred for more than three months in the case of a Fund which deals on a monthly basis, or twelve months in the case of a Fund which deals on a quarterly basis.

Subject to the foregoing, the Directors will reasonably endeavor to procure, that subject to the duties of the Directors to the Company and the relevant Fund, an amount equal to at least 25% of the amount by which such redemption request was reduced on each of the subsequent Redemption Days will be paid in respect of deferred redemptions

In the case of an open-ended Fund any such treatment of Deferred Redemptions for a particular Fund shall be applied consistently throughout the life of such Fund.

### *Limited Liquidity Funds – Deferred Redemptions*

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



### *In Specie Redemptions*

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

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

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

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

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

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

### **Investment Restrictions**

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

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

#### *Funds investing in other funds*

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

#### *General*

4. Where a Fund invests in a collective investment scheme which is managed by the AIFM (or of its duly appointed delegates or sub-delegates), or by an associated or related company of the AIFM (or of its duly appointed delegates or sub-delegates), the manager of the scheme, in which the investment is being made, must waive any preliminary/initial/redemption charge which it would normally charge.
5. Where a Fund (the "Investing Fund") invests in the units of other Funds (each a "Receiving Fund"), the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) may not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision also applies to an annual fee charged by the Investment Manager (and any of its duly appointed delegates) where such fee is paid directly out of the assets of the ICAV (if

applicable). For the avoidance of doubt, if the target investment funds are not sub-funds of the ICAV, this paragraph 5 does not apply.

#### *Fund of Funds*

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

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

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

#### *Use of Subsidiaries*

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

#### *OTC counterparties*

9. In accordance with the AIFM Legislation, when selecting and appointing counterparties, the AIFM is required to exercise due skill, care and diligence before entering into an agreement and on an ongoing basis thereafter taking into account the full range and quality of their services. When selecting counterparties in an OTC derivatives transaction, in a securities lending or in a repurchase agreement, the AIFM is required to ensure that those counterparties fulfil all of the following conditions:
  - (a) they are subject to ongoing supervision by a public authority;
  - (b) they are financially sound;
  - (c) they have the necessary organisational structure and resources for performing the services which are to be provided by them to the AIFM or the Fund.

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

### *Securitisation positions*

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

### *Private Equity restrictions*

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

Investment restrictions are deemed to apply at the time of purchase of the investments and continue thereafter. If these restrictions are subsequently exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

### **Borrowing and Leverage**

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

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

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

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

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

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

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

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

### **Efficient Portfolio Management**

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

### **Securities Financing Transactions**

Where specified in the relevant Supplement, a Fund may enter into securities financing transactions which include securities lending, repurchase agreements, reverse repurchase agreement and total return swaps ("**Securities Financing Transactions**") in accordance with the conditions set down by the Central Bank and Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (the "**SFT Regulations**").

All revenues arising from Securities Financing Transactions net of direct and indirect operational costs and fees, shall be returned to the relevant Fund. This shall include fees and expenses paid to the counterparties to the relevant transactions/securities lending agents which will be at normal commercial rates plus VAT, if applicable.

Information on the revenues generated under such transactions shall be disclosed in the annual report of the ICAV, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid.

### **Collateral Management and Counterparty Selection Process**

Where necessary, a Fund may receive both cash and non-cash collateral from a counterparty to a Securities Financing Transaction or an OTC derivative transaction in order to reduce its counterparty risk exposure.

The non-cash collateral received by a Fund may comprise of government or other public securities. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC

derivatives which fall within the scope of EMIR, the level and type of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where counterparty exposure limits imposed on the Fund would otherwise be breached.

There are no restrictions on the maturity of the collateral received by a Fund. Typically non-cash collateral received by a Fund will be highly liquid so that it can be sold quickly at a price that is close to its pre-sale valuation. Assets which exhibit high price volatility will only be accepted as collateral where a suitable haircut is applied in respect of such assets. The AIFM shall ensure that the collateral received by a Fund is appropriately diversified in terms of country, markets and issuers, where relevant in accordance with the requirements set down in EMIR

The non-cash collateral received by a Fund will be valued at mark to market given the required liquid nature of the collateral.

Collateral received by a Fund on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary of the Depositary. For other types of collateral arrangements, the collateral can be held by the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Save where specified in the relevant Supplement, a Fund is not subject to any restrictions on the re-use of collateral.

Collateral provided by a Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Fund in accordance with its investment objective and policies. Collateral may be transferred by a Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-depositary. In such circumstances, subject to the requirements of the SFT Regulations, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Fund, such collateral must be safe-kept by the Depositary or its sub-depositary, however, subject to the requirements of the SFT Regulations such assets may be subject to a right of re-use by the counterparty.

The counterparty to any repurchase/reverse repurchase agreement or over the counter (“OTC”) Derivative entered into by a Fund shall be an entity selected for its ability to provide the required service in accordance with the provisions of the counterparty authorisation policy adopted by the AIFM which shall include amongst other considerations, credit quality of the counterparty, the regulatory supervision applied to the relevant counterparty and legal status of the counterparty (“**Counterparty Authorisation Policy**”).

### **Financing Counterparties**

A Fund may enter into transactions with counterparties, including counterparties to OTC financial derivative instruments, whereby cash or other assets belonging to such Fund may be passed outside the custodial network of the Depositary to an unlimited extent in order to support the Fund's transactions.

## **Hedged Classes**

Where a Class of a Fund is designated as “hedged” in the relevant Supplement, the ICAV shall enter into certain currency related transactions in order to hedge the currency exposure of the Reference Currency of a particular Class (including Side Pocket Classes (as defined herein)) against the relevant Fund’s Base Currency. Where specified in the relevant Supplement, the ICAV may also enter into derivative transactions in respect of such hedged Classes in order to hedge against exchange rate fluctuation risks between the designated currency of the Class and the currencies in which the Fund’s assets may be denominated.

Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund.

Where there is more than one hedged Class in a Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Classes against the Base Currency of the relevant Fund or against the currencies in which the Fund’s assets are denominated, the Fund may, in accordance with the Central Bank requirements, aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

Where the ICAV seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Fund. Investors’ attention is drawn to the risk factor below entitled “**Share Currency Designation Risk**”.

## **Dividend Policy**



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

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

Your attention is drawn to the section of this Prospectus entitled “Risk Factors” – *“Risk of Loss of Investor Money Pre-Issue, Post-Dividend and Post-Redemption of Shares”* below.

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

No dividend or other amount payable to any Shareholder shall bear interest against the ICAV.

### **Liquidity Management Policy**

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

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

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

underlying prices or spreads of the individual assets of the relevant Fund.

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

### **Indemnities**

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

### **Side Pockets**

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

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

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

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

## MANAGEMENT AND ADMINISTRATION

### Directors of the ICAV

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

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

#### **Philip Craig (Irish)**

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

#### **Karl McEneff (Irish)**

Mr McEneff was a founding member of Daiwa's Irish operations in 1990, which were subsequently acquired by Sumitomo Mitsui Trust Bank "SMTB" pursuant to an agreement dated 28th June 2012 between Daiwa Securities Group Inc. and SMTB.

Mr McEneff has held various senior managerial and executive positions over this time. He has played a leading role in the development of initiatives for the servicing of offshore funds, particularly in the specialist area of hedge and alternative investment funds structured as UCITS and AIFs.

He was responsible for growing Daiwa's Irish operations to support servicing assets of US\$45Bn and building headcount to 250 personnel across a number of locations. Mr McEneff resigned as CEO/ Executive Director of SMTFSIL and Chairman of the Board on 28th February 2015. He continues as a member of the Board in a non-executive capacity. Mr McEneff sits as a non-executive director for a number of international promoters. Prior to 1990, Mr McEneff worked with Davy Stockbrokers from 1983 to 1990 and with Allied Irish Banks from 1972 to 1983.

### **Jean-François Comte (French)**

Mr. Comte is the Managing Partner and portfolio manager at Lutetia Capital SAS, with responsibility for merger arbitrage and event driven research at Lutetia Capital SAS. He is a portfolio manager for UCITS and AIF funds. Prior to co-founding Lutetia Capital SAS, Mr. Comte was a Vice President of Lazard in New York, where he specialized in mergers and acquisitions. Throughout his career at Lazard, Mr. Comte advised leading corporations and financial investors in over 25 major transactions totaling more than \$50 billion in value. Jean-François graduated from NYU Law School.

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

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

### **The Alternative Investment Fund Manager**

The ICAV has appointed Lutetia Capital SAS as its alternative investment fund manager pursuant to the AIFM Agreement and Lutetia Capital SAS is responsible on a day-to-day basis, under the supervision of the Directors, for the management of the ICAV's affairs and distribution of the Shares.

The AIFM is a privately owned company incorporated in France on 7 May 2009 with registration number 512 302 035. The AIFM is authorised by Autorité des Marchés Financiers to act as a fund management company pursuant to the UCITS Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Union (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds. The AIFM may delegate the discretionary investment management of a Fund to an Investment Manager, details of which will be set out in the relevant Fund Supplement where applicable.

Further information regarding the AIFM is available at <http://www.lutetiacapital.com>.

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

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

In accordance with the requirements of the Central Bank, the AIFM may delegate certain of its investment management functions to an Investment Manager in accordance with AIFM Legislation. The liability of the AIFM to the ICAV will not be affected by the fact that it has delegated certain of its functions.

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

The Directors of the AIFM are as follows:

### **Jean-François Comte**

Mr. Comte is the Managing Partner and portfolio manager at Lutetia Capital SAS, with responsibility for merger arbitrage and event driven research at Lutetia Capital SAS. He is a portfolio manager for UCITS and AIF funds. Prior to co-founding Lutetia Capital SAS, Mr. Comte was a Vice President of Lazard in New York, where he specialized in mergers and acquisitions. Throughout his career at Lazard, Mr. Comte advised leading corporations and financial investors in over 25 major transactions totaling more than \$50 billion in value. Jean-François graduated from NYU Law School.

### **Fabrice Seiman**

Mr. Seiman is responsible for volatility arbitrage and multi-arbitrage research. He is a portfolio manager for the UCITS and AIF funds. Prior to co-founding Lutetia Capital, Mr. Seiman was member of the Investment Group at PAI Partners, where he took part in landmark LBO transactions. He was previously an Advisor to the Finance Minister of France. He is also a former Associate Professor at Science Po Paris, in both Finance and International Affairs. In 2013, Mr. Seiman received the “Palme Académiques”, a national order of France for distinguished academics. He graduated from Sciences Po (IEP) Paris (Economy & Finance) and attended the Master of Liberal Arts in Extension Studies (Government) at Harvard University.

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

### **Depository**

The ICAV has appointed BNY Mellon Trust Company (Ireland) Limited as Depository pursuant to the Depository Agreement.

The Depository is a private limited liability company incorporated in Ireland on 13<sup>th</sup> October 1994. The principal activity of the Depository is to act as the depository and trustee of the assets of collective investment schemes. The Depository is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Depository is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2017, it had

US\$30.6 trillion in assets under custody and administration and US\$1.7 trillion in assets under management.

### *Depository Liability*

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

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

### *Delegation*

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

### *Conflicts*

From time to time actual or potential conflicts of interest may arise between the Depository and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the ICAV. These services may include currency hedging services as well as acting as acting as counterparty to OTC transactions and providing credit facility arrangements to the ICAV. The Depository maintains a conflict of interest policy to address this.

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

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

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

In accordance with the AIFM, Regulators, in the case of a loss of financial instrument held in custody by a third party, the Depositary may discharge itself of liability subject to certain requirements being met. Where applicable, the AIFM will inform Shareholders of any changes with respect to Depositary liability without delay.

### **Administrator**

The ICAV has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company to act as administrator, registrar and transfer agent of the ICAV with responsibility for performing the day to day administration of the ICAV, including the calculation of the Net Asset Value and the Net Asset Value per Share of each Fund. The Administrator is a private limited company incorporated in Ireland on 31<sup>st</sup> May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2017, it had US\$30.6 trillion in assets under custody and administration and US\$17 trillion in assets under management.

### **Investment Manager**

Details of any Investment Manager appointed in respect of a Fund shall be set out in the relevant Supplement.

### **Secretary**

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

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

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

or from the Depository (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to

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

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

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

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

#### **External Valuer**

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

#### **Fair Treatment of Shareholders**

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

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



## CONFLICTS OF INTEREST

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

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

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

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

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

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

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

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

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

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

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

### **Soft Commissions**

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

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

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

## **FEES AND EXPENSES**

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

In accordance with the Instrument, the ICAV shall procure that the Administrator shall keep on its behalf separate books and records in which all transactions relating to each Fund shall be recorded and all fees, expenses and liabilities attributable to the particular Fund shall be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. A description of the fees and expenses attributable to a Fund will be detailed in the Supplement for the relevant Fund. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or using other methods that will be fair and equitable to investors, provided that fees and expenses attributable solely to a particular Fund or Class shall be borne solely by the relevant Fund or Class. The following disclosures relate to fees and expenses which are generally borne by the ICAV as a whole being attributable to one or more Funds and applied on a pro rata basis by the Directors in their discretion and in accordance with the Instrument.

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

#### *AIFM Fee*

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

#### *Administrator Fee*

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

#### *Depositary Fee*

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

#### *Investment Management Fee*

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

### **Establishment Expenses**

The fees and expenses relating to the establishment and organisation of the ICAV including the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) shall be borne by the ICAV, out of the assets of the relevant Fund(s). All fees and expenses relating to the establishment

and organisation of the initial Funds including the fees of the relevant professional advisers (including legal, accounting and taxation advisers) may be borne by the initial Funds or by certain classes of Shares in the initial Funds as more particularly described in the Supplement for each of the initial Funds.

### **Operating Expenses and Fees**

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

- (a) auditor's and accountant's fees;
- (b) lawyers fees and other professional advice;
- (c) all investment expenses, all fees and expenses of transactional, risk, market data and trade-related services, all fees for investment research and/or trade ideas and corporate access;
- (d) commissions, fees and reasonable and properly vouched out-of-pocket expenses payable to any placement agent, structuring agent, paying agent, representative, correspondent bank, Distributor or sub-distributor of the Shares (which fees may be material) and money laundering reporting officer;
- (e) merchant banking, stockbroking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services' fees and expenses, fees and charges of clearing agents and interest on debit balances and other bank charges;
- (f) fees and expenses of any Independent Valuer and other service providers acting with respect to the relevant Fund(s);
- (g) taxes or duties imposed by any fiscal or regulatory authority, including the annual fees of the Central Bank;
- (h) costs of preparation, translation and distribution of all prospectuses, reports, certificates (if any), confirmations of purchase of Shares and notices to Shareholders;
- (i) expenses of Shareholders' meetings;
- (j) insurance premia;
- (k) custody and transfer expenses;
- (l) research costs;
- (m) any other expenses, including clerical costs of issue or redemption of Shares;
- (n) the cost of preparing, translating, printing and/or filing in any language the Instrument, and all other documents relating to the ICAV or a Fund including registration statements, prospectuses, explanatory memoranda, annual and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the ICAV, a Fund or the offer of Shares and the cost of delivering any of the foregoing to the Shareholders;
- (o) the cost of publication of notices in local newspapers in any relevant jurisdiction;
- (p) the total costs of any amalgamation or reconstruction relating to the ICAV or a Fund;
- (q) the fees, costs and expenses associated with the termination of any Fund or the winding up of the ICAV;
- (r) all fees payable in respect of investments in collective investment schemes including, without

limitation, subscription, redemption, management, performance, distribution, administration and/or custody fees in respect of each collective investment fund in which a Fund invests, except where this is not permitted by the Central Bank;

- (s) any fees, costs or expenses of the ICAV in accordance with the Instrument; and
- (t) any fees incurred in respect of specific tax advice received in respect of particular assets of a Fund.

in each case plus any applicable VAT.

Any such expenses may be deferred and amortised by the ICAV, in accordance with standard accounting practice, at the discretion of the Directors. An estimated accrual for operating expenses of each Fund will be provided for in the calculation of the Net Asset Value of each Fund. Save where otherwise disclosed in the relevant Supplement, operating expenses and the fees and expenses of service providers which are payable by the ICAV as a whole shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a Fund or Class shall be borne solely by a Fund or Class.

### **Directors' Fees**

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

### **Remuneration Policy**

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

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

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

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

## THE SHARES, SUBSCRIPTIONS AND COMMITMENTS

### General

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

#### *Shares and Classes*

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

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

#### *Initial Subscription*

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

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

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

#### *Subsequent Subscriptions*

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

### Subscription Procedure

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

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

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

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

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

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

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



Title to Shares (and Management Shares) will be evidenced by the entering of the Shareholder's name on the ICAV's register of Shareholders and no certificates will be issued. Investors will be sent written confirmation of ownership of Shares. Amendments to payment instructions may only be made following receipt of original written instructions from the relevant Shareholder.

#### *Operation of Cash Accounts*

Your attention is drawn to the section of this Prospectus entitled "Risk Factors" – "*Risk of Loss of Investor Money Pre-Issue, Post-Dividend and Post-Redemption of Shares*" below.

#### **Transfer Rights**

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

#### **Voting Rights**

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

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

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

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

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

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

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

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

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

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

## **Liability Statement**

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

## **Fractions**

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

## **Method of Payment**

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

## **Currency of Payment**

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

## **Timing of Payment**

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

## **“In Specie” Subscriptions**

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

- (a) no Shares shall be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary's satisfaction;
- (b) any such exchange shall be effected on terms that the number of Shares to be issued shall be the number (including, at the ICAV's discretion, fractions of Shares) which would have been issued at the Subscription Price per Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the ICAV set out below in the section entitled “Net Asset Value and Valuation of Assets” including such sum as the Directors may consider represents an appropriate provision for duties and charges arising in connection with the vesting of the assets or property;
- (c) there may be paid to the incoming Shareholder out of the assets or property of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and

- (d) the Depositary shall be satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### **Abusive Shareholder Dealing Practices**

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

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

### **Swing pricing**

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

### **Anti-Dilution Levy**

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

- (a) Market spreads; the difference between the prices at which assets are valued and/or bought or sold;

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

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

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

Where relevant, details of an “Anti-Dilution Levy”, if applied, shall be detailed within the relevant Fund Supplement.

### **Suspension**

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

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

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

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

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

The details given above are by way of example only and the ICAV and the Administrator each reserve the right to request such documentation as is necessary to verify the identity of the applicant and the

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

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering and terrorist financing purposes may result in a delay in the settlement of redemption proceeds or dividend monies. In circumstances where a redemption request is received, the ICAV will process any redemption request received by a Shareholder, however, the proceeds of that redemption will be held in a Cash Account and therefore shall remain an asset of the relevant Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the ICAV is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which such redemption proceeds or dividend monies will be released. In the event of such a delay, such redemption proceeds or dividend monies may also be eroded by virtue of having been subject to negative interest rates.

In the event of an insolvency of the relevant Fund or the ICAV, there is no guarantee that the relevant Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors/ Shareholders due redemption/ dividend monies which are held in Cash Accounts will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor/ Shareholder may not recover all monies originally paid into Cash Accounts for onward transmission to that investor/ Shareholder.

Therefore a Shareholder is advised to ensure that all relevant documentation requested by the ICAV or the Administrator in order to comply with anti-money laundering and terrorist financing procedures, is submitted to the ICAV promptly on subscribing for Shares in the ICAV.

### **Data Protection Information**

Prospective investors should note that by completing the Application Form they are providing information to the ICAV which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification and the subscription process, administration, statistical analysis, market research and to comply with any applicable legal or regulatory requirements. Your data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified. Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in the Application Form. Investors have a right to obtain a copy of their personal data kept by the ICAV, the right to rectify any inaccuracies in personal data held by the ICAV. As of 25<sup>th</sup> May 2018, being the date the General Data Protection Regulation (EU 2016/679) comes into effect, investors will have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where Investors give consent to the processing of personal data, this consent may be withdrawn at any time.

## REDEMPTIONS AND CONVERSIONS

### *Redemption of Shares*

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

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

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

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

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

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

The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of (i) any person who is not a Qualifying Investor or Knowledgeable Person or (ii) any person in breach of any restrictions on ownership from time to time as set out herein or (iii) if the holding of Shares by any person is unlawful or (iv) if the holding of Shares by any person might result or results in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole or (v) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; or (vi) a person who is, or any person who has acquired such Shares on behalf of, or for the benefit of US Person in contravention of applicable laws and regulations; or (vii) any person, whose holding would cause or be likely to cause the ICAV to be required to register as an "investment company" under the Investment Company Act or to register any class of its securities under the United States Securities Act, 1933 or similar statute. The ICAV may also redeem



any Shares held by any person who holds less than the Minimum Holding or does not, within seven days of a request by or on behalf of the ICAV, supply any information or declaration required under the terms hereof to be furnished. Any such redemption will be effected on a Business Day determined by the Directors and notified in advance to Shareholders at the Net Asset Value per Share calculated as of the Valuation Point with respect to the relevant Business Day on which the Shares are to be redeemed. The ICAV may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of an event giving rise to a charge to taxation. Additional circumstances in which Shares may be compulsorily redeemed may be set out in the Supplement.

### **Total Redemption**

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

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

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

### **Suspension**

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

### **Conversion of Shares**

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

## NET ASSET VALUE AND VALUATION OF ASSETS

### General

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

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

The Net Asset Value per Share shall be calculated on or as at the Valuation Day as at the Valuation Point by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to 2 decimal places (or such other number of decimal places as the Directors may determine).

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

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

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

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

- (h) The AIFM may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (i) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the AIFM shall determine to be appropriate.
- (j) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the AIFM with care and in good faith or by an External Valuer.
- (k) If the AIFM, in consultation with the Directors, deems it necessary a specific investment may be valued under an alternative method of valuation.

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

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

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

- (vii) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
- (viii) any other liability which may properly be deducted.

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

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

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

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

**Publication of Net Asset Value per Share**

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

## RISK FACTORS

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

### General

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

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

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

#### *Limitation on liability of Shareholders*

The liability of Shareholders is limited to the amount, if any, of the Shares held by them and all Shares in the ICAV will only be issued on a fully paid basis. However, under the Application Form and the Instrument, Shareholders will be required to indemnify the ICAV and other parties as stated therein for

certain matters including inter alia losses incurred as a result of the holding or acquisition of Shares by a person other than a person entitled to hold Shares, any liabilities arising due to any tax the ICAV is required to account for or on an Shareholder's behalf, including any penalties and interest thereon, any losses incurred as a result of a mis-representation by a Shareholder, etc.

#### *Lack of Operating History*

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

#### *Substantial Charges*

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

#### *Redemption Risk*

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

#### *Subscription Risk*

To the extent applicable, Shareholders may subscribe Shares in a Fund in accordance with the terms of this Prospectus and the Supplement for that Fund. Large subscriptions of Shares in a Fund might result in a Fund being forced to buy assets at a time and price at which it would normally prefer not to add those assets. If the Fund did not invest these subscriptions, the market exposure of the Fund's portfolio may be below expected, which may also adversely affect the Shareholders.

#### *Declining Performance with Asset Growth*

Trading large positions in same instruments may adversely affect their prices and performance. In addition, there can be no assurance that appropriate investment opportunities will be available to accommodate future increases in assets under management which may require the Investment Manager to modify its investment decisions for the Fund because it cannot deploy all the assets in the manner it desires and may require the Directors to close the Fund to further subscriptions. There can be no assurance whatsoever as to the effect of an increase in assets under management may have on a Fund's future performance.



### *Dependence on Key Personnel*

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

### *Management Risk*

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

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

### *Diverse Shareholders*

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made by the AIFM or Investment Manager that may be more beneficial for one Shareholder than for another Shareholder, especially with respect to any Shareholder's individual tax situation. In selecting and structuring investments appropriate for a Fund, the Investment Manager is required to have regard to the investment objective of such Fund and not the individual objectives of the Shareholders.

### *Cyber Security Risk*

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Directors, the ICAV, the AIFM, the Investment Manager, the Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ICAV's ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business

with the ICAV; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

## **General Investment Risk**

### *Concentration of Investments*

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

### *Changes in Interest Rates*

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

### *Exchange Control and Repatriation Risk*

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

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

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of Shareholder protection or information to Shareholders as would generally apply in

major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-depositaries in such markets may be exposed to risk in circumstances in which the Depositary will have no liability.

#### *Political and Economic Risk*

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

#### *Brexit*

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

#### *Liquidity Risk*

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

#### *Leverage Risk*

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

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

### *Credit Ratings*

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

### *Credit Risk*

The Fund is also subject to credit risk, i.e. the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. Investment in the obligations of credit securities, portfolios of credit default swaps or instruments, individual credit default swaps and other instruments involves a degree of risk arising from fluctuations in the amount and timing of the receipt of principal and interest by the Fund and the amounts of the claims of creditors and counterparties ranking in priority to the rights of the Fund in respect of such securities, obligations and instruments. In particular, the amount and timing of payments of the principal, interest and other amounts on credit securities and other obligations and instruments will depend upon the detailed terms of the documentation relating to the instrument and on whether or not any issuer thereof or obligor thereunder defaults in its obligations thereunder. A default, downgrade or credit impairment of any of its investments could result in a significant or even total loss of the investment.

### *Counterparty Risk*

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

liquidation or other formal protection from creditors of the Depositary.

### *Currency Risk*

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of a Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

### *Share Currency Designation Risk*

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund and/or the designated currencies in which the Fund's assets are denominated. Redemption proceeds and any distributions to Shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Base Currency and such designated currency or changes in the exchange rate between the designated currencies in which the Fund's assets are denominated and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency. Where a Class of a Fund is designated as "hedged" in the relevant Supplement, the AIFM and / or Investment Manager will try to mitigate this risk by using Financial Instruments within the Fund's investments, (see the section "**Hedged Classes**"). Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant Financial Instruments. Financial Instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant Financial Instruments will accrue solely to the relevant Class of Shares of the Fund.

Shareholders should note that generally there is no segregation of assets and liabilities between Classes in a Fund and therefore a counterparty to a derivative overlay entered into in respect of a hedged Class may have recourse to the assets of the relevant Fund attributable to other Classes of that Fund where there is insufficient assets attributable to the hedged Class to discharge its liabilities. While the ICAV has taken steps to ensure that the risk of contagion between Classes is mitigated in order to ensure that the additional risk introduced to the Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Class, this risk cannot be fully eliminated.

### *Investing in Fixed Income Securities*

Investment in fixed income securities, if any, is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the

reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

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

#### *Cross-Fund Liabilities*

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

#### *Cross Class Liabilities*

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

#### *Underlying Funds Risk*

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

### *Valuation Risk*

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

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

### *Performance Fee Risk*

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

Due to the way in which the Performance Fee is calculated, a shareholder may incur a Performance Fee even though ultimately such shareholder does not receive a positive return.

### *Lower-rated securities*

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

### *Rights of Secured Parties versus Shareholders*

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

### *Risks Associated with Collateral Management*

Where a Fund enters into an OTC derivative contract or a Securities Financing Transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a

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

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

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

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

#### *Taxation Risk*

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

If, as a result of the status of a Shareholder, the ICAV or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the ICAV or the Fund shall be entitled to deduct such amount from any payment(s) made to such Shareholder, and/or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares for the purposes of obtaining sufficient monies to discharge any such liability. The relevant Shareholder shall indemnify and keep the ICAV or the Fund indemnified against any loss arising to the ICAV or the Fund by reason of the ICAV or the Fund becoming liable to account for tax and any interest or penalties thereon on the



happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

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

#### *Foreign Account Tax Compliance Act*

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

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

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

#### *Common Reporting Standard*

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. The CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. Ireland has legislated to implement the CRS. As a result the ICAV will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be

required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS. Failure to provide the requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund. Shareholders and prospective investors should consult their own tax advisor with regard to with respect to their own certification requirements associated with an investment in the ICAV.

#### *Custody Risks*

Some of the Funds may invest in markets where custodial and/or settlement systems are not fully developed. The assets which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks that a Fund trading in more developed markets would not ordinarily be subject to.

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

#### *Risk of Loss of Investor Money pre-issue, post-dividend and post-redemption of Shares*

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

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

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

### *GDPR*

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

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. Further there is a risk that the measures will not be implemented correctly by the ICAV or its service providers. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

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

## TAXATION

### General

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

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

### Definitions

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

#### **“Exempt Irish Investor”**

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV; or

- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

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

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

**“IREF”**

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

- (a) in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from certain Irish real estate type assets (“IREF assets”), or
- (b) where paragraph (a) above does not apply, it would be reasonable to consider that the main purpose, or one of the main purposes, of the fund or the sub-fund, as the case may be, was to acquire IREF assets or to carry on activities involving IREF assets, the profits or gains of which, apart from the specific exemption set out in the legislation dealing with regulated funds, would be chargeable to income tax, corporation tax or capital gains tax, including, but without limitation to the generality of the preceding words, activities which would be regarded as (i) dealing in or developing land, or (ii) a property rental business;

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

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

**“Irish Resident”**

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

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

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

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

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

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

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

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

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

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

**“Recognised Clearing System”** means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and

CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

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

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

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

### **Taxation of the ICAV**

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

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 board (or the AIFM, as its delegate) will have sole discretion as to whether the fund 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.

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

In the event that there is any repayment of withholding tax suffered to the ICAV, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment. Therefore the board recommends that the Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of shares in the fund and any investment return from those shares.

The ICAV will be regarded as resident in Ireland for tax purposes provided that the ICAV is incorporated in Ireland and is not, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a country other than Ireland. The ICAV will be regarded as resident in Ireland for tax purposes if it is managed and controlled 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.**

**Notwithstanding the above, tax can arise for the ICAV in respect of investors, on the happening of a “chargeable event” in the ICAV. A chargeable event includes:**

- i. any distribution payments to Shareholders in respect of their Shares; or**
- ii. any encashment, redemption, cancellation, or transfer of shares; and**
- iii. any deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares by the ICAV for the purposes of meeting the amount of tax payable on a gain arising on a transfer.**

**A “Relevant Period” means a period of eight years beginning with the acquisition of Shares by a Shareholder, and each subsequent period of eight years beginning immediately after the preceding relevant period,**

**No chargeable events will arise in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place, in the form prescribed by the Irish Revenue Commissioners for the purpose of section 739D of the Taxes Act, and that the ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.**

**A chargeable event does not include:**

- i. any transaction in relation to Shares held in a recognised clearing system as designated by the order of the Irish Revenue Commissioners;**
- ii. any exchange by a shareholder effected by way of a bargain made at arm’s length by the ICAV, of shares of one class in the ICAV for Shares of another class in the ICAV;**
- iii. certain transfers of Shares between spouses or civil partners and former spouses or former civil partners**
- iv. An exchange of shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another fund; or**
- v. the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in Section 739H(A) of the Taxes Act);**
- vi. an exchange of shares arising on a scheme of amalgamation (within the meaning of Section 739D(8C) of the Taxes Act) subject to certain conditions.**
- vii. Any transaction in relation to, or in respect of, relevant Shares (as defined in Section 739B(2A) of the Taxes Act) in an investment undertaking whereby the transaction only arises by virtue of a change of court funds manager for that undertaking**

**The ICAV will be liable to account for tax on the happening of a chargeable event. The ICAV will be obliged to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of**



tax.

The relevant Shareholder shall indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

#### **10% Threshold**

The ICAV will not have to deduct in respect of a deemed disposal (in respect of the expiration of a Relevant Period) where the value of the shares held by Irish resident investors in the ICAV is less than 10% of the net asset value of the total Shares in the ICAV and the ICAV has made an election to report certain details in respect of each affected Shareholder to Revenue (the "Affected Shareholders") in each year that the de minimus limit applies.

In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Shareholder on a self-assessment basis as opposed to the ICAV. The ICAV is deemed to have made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

Investors should contact the ICAV to ascertain whether the ICAV had made such an election in order to establish their responsibilities to account for Irish tax.

#### **15 % Threshold**

Where the tax arising on the redemption of shares is less than that which arose on a preceding deemed disposal, the ICAV may refund the Shareholder the excess. However, where the value of chargeable shares in the ICAV does not exceed 15% of the net asset value of the total Shares, the ICAV may elect in writing to the Irish Revenue Commissioners to have any excess tax arising repaid directly by Revenue to the Shareholder. The ICAV is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Shareholder.

#### **Other**

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

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

Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or

gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively, in certain limited circumstances, they may be entitled to a refund of all or part of any tax deducted by the ICAV on a chargeable event.

In the absence of either a Relevant Declaration or the ICAV satisfying and availing of equivalent measures (see paragraph headed “Equivalent Measures” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland.

### **Equivalent Measures**

The Taxes Act provides for measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. No tax arises on an investment undertaking with regard to chargeable events in respect of a Shareholder who was neither Irish Resident nor Irish Ordinarily Resident at the time of the chargeable event, provided that a Relevant Declaration was in place and the ICAV was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Irish Ordinarily Resident.

Further provisions permit the above exemption in respect of Shareholders who are not Irish Resident nor Irish Ordinarily Resident to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such Shareholders are not Irish Resident nor Irish Ordinarily Resident and the investment undertaking has received approval from the Revenue Commissioners in this regard.

### Taxation of ICAV investors

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

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

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

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

Where tax is withheld by the ICAV on the basis that no Relevant Declaration has been filed with the ICAV by the Shareholder, Irish legislation does not provide for a refund of tax. Refunds of tax will only be permitted in limited circumstances.

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

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

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

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

the excess (subject to the paragraph headed “15% threshold” below).

#### *Exempt Irish Investors*

There are a number of Irish Resident and Irish Ordinary Resident investors who are exempted from the provisions of the above regime once a Relevant Declaration is in place or where Equivalent Measures have been agreed with the Irish Revenue Commissioners. These are Exempted Irish Investors.

Additionally, where Shares are held by the Courts Service no tax is deducted by the ICAV on payments made to the Courts Service. The Courts Service will be required to operate tax on payments to it by the ICAV when they allocate those payments to the beneficial owners.

The ICAV is not obliged to deduct tax in respect of an Exempt Irish Investor so long as the Fund is in possession of a completed Relevant Declaration from that investor and the Fund 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 Investors 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 Exempt Irish Investors.

Exempt Irish Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of each Exempt Irish Investor to account for tax to the Irish Revenue Commissioners.

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

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

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

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the ICAV to value the Shares held at the 30th June or 31st December of each

year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group shares in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished. Shareholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the ICAV on a chargeable event.

#### *Personal Portfolio Investment Undertaking*

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

#### **Reporting**

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 held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual’s PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

- Exempt Irish Investors (as defined above);
- Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a Recognised Clearing System.

## **Stamp Duty**

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

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

## **Capital Acquisitions Tax**

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

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

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

## **IREF Withholding Tax**

**Finance Act 2016 introduced a new type of fund, an Irish Real Estate Fund (IREF). As previous noted, a fund will be considered an IREF where 25% or more of the market value of its assets are derived from Irish land or buildings including shares in a REIT. Where a fund is categorised as an IREF, a 20% withholding tax must be operated by the fund on distributions of income to certain Shareholders after 1 January 2017. No tax applies in respect of gains on redemptions except where those gains are derived from undistributed income or disposals of Irish real estate.**

**Shareholders should contact the AIFM to ascertain whether it falls within the definition of an IREF.**

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

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

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes (which is updated on an ad-hoc basis) were first issued by the Irish Revenue Commissioners on 1 October 2014 with the most recent version being issued in January 2018.

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

The ICAV or the AIFM will agree that information (including the identity of any investor) supplied for purposes of FATCA compliance is intended for the ICAV's (or the AIFM's) use for purposes of satisfying FATCA requirements and the ICAV/ AIFM will 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 its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to

any person with the consent of the applicable investor, or (iv) as otherwise required by law or court order or on the advice of its advisors.

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

### **Common Reporting Standard**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“**the Standard**”) which therein contains the Common Reporting Standard (“**CRS**”). The subsequent introduction of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information and the EU Council Directive 2014/107/EU (amending Council Directive 2011/16/EU) provides the international framework for the implementation of the CRS by Participating Jurisdictions. In this regard, the CRS was implemented into Irish law by the inclusion of relevant provisions in Finance Act 2014 and 2015 and the issuance of Regulation S.I. No. 583 of 2015.

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

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

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

For further information on the CRS requirements of the ICAV, please refer to the below “Customer Information Notice”.

### **Application of FATCA and CRS to Investors**

Prospective investors are expected to provide the ICAV with such information as the ICAV may deem necessary to determine whether such investors qualify as Reportable Accounts for FATCA and CRS purposes or otherwise qualify for an exemption.

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



Prospective investors should consult with their tax advisers regarding the possible implications of FATCA and CRS on their investment in the ICAV.

#### *Customer Information Notice*

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

The ICAV is obliged under Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and, in particular situations, also collect information in relation to relevant Controlling Persons of such Shareholder's).

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

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

- The name, address, jurisdiction of residence, tax identification number and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with CRS is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction of residence and tax identification number of the Entity and the name, address, jurisdiction of residence, TIN and date and place of birth of each such Reportable Person.
- The account number (or functional equivalent in the absence of an account number);
- The account balance or value as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the date of closure of the account;
- The total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period;
- The currency in which each amount is denominated.

Please note that in certain limited circumstances it may not be necessary to report the tax identification

number and date of birth of a Reportable Person.

In addition to the above, the Irish Revenue Commissioners and Irish Data Protection Commissioner have confirmed that Ireland has adopted the “wider approach” for CRS. This allows the ICAV to collect data relating to the country of residence and the tax identification number from all non-Irish resident Shareholders. The ICAV can send this data to the Irish Revenue Commissioners who will determine whether the country of origin is a Participating Jurisdiction for CRS purposes and, if so, exchange data with them. Revenue will delete any data for non-Participating Jurisdictions.

For the purposes of CRS reporting for the 2017 calendar year, and any subsequent years, it is expected that Irish Financial Institutions will be required to report only by reference to the list of participating jurisdictions for CRS and DAC2 purposes, as maintained and updated by the Irish Revenue Commissioners.

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

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

## GENERAL INFORMATION

### Incorporation and Share Capital

- (a) The ICAV was registered in Ireland on 31<sup>st</sup> October, 2017 as an umbrella type Irish collective asset management vehicle with variable capital and with segregated liability between sub-funds registered with and authorised by the Central Bank with registration number C174275, pursuant to Part 2 of the Act.
- (b) The Instrument provides that the ICAV's sole object is the collective investment of its funds in property with the aim of giving Shareholders the benefit of the results of the management of its investments.
- (c) The registered office of the ICAV is as stated in the Directory at the front of this Prospectus.
- (d) The share capital of the ICAV shall be divided into share capital of 500,000,000,000 (five hundred billion) ordinary participating Shares of no nominal value ("Shares") and 2 (two) ordinary management shares of no nominal value ("Management Shares") provided that the share capital of the ICAV shall at any time be equal to the value for the time being of the issued share capital of the ICAV. Shares shall have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the ICAV. Management Shares shall be issued and redeemed at 1 Euro each. The Directors have the power to issue, grant Shares and Management Shares and issue Debentures on such terms and conditions as they see fit but subject to and in accordance with the Instrument, this Prospectus, the requirements of the Central Bank and the Act.
- (e) No share capital of the ICAV has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.
- (f) As at the date of this Prospectus, no Fund has commenced operations and no accounts therefore have been made up and no dividends have been declared.

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

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

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

being bodies corporate by their duly appointed representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV, Fund or Class duly convened and held and may consist of several instruments in like form each executed by or on behalf of one or more Members, and if described as a Special Resolution, shall be deemed to be a Special Resolution.

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

### **Voting Rights**

The following rules relating to voting rights apply:

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

- (h) To be passed, Ordinary Resolutions of the ICAV or of a Fund or of a particular Class will require a simple majority of the votes cast by the Members of the ICAV or Shareholders of the Fund or Class as the case may be voting in person or by proxy at the meeting at which the resolution is proposed. Special Resolutions will require a majority of not less than 75% of the Members present in person or by proxy and voting in general meeting in order to pass a Special Resolution including a resolution to amend the Instrument.
- (i) The voting rights, quorum provisions and proceeding at general meetings are set out above and below and in the Instrument. In summary, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or upon the declaration of the result of the show of hands a poll is demanded by the chairman or by at least two Members present in person or by proxy or any Member or Members present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at the meeting. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the ICAV shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

## **Meetings**

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

- (f) For any general meeting of the ICAV, the quorum shall be two Members present either in person or by proxy. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Members, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Member present shall be a quorum. All general meetings will be held in Ireland.
- (g) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of the Fund or Class and, subject to the Act, have effect with respect to separate meetings of the Fund or Class at which a resolution varying the rights of Members in such Fund or Class is tabled.

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

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

The ICAV will prepare an annual report and audited accounts for each Fund as of December 31 in each year. The first annual audited accounts will be prepared for the period ended 31 December 2018 and shall be filed with the Central Bank, and made available to Shareholders, within 6 months. The latest available annual report and audited accounts will be offered to subscribers with the Application Form and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator. A one-off set of unaudited semi-annual accounts will be prepared for the period ended 30 June 2018 and supplied to Shareholders free of charge on request and will be available to the public at the office of the Administrator.

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

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

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

Publication of Notice or Advertisement of Notice      The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

### **Transfer of Shares**

- (a) No transfer of Management Shares may be effected without the prior written consent of the ICAV. Transfers of Shares and Management Shares may be effected in writing in any usual or common form accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee. Any transferee shall be required to complete the Application Form for the relevant Fund.
- (b) The Directors may decline to register any transfer of Shares if:
- in consequence of such transfer, the transferor or transferee would hold a number of Shares less than the Minimum Holding;
  - all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
  - the instrument of transfer is not deposited at the registered office of the ICAV or such other place as the Directors may reasonably require, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the ICAV including as to requirements to prevent money laundering;
  - they are aware or reasonably believe the transfer might result in legal, fiscal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund or Class or Shareholders as a whole;
  - the registration of such transfer would: (i) result in a contravention of any provision of law (including any law that is for the time being in force in a country or territory other than Ireland); or (ii) result in a contravention of any provision of the Instrument; or (iii) would produce a result inconsistent with any provision of this Prospectus or any Supplement;
  - in consequence of such transfer, Shares would be held by a person who is, or who has acquired such Shares on behalf of, or for the benefit of, a US Person in contravention of applicable laws and regulations or the ICAV would be required to register as an “investment company” under the Investment Company Act or to register any class of its securities under the United States Securities Act, 1933 or similar statute;
  - would cause the Shares to become subject to registration under the United States Securities Act of 1933, as amended, or the Fund to become subject to registration under the Investment Company Act, or to become subject to the requirement to register or become regulated with or by a regulator other than the Central Bank; or

- such transfer would result in persons that are Benefit Plan Investors holding 25% or more of the value of any class of Shares in the Fund immediately after such transfer (such percentage determined in accordance with Section 3(42) of ERISA).

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

## **Directors**

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

- (a) The ICAV shall have at least two Directors.
- (b) A Director need not be a Member.
- (c) The Instrument contains no provision requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the ICAV or any company in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors of the ICAV for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this Prospectus and will be reimbursed all reasonable and properly vouched travel, hotel and other incidental expenses incurred in connection with the business of the ICAV or the discharge of their duties and may be entitled to special remuneration if called upon to perform any special or extra services to or at the request of the ICAV.
- (f) A Director may hold any other office or place of profit under the ICAV, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director shall be disqualified by his office from contracting with the ICAV as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the ICAV in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general



notice in writing given to the Directors by any Director to the effect that (a) he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm or (b) is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him (within the meaning of the Act) shall (if such Director shall give the same at a meeting of the Directors or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Directors after it is given) be deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.

- (h) A Director may not vote in respect of any resolution or contract or arrangement or any proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in Shares or debentures or other securities of or otherwise in or through the ICAV and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of any third company through which his interest is derived or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares or debentures or other securities of or by the ICAV in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by the Director at the request of or for the benefit of the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the ICAV for which the Director has assumed responsibility in whole or in part under a guarantee, or indemnity or by the giving of security or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:
- (i) if he resigns his office by notice in writing signed by him and left at the registered office of the ICAV;
  - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if he becomes of unsound mind;
  - (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or

- (vii) if he is removed from office by Ordinary Resolution of the ICAV; or
  - (viii) if he ceases to be approved to act as a director by the Central Bank.
- (j) The ICAV may by Ordinary Resolution remove a Director before the end of that Director's period of office despite anything in the Instrument or in any contract between the ICAV and the Director, in accordance with the provisions of the Act.

### **Directors' Interests**

- (a) The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the ICAV, the Funds and the Shares are set out below:
- (i) Jean-François Comte is Managing Director and Portfolio Manager of Lutetia Capital SAS.
  - (ii) No shareholding qualification for Directors is required under Irish law. The Directors or companies or other bodies corporate of which they are officers or employees may, however, subscribe for Shares in the ICAV. Their applications will rank pari passu with all other applications for the same Class.
- (b) At the date of this Prospectus, neither the Directors or their connected persons have any beneficial interest in the share capital of the ICAV or any options in respect of such capital.

### **Periodic Disclosure to Shareholders**

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

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

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

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

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

### **The Application Form**

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

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

### **Termination of a Fund**

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

### **Winding Up of the ICAV**

- a) The ICAV may be wound up if:
- (i) the Depositary desires to retire or the ICAV desires to remove the Depositary from office and no replacement Depositary, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the applicable Depositary Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution;
  - (ii) the AIFM desires to retire or the ICAV desires to remove the AIFM from office and no replacement AIFM, subject to the prior approval of the Central Bank, is appointed within such time frame agreed by the ICAV in the applicable AIFM Agreement or otherwise as determined by the Directors and the Members resolve to wind up the ICAV by Ordinary Resolution;
  - (iii) at any time after the fourth anniversary of the date the ICAV's registration, the Net Asset Value of the ICAV falls below a figure of €10 million, and the Members resolve to wind up the ICAV by Ordinary Resolution;

- (iv) the Members resolve by Ordinary Resolution that the ICAV cannot by reason of its liabilities continue its business and that it be wound up; and
  - (v) the Members resolve by Special Resolution to wind up the ICAV.
- (b) In the event of a winding up, the liquidator shall apply the assets of the ICAV in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall in relation to the assets available for distribution among Members make such transfers thereof to and from the Funds and/or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Members of different Funds and/or Classes in such proportions as the liquidator in his discretion deems equitable.
- (d) The assets available for distribution among the Members shall be applied in the following priority:
- (i) firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of Management Shares of sums up to the consideration paid out of the assets of the ICAV not comprised within a Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - (iii) thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
  - (iv) fourthly, any balance then remaining and not attributable to a Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of the relevant Funds or attributable to each Class immediately prior to any distribution to Members and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (e) The liquidator may, with the authority of an Ordinary Resolution of the ICAV, divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV) in specie the whole or any part of the assets of the ICAV and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the ICAV may be closed and the ICAV dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority

transfer the whole or part of the assets of the ICAV to a company or collective investment scheme (the “Transferee Company”) on terms that Shareholders in the ICAV shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the ICAV.

- (f) Notwithstanding any other provision contained in the Instrument of the ICAV, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Members to wind up the ICAV, the Corporate Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the ICAV at which there shall be presented a proposal to appoint a liquidator to wind up the ICAV and if so appointed, the liquidator shall distribute the assets of the ICAV in accordance with the Instrument.

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

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

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

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

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

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

### **General**

As at the date of this Prospectus:

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

### **Material Contracts**

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

- (a) **AIFM Agreement** – the AIFM Agreement was entered into between the ICAV and the AIFM dated 20<sup>th</sup> November, 2017 as may be amended and/or supplemented from time to time under which the latter was appointed as AIFM to provide management services to the ICAV. Pursuant to the AIFM Agreement, the AIFM (and each of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants or agents) shall not be under any liability to the ICAV or any investor in the ICAV on account of anything done or suffered by the AIFM (or any of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants or agents) in accordance with or in pursuance of rendering the services under the AIFM Agreement otherwise than due to the wilful default, recklessness, fraud, bad faith or negligence in the performance by the AIFM (or any of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants, agents) of the duties, obligations or functions of the AIFM, provided however, the AIFM (and each of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants or agents) shall not be liable for exemplary, special, indirect or consequential damages of any nature. The ICAV has agreed to hold harmless and indemnify the AIFM (and each of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants or agents) out of the assets of the relevant Fund against all actions, proceedings, claims, costs, losses and expenses (including pre-agreed reasonable legal and professional expenses arising therefrom) which may be brought against, suffered or incurred by the AIFM (and each of its directors, officers, employees, delegates, sub-delegates, sub-contractors, servants or agents) by reason of its performance of its duties under the terms of the AIFM Agreement (otherwise than due to wilful default, recklessness, fraud, bad faith or negligence in the performance or non-performance by the AIFM or its directors, officers or employees of its duties, obligations or functions under the AIFM Agreement) and in particular (without limitation) this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of any such loss suffered or incurred by the ICAV or any investor in the ICAV or any loss, delay, misdelivery or error in transmission of any communication by the ICAV or as a result of the AIFM (and each of its directors, officers,

employees, delegates, sub-delegates, sub-contractors, servants or agents) acting in good faith upon any forged document or signature. The AIFM Agreement may be terminated by either party upon 90 days written notice to the other party and forthwith upon written notice in certain circumstances such as material unremedied breach upon notice or the insolvency of either party.

- (b) **Administration Agreement** - The Administration Agreement was entered into between the ICAV, the AIFM and the Administrator on 20<sup>th</sup> November, 2017 and may amended and/or supplemented from time to time and governs the appointment of the Administrator to provide administrative, registrar and transfer agency services. The Administration Agreement provides that the Administrator shall exercise a level of care in the performance of its duties under the Administration Agreement expected of an Irish professional administrator of collective investment schemes regulated by the Central Bank and shall not be liable for any loss of any nature whatsoever suffered by the Fund in connection with the performance by the Administrator of its obligations under the Administration Agreement, except a loss resulting directly from negligence, wilful misconduct, recklessness, bad faith, fraud or material breach of the Administration Agreement on the part of the Administrator. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising. The ICAV has agreed to indemnify the Administrator and hold it harmless from and against all liabilities, damages, costs, claims and expenses (including and without limitation reasonable legal fees and amounts reasonably in settlement with the agreement of the Fund, such agreement not to be unreasonably withheld) incurred by the Administrator, their directors, officers, employees, servants, or agents in the performance of any of their individual obligations or duties under the Administration Agreement (including and without limitation complying with instructions given to the Administrator by or on behalf of the relevant Fund) save where such liabilities, damages, costs, claims and expenses arise from the Administrator's own negligence, wilful misconduct, recklessness, bad faith, fraud or material breach of the Administration Agreement. The Administration Agreement may be terminated by any of the parties upon 90 days written notice to the other parties at any time after the first anniversary of the first issue of Shares, and forthwith upon written notice in certain circumstances such as material unremedied breach upon notice or the insolvency of any party.
- (c) **Depository Agreement** – The Depository Agreement was entered into between the ICAV, the AIFM and the Depository on 20<sup>th</sup> November, 2017 and may amended and/or supplemented from time to time, and governs the appointment of the Depository as depository of the ICAV. The Depository Agreement provides that the Depository shall be liable to the ICAV or to the Shareholders for the loss of a custody asset by the Depository or any sub-custodian and all other losses suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the AIFM Legislation. In the case of a loss of a custody asset, the Depository shall return to the ICAV custody assets of identical type or the corresponding amount without undue delay. The Depository shall not be liable for any loss of a custody asset if it can prove that the loss has arisen as a result of an external event beyond its or its sub-custodian's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the AIFM Legislation. The liability of the Depository shall not be affected by any delegation of its functions pursuant to the Depository Agreement. The ICAV has agreed to indemnify and hold harmless the Depository out of the assets of the relevant Fund against all losses, damages, actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets) and against all costs,

demands and expenses (including reasonable legal and professional expenses) arising therefrom ("Losses") which may be brought against, suffered or incurred by the Depositary by reason of the performance of the Depositary's duties hereunder save where any such Losses arise as a result of loss of a custody asset or the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the AIFM Legislation. The Depositary Agreement may be terminated by any of the parties upon 90 days written notice to the other parties at any time, and forthwith upon written notice in certain circumstances such as material unremedied breach upon notice or the insolvency of any party. The ICAV and/or the AIFM may not terminate the appointment of the Depositary and the Depositary may not retire or resign from such appointment unless and until a successor Depositary shall have been appointed in accordance with the Instrument, the AIFM Legislation and the Central Bank's requirements and its appointment is approved by the Central Bank.

### **Documents Available for Inspection**

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

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

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



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

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

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### **LUTETIA MERGER ARBITRAGE FUND**

This Supplement contains specific information in relation to Lutetia Merger Arbitrage Fund (the “**Fund**”), a sub-fund of Lutetia Capital ICAV (the “**ICAV**”). The ICAV is an umbrella Irish collective asset management vehicle with variable capital and segregated liability between sub-funds registered with and authorised by the Central Bank of Ireland with registration number C174275, pursuant to Part 2 of the Act. The Fund is an open-ended sub-fund.

### **SUPPLEMENT to the Prospectus dated 4<sup>th</sup> December, 2018 of LUTETIA CAPITAL ICAV**

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**This Supplement is dated 4<sup>th</sup> December, 2018**

## **IMPORTANT INFORMATION**

Capitalised terms used, but not defined, in this Supplement have the meanings given to them in the ICAV's prospectus dated 13<sup>th</sup> June, 2018 (the "Prospectus"). This Supplement forms part of and should be read together with and in the context of the Prospectus. The Prospectus is available from the ICAV at its registered office. The ICAV may establish additional Funds with the prior approval of the Central Bank and details of such other Funds shall be made available upon request. To the extent that there is any inconsistency between the terms of this Supplement and the Prospectus, this Supplement shall prevail with respect to the Fund.

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

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

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

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

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

### **Responsibility for this Supplement**

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

Under the Act, the Fund is a segregated and separate portfolio of assets maintained by the ICAV in accordance with the Instrument. As a result, unless stated to the contrary, references herein to actions taken by the Fund are to be construed as actions taken by the ICAV in respect of the Fund. Pursuant to

the Act any liability incurred on behalf of or attributable to any one Fund may only be discharged solely out of the assets of that Fund and the assets of other sub-funds of the ICAV may not be used to satisfy the liability.

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## DEFINITIONS

<b>Business Day</b>	means any day on which banks are normally open for business in Dublin, Ireland and Paris, France.
<b>Dealing Day</b>	means, in respect of subscriptions and redemptions the first Business Day of each month or such other Business Day(s) as the Directors may designate in their discretion and notify in advance to Shareholders.
<b>EONIA</b>	means Euro Overnight Index Average which corresponds to the average overnight investment rate in the Eurozone. It is calculated by the European Central Bank and published by the European Money Markets Institute (“EMMI”).
<b>Initial Offer Period</b>	means such period as detailed within the Supplement (which period may be extended or shortened at the discretion of the Directors upon recommendation from the AIFM), during which investors may apply to subscribe for Shares at the Initial Offer Price.
<b>Initial Offer Price</b>	means 100 in the currency of designation of the relevant Class.
<b>Minimum Viable Amount</b>	means an amount equal to €5,000,000 (or such other amount determined by the Directors and notified to the Shareholders).
<b>Net Asset Value</b>	means the Net Asset Value of the Fund or attributable to a Class (as appropriate), as described in the section of the Prospectus entitled “ <i>Net Asset Value and Valuation of Assets</i> ”.
<b>Net Asset Value per Share</b>	means the Net Asset Value of the Fund divided by the number of Shares in issue in the Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.
<b>Prime Broker</b>	means such entity or entities as may be appointed from time to time as prime broker to the Fund.
<b>Prospectus Directive</b>	means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are

offered to the public or admitted to trading and amending Directive 2001/34/EC.

**Redemption Deadline**

means 17:00 pm (Irish Time) thirty calendar days prior to the Valuation Day

**Subscription Deadline**

means 17:00 pm (Irish Time) five Business Days prior to the Valuation Day.

**Valuation Day**

means a day by reference to which the assets and liabilities of the Fund will be valued for the purposes of calculating the Net Asset Value and the Net Asset Value per Share of the Fund and each Class. The Valuation Day shall be the last Business Day of the month prior to the relevant Dealing Day and/or such other Business Days as the Directors may determine and notify in advance to Shareholders.

**Valuation Point**

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

## MANAGEMENT AND INVESTMENT MANAGEMENT

The Directors have appointed Lutetia Capital SAS as Alternative Investment Fund Manager of the ICAV and this Fund.

### BASE CURRENCY

The Base Currency of the Fund is USD.

### CLASSES OF SHARES

Class Name	Reference Currency	Hedged/Unhedged	Dividend Policy
I - USD	USD	Unhedged	Accumulation
I-EUR	EUR	Hedged	Accumulation
I-CHF	CHF	Hedged	Accumulation
I-GBP	GBP	Hedged	Accumulation
F - USD	USD	Unhedged	Accumulation
F-EUR	EUR	Hedged	Accumulation
F-GBP	GBP	Hedged	Accumulation
S-USD	USD	Unhedged	Accumulation
S-EUR	EUR	Hedged	Accumulation
S-GBP	GBP	Hedged	Accumulation
**E- USD	USD	Unhedged	Accumulation
**E-EUR	EUR	Hedged	Accumulation
**E-GBP	GBP	Hedged	Accumulation

\*\* Class E reserved for Directors of the ICAV or a director or employee of the AIFM

#### *Voting Rights*

The ICAV has not imposed any restrictions on the voting rights attaching to the Shares under Irish law.

## INVESTMENT OBJECTIVE AND POLICY

### Investment Objective

The Fund's objective is to outperform the interest rate return that could be obtained on the overnight interbank market in euros (EONIA) over a recommended investment horizon of three years, by actively investing in the equity markets, focusing primarily in the context of merger and acquisition transactions.

### Investment Policy

The Fund's investment policy is to actively invest in equity markets, primarily in the context of merger and acquisition transactions and notably invest in a selection of mainly European and North American stocks ("stock picking") considered to be undervalued by the AIFM.

In order to achieve the investment objective of the Fund, the AIFM will implement a set of securities strategies (principally on the equity markets) as described below in more detail. These strategies are based on a number of techniques, markets and sectors. The instruments used to implement each strategy are those described below under “Categories of Assets” section.

The breakdown of the portfolio between the different strategies will depend on market conditions and can vary over time.

The strategies will be implemented primarily in respect of issuers listed or traded on Recognised Markets in Europe and North America and to a lesser extent in other OECD countries.

With regard to market capitalisation of investments, the Fund will comply with the following rules:

- investments in shares of companies with a market capitalisation of less than EUR 500 million (or US dollars depending on the listing market) are limited to 20% of the Fund’s net assets,
- no investments will be carried out in shares of companies with a market capitalisation of less than EUR 50 million (or US dollars depending on the listing market).

### **Investment strategies**

The different planned strategies in the Fund are:

- *primarily: Investment strategies on announced mergers and acquisitions*

This type of strategies consists of buying or selling equities (or other securities) that are the subject of financial transactions in the form of takeover bids, public exchange offers, squeeze-out, mergers or similar situations. These strategies are implemented only when the transaction has been announced officially in the market.

The natural direction of the transaction is to buy the share of the target company at a discount versus the implicit value of the offer and to retain the securities until the transaction has been completed. If the offer is paid for in shares of the purchasing company (or a combination of shares and cash), a short position is taken on the shares of the purchasing company to take advantage of the difference between the implicit value of the offer and the market price of the target.

- *to a lesser extent: Investment strategies on expected or announced events*

Transactions on events (such as offers, mergers, spin-offs, exchanges of securities, changes to management, changes to the regulatory framework, sale of assets, changes to the shareholder structure etc.) that are expected or announced may have a risk profile that is higher than in the rest of the portfolio, but will offer a more attractive return.

In practice, these transactions operate on the basis of the same principle as that described above for announced merger and acquisition transactions. It involves taking advantage of the market’s undervaluation of the target asset of the event versus its theoretical value (determined by the



management teams according to tested valuation methods).

- *to a lesser extent: Subscription rights arbitrage*

It consists in buying the subscription rights when it is priced under its theoretical value and sell the underlying shares (equities, convertibles, warrants), or taking the opposite position when the price of the subscription right is over its theoretical value.

The arbitrage is balanced if the quantity of shares sold for the short position is exactly those obtained making the conversion of the rights.

- *to a lesser extent: Share class arbitrage*

This strategy seeks to take advantage of the arbitrage between two different share classes issued by the same company. These distinct share classes may be for example: ordinary shares, preferred dividend shares or new shares. The spread between the two share classes depends on the liquidity, the dividend, the entitlement to voting rights, the conversion probability. The natural way is to anticipate the conversion of the shares but the opposite situation may be considered if the spread is too small.

- *to a lesser extent: Index and equity arbitrage*

This investment strategy attempts to profit from the differences between actual and theoretical futures prices of the same stock or stock index (such as the S&P 500). This is done for example by simultaneously buying (or selling) a stock index future while selling (or buying) the stocks in that index.

Another type of index arbitrage is related to changes in stock indices. Such a strategy looks to arbitrage the inefficiencies caused by re-adjustments in equity indices. As indices are re-balanced, the strategy looks to exploit the heavy buying and selling by index funds of stocks which are entering or leaving the indices.

- *to a lesser extent: Dividend yield arbitrage*

The objective of this strategy is to assess the level of future dividend yields of stocks or stock indices. Positions invested aim to benefit from temporary market inefficiencies on expected dividend yields, especially through financial derivative instruments such as options, futures, performance swaps, futures on dividends.

## **Categories of Assets**

In order to achieve its investment objective, the Sub-Fund will be mainly exposed through direct investments or indirect investments (i.e. through the use of Financial Derivatives Instruments).

### Equities

The equity holdings are comprised solely of shares listed on regulated markets, primarily in Europe and North America, and will be listed exclusively in OECD countries. The allocation is discretionary in terms

of business sectors.

### Funds

The Fund may invest up to 50% of its assets in:

- other funds complying with the European Directive (UCITS) that are not funds of funds,
- French Funds which do not comply with the European Directive or Foreign Funds that do not comply with the European Directive (ETF only) but fulfil the requirements of the R214-13 article of the Monetary and Financial Code.

The maximum management fee (excluding performance fees) in relation to the investment management services that may be charged by Underlying Collective Investment Schemes in which the Fund may invest is 2% of the Net Asset Value of the Fund. Please refer to the section of the Prospectus headed, "Fees and Expenses" sub-section "Fees payable in respect of Investment in Underlying Collective Investment Schemes" for further details of fees that may be payable arising from such an investment.

### Money market instruments and debt securities

As part of the Fund's cash management, in addition to investments in money market funds, the Fund may invest in OECD corporate or government bonds and negotiable debt securities with a minimum "investment grade" rating. These investments will comprise up to 100% of the Fund's assets. Aside from the management of cash, this asset category can also help reduce the Fund's exposure to the equity markets.

### Forward financial instruments (options, futures and equity/index forward contracts)

These instruments are used notably to hedge the portfolio against an anticipated fall in the equity markets, a business sector or a portfolio security. Up to 100% of the Fund's assets may be invested in these instruments.

### Currency swaps and currency forwards

Currency hedges will be carried out via currency swaps and currency forwards. Up to 100% of the Fund's assets may be invested in these instruments.

### Other financial derivative instruments

The Fund may use CFD ("Contract For Difference"), equity swaps, or sometimes called portfolio swaps, in order to take a long or short exposure. These products are financial derivatives having equity as underlying.

They allow to obtain a synthetic exposure corresponding to:

- buy a stock, in case of long position, or

- sell a stock and borrow it simultaneously into the same contract, in case of short position.

In terms of performance, these products are similar to their underlying but may be less liquid. For this reason, counterparties will be chosen following a strict process.

The Fund may also use futures, listed or OTC options, as well as equity or index forward contracts notably to hedge the portfolio against an anticipated fall in the equity markets, a business sector or a security, but also to implement the strategy of the Fund.

#### Temporary purchase and sale of securities and Securities Financing Transactions

The Fund may carry out temporary purchases/sales of securities in order to implement its investment strategy, optimise its income, invest its cash or adjust the portfolio in view of changes in the assets under management. The Fund may carry out the following: securities repurchase and reverse repurchase transactions, securities lending/borrowing.

Any temporary purchase or sale of securities shall be carried out under market conditions and within regulatory limits.

Up to 100% of the Fund's net asset value may be subject to repurchase/reverse repurchase agreements on the financial instruments outlined in the Fund's investment objective and policy, up to 100% of the Fund's net asset value may be subject to securities lending on the financial instruments outlined in the Fund's investment objective and policy and up to 1000% of the Fund's net asset value may be subject to equity swaps on the equities outlined in the Fund's investment objective and policy ("**Securities Financing Transactions**"). It is expected that, in general, 10% of the Fund's net asset value may be subject to repurchase/reverse repurchase agreements, 10% of the Fund's net asset value may be subject to securities lending and 400% of the Fund's net asset value may be subject to equity swaps. For further information in respect of the direct and indirect costs and fees that arise as a result of Securities Financing Transactions, please see the section of the Prospectus entitled 'Securities Financing Transactions'.

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

- (a) the amount or degree to which the Fund may hold or be exposed to liquid assets in the form of cash, near cash, money market investments, government and non-government debt securities and other securities;
- (b) the percentage of the gross assets of the Fund which may be invested in or exposed to the securities of a single issuer or issue or exposed to the creditworthiness of a single counterparty or exposed to the credit risk of one or more reference entities;

- (c) the percentage of the gross assets of the Fund which may be invested in or exposed to unlisted securities or securities which are not traded on an exchange or market or to the credit risk of reference entities or securities which are below investment grade;
- (d) the markets in which or instruments in which the Fund may be invested or to which it may be exposed; or
- (e) portfolio turnover or construction.

### **Borrowing and Leverage**

The maximum leverage to be employed by the Fund will be calculated in accordance with:

- (i) the gross method (i.e. the sum of the absolute value of all positions of the Fund save for certain positions such as, inter alia, cash and highly liquid instruments) is 1000% of Net Asset Value; and
- (ii) the commitment method (i.e. the sum of the absolute value of all positions of the Fund including, inter alia, derivatives (which will be used for hedging purposes only) but netting and hedging can be taken into account) is 1000% of Net Asset Value.

Each method will be calculated in accordance with the AIFM Legislation.

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

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

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

Such information shall be provided as part of the periodic reporting to Shareholders as set out in the section of this Prospectus entitled "PERIODIC DISCLOSURE TO SHAREHOLDERS" and at least at the same time as the annual audited financial statements of the Fund.

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

### **Liquidity Management**

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

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

#### ***Currency hedging at portfolio level and at Class Level***

Foreign exchange transactions may be used for Class currency hedging purposes. Where a Class of Shares is designated as a hedged Class, that Class will be hedged against exchange rate fluctuation risks (i) between the Reference Currency of the Share Class and the Base Currency of the Fund and/or (ii) between the Reference Currency of the Class and the denominated currencies in which the assets of the Fund are denominated. Such hedging strategy shall be subject to the conditions and within the limits laid down by the Central Bank and may not be implemented in the following circumstances:

- (i) if the Net Asset Value of the Fund falls below USD\$10,000,000 or any other level whereby the AIFM considers that it can no longer hedge the currency exposure in an effective manner; and
- (ii) In circumstances where the exposure to assets of the Fund which are denominated in a non-Base Currency is non-material (generally less than 5% of the Net Asset Value of the relevant hedged Class or where the exposure is expected to be eliminated in a short period of time (generally, in less than one month).

Further information is set out in the Prospectus at the section entitled "Hedged Classes". It should be noted that the successful execution of a hedging strategy which mitigates this currency risk exactly cannot be assured.

Where a Class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates normally obtained from Bloomberg, Reuters or such other data provider as the AIFM deems fit. In such circumstances, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and/or in relation to the designated currencies of the underlying assets.

### ***Monitoring and Breach***

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

### ***Use of Subsidiaries***

The ICAV may establish one or more subsidiaries through which investment may be made and reserves the right to utilise this power, in accordance with the requirements of the Central Bank, where this is considered to be in the interests of the ICAV or current or prospective Shareholders or conducive to achieving the investment objective of the ICAV.

### ***Central Bank Developments***

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

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

The investment objective of a Fund may not be altered or material changes to the investment policy of the Fund made without the prior written approval of all Shareholders or on the basis of at least 75% of votes cast at a general meeting of Shareholders. Where non-material changes are made to the investment policy of the Fund, Shareholders shall be notified of such changes via appropriate disclosure being included in the next annual report of the Fund.

## **INVESTMENT RESTRICTIONS**

The investment restrictions set out in the section of the Prospectus headed “**THE ICAV: Investment Restrictions**” shall apply to the Fund. Restrictions on investments apply at the time of the purchase of the investment and continue to apply thereafter. If these limits are exceeded for reasons beyond the control of the AIFM, the Fund shall adopt as a priority objective for its sales transactions the remedying of that situation taking account of the interests of the Fund and its Shareholders.

## **PRIME BROKERS AND SUB-CUSTODIANS OF THE FUND**

### **Goldman Sachs International**

Goldman Sachs International (the “Prime Broker”) has been appointed by the ICAV as a Prime Broker to the Fund pursuant to a prime brokerage agreement dated 27<sup>th</sup> November 2017 and a number of product specific supplemental documents, as same may be amended from time to time (together “the

Prime Brokerage Agreement”). The Prime Broker is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (“FCA”) and the Prudential Regulation Authority of the United Kingdom in the conduct of its investment business, it has financial resources in excess of US\$200 million and its ultimate parent, The Goldman Sachs Group, Inc., has a Specified Credit Rating. In its capacity as Prime Broker, the Prime Broker may execute purchase and sale orders for the Fund, and clear and settle such orders and orders executed by other brokers. In addition, the Prime Broker may enter into off-exchange contracts with the Fund as principal. The Prime Broker will also provide the Fund with financing lines, and short selling facilities.

The Prime Broker shall be liable for damage or loss only to the Fund’s account(s) and only to the extent arising directly from any act or omission by the Prime Broker that constitutes negligence or wilful default. The Prime Broker shall not be liable under or in connection with the Prime Brokerage Agreement for loss (whether direct or indirect) of business profits, revenue or of data or any indirect, consequential or incidental damages, liabilities, claims, losses, expenses, awards, proceedings and costs, in each case, regardless of whether the possibility of such damages, liabilities, claims, losses, expenses, awards, proceedings and costs was disclosed to, or could reasonably have been foreseen by, the Prime Broker and whether arising in contract, in tort or otherwise.

The ICAV will indemnify the Prime Broker for any costs, loss, liability or expense that result from the proper performance of the Prime Broker’s obligations under the Prime Brokerage Agreement, except to the extent that the same is due to the negligence, fraud or wilful default of the Prime Broker.

The Fund’s obligations to the Prime Broker will be secured by way of a first fixed charge over the custody assets. In addition, the Fund’s obligations to the Prime Broker in respect of any financing lines and short selling facilities will be secured by transferring to the Prime Broker all rights, title and interest in and to certain of the custody assets identified for such purposes by the Prime Broker as collateral. Collateral shall pass from the Fund to the Prime Broker free and clear of any liens, claims, charges or encumbrances or any other interest of the Fund or any third party and accordingly the Prime Broker may deal with, lend, dispose of, pledge, charge or otherwise use all collateral for its own purposes and shall be obliged to redeliver equivalent collateral to the Fund on satisfaction by the Fund of all its obligations to the Prime Broker and its affiliates. The Fund will not be required to post collateral (excluding cash) with a market value in excess of 200% of the value of the Fund’s obligations to the Prime Broker.

The custody assets may be borrowed, lent, charged or otherwise used by the Prime Broker for its own purposes, whereupon such custody assets will become the property of the Prime Broker or become subject to a charge in favour of the Prime Broker, as the case may be. The Fund will have a right against the Prime Broker for the return of equivalent assets and will rank as an unsecured creditor in relation thereto. In the event of the insolvency of the Prime Broker, the Fund may not be able to recover such equivalent assets in full.

Cash held or received for the Fund by or on behalf of the Prime Broker and subject to either the first fixed charge or transfer of title collateral arrangements described above will not be treated as client money. Accordingly the Fund’s cash will not be subject to the client money protections conferred by the FCA Client Money Rules. As a consequence such cash may be used by the Prime Broker in the course of its business and the Fund will rank as a general creditor of the Prime Broker in the event of the Prime Broker’s insolvency.

The Prime Broker will have no decision-making discretion relating to the Fund's investments. Further, the Prime Broker shall have no obligation to review, monitor or otherwise ensure compliance by the Fund with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Fund's offering document(s). The Prime Broker is a service provider to the ICAV in respect of the Fund and is not responsible for the preparation of this document or the activities of the Fund and therefore accepts no responsibility for any information contained in this document.

The Fund reserves the right, in its discretion, to change the prime brokerage arrangements described above including, but not limited to, the appointment of additional prime broker(s).

The Depositary has also appointed Goldman Sachs International as its sub-custodian (the "Sub-Custodian") of the Fund's assets in accordance with the requirements of Regulation 22 of the AIFM Regulations, pursuant to a sub-custodian agreement dated 11<sup>th</sup> December 2017, as same may be amended from time to time. As Sub-Custodian, Goldman Sachs will be responsible for the safekeeping of all the investments and other assets of the Fund delivered to it (the "Custody Assets") other than those transferred to the Prime Broker as collateral or margin. The Sub-Custodian will identify, record and hold the custody assets in such a manner that the identity and location thereof can be identified at any time and so that the custody assets shall be readily identifiable as property belonging to, and held for the benefit of, the Fund and as separate from any of the Sub-Custodian's own property. The liability of the Depositary shall not be affected by such delegation to the Sub-Custodian. However, in the case of a loss of "financial instruments" (as defined in the AIFM Regulations) held in custody by the Prime Broker and Sub-Custodian, the Depositary may contractually discharge itself of liability provided that it complies with the requirements of the AIFM Regulations in relation to such delegation. Potential investors should note that pursuant to the terms of the sub-custody agreement with the the Sub-Custodian, the Depositary has discharged itself contractually of any liability for a loss of financial instruments provided that if the Central Bank or a court should determine the reasons for the discharge of liability are not objective, the Depositary shall remain liable subject to the AIFM Regulations.

## **UBS AG**

The ICAV has appointed UBS AG London Branch (**UBS**) as a prime broker to the Fund. UBS is incorporated and domiciled in Switzerland and operates under the Swiss Code of Obligations and Swiss Federal Banking Law. It is regulated in Switzerland by the Swiss Financial Market Supervisory Authority (**FINMA**) and by the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**) and is subject to the rules of the PRA and FCA in force from time to time (the **UK Rules**) in the conduct of its investment business. Information on UBS current credit ratings can be found at [http://www.ubs.com/global/en/about\\_ubs/investor\\_relations/debt/ratings.html](http://www.ubs.com/global/en/about_ubs/investor_relations/debt/ratings.html)

UBS is not responsible for the preparation of this document or the activities of the ICAV. UBS accepts no responsibility for any information contained in this document other than the description of UBS contained above. UBS will not participate in the ICAV's investment decision-making process.

**Appointment and Services:** UBS and the ICAV have entered into a Master Prime Brokerage Agreement dated 11<sup>th</sup> December 2017, as same may be amended from time to time ("PBA") under which UBS provides the Fund with certain services, including margin financing, clearing, settlement,



stock borrowing and foreign exchange facilities. Under the PBA, UBS may also provide an account for the Fund's cash ("Cash") and provide safekeeping services for some or all of the Fund's investments ("Custody Assets" and, together with Cash, "Assets").

**Security:** As security for the payment and discharge of its liabilities to UBS, the ICAV has charged all the Fund's Assets in UBS' favour. The ICAV may also deposit Assets with UBS as margin.

**No Client Money Protection:** UBS does not provide client money protection. The Fund's Cash is not segregated from UBS' own cash and may be used by UBS in the course of its own business. The ICAV ranks as a general creditor of UBS for the Cash balance.

**Use of Custody Assets:** UBS may borrow, lend or otherwise use Custody Assets for its own purposes. For so long as it does so, Custody Assets become UBS' property and the ICAV has a right against UBS for the return of equivalent assets for which it ranks as a general creditor.

**Limitation of UBS Liability:** UBS is not liable for any loss arising under the PBA unless it results directly from the negligence, bad faith, wilful default or fraud of a member of the UBS group or its employees, agents or delegates or a breach by such member of applicable law or regulatory rule or of the PBA ("**UBS event**").

**Indemnity:** Under the PBA the ICAV indemnifies each member of the UBS group and its employees, agents and delegates against any losses or claims arising out of the PBA, except where the losses or claims result directly from a UBS event.

**Brokerage:** Separately, the ICAV may also use UBS and other brokers and dealers to execute transactions for the Fund.

**Alterations to arrangements:** The ICAV may change its prime brokerage arrangements by agreement with UBS and may appoint other prime brokers.

**Custody Obligations:** The Depositary has appointed UBS as its sub-custodian in respect of the Fund pursuant to a sub-custodian agreement dated 1<sup>st</sup> June 2018, as same may be amended from time to time. The liability of the Depositary shall not be affected by such delegation to the sub-custodian. However, in the case of a loss of "financial instruments" (as defined in the AIFM Regulations) held in custody by the Prime Broker and sub-custodian, the Depositary may contractually discharge itself of liability provided that it complies with the requirements of the AIFM Regulations in relation to such delegation. Potential investors should note that pursuant to the terms of the sub-custody agreement with UBS, the Depositary has discharged itself contractually of any liability for a loss of financial instruments provided that if the Central Bank or a court should determine the reasons for the discharge of liability are not objective, the Depositary shall remain liable subject to the AIFM Regulations.

Under the UK Rules UBS must identify, record and hold Custody Assets at all times so that their identity and location is clear and they can be readily identified as belonging to a customer of UBS, separate from UBS' own investments and so unavailable to creditors of UBS.

UBS may register Custody Assets in its own name if to do so would be in the Fund's best interests or would be necessary according to applicable law or market practice. In such a case, Custody Assets might not be segregated from UBS's own investments, and in UBS's insolvency might not be as well protected.

**Sub-custodians:** Where it acts as sub-custodian, UBS may appoint sub-custodians to hold Custody Assets. UBS must:

- **Selection:** exercise reasonable skill, care and diligence in selecting any sub-custodian;
- **Ongoing suitability:** satisfy itself of the ongoing suitability of each sub-custodian to provide custodial services to the Fund,
- **Supervise:** maintain an appropriate level of supervision over the sub-custodian, periodically making appropriate inquiries to confirm that the sub-custodian is competently discharging its obligations.

Except as described above or where the sub-custodian is an affiliate of UBS, UBS is not liable for the actions of any sub-custodian it appoints.

## **SUBSCRIPTIONS**

### **Initial Offer Period**

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

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

**and** send such documentation and information to the Administrator by facsimile or email PDF (with the originals to follow, where required, immediately thereafter), all such documentation and information to be received prior to 5.00 p.m. (Dublin time) on the last Business Day of the Initial Offer Period. Each Application Form is subject to acceptance by the ICAV. Investors must validly complete, execute and return an Application Form in respect of the Class(es) of Shares which they wish to apply to subscribe for and in respect of each additional application for Shares.

### **Subscriptions following the Initial Offer Period**

Following the expiry of Initial Offer Period, the Directors may, in their discretion, accept applications to subscribe for additional Shares from existing investors and/or applications to subscribe for Shares from new investors. For the purposes of such applications, the Directors may specify one or more additional Dealing Days and Dealing Deadlines.

In order to apply to subscribe for additional Shares or to subscribe for Shares for the first time, prospective existing or new investors respectively must:-

- (a) validly complete and execute an Application Form together with the declarations referred to

therein in accordance with the Application Form; and

- (b) validly complete any additional documentation required by the Administrator (including for anti-money laundering purposes),

**and** send such documentation and information to the Administrator by facsimile or email PDF (with the originals to follow, where required, immediately thereafter), all such documentation and information to be received prior to 5.00 p.m. (Dublin time) on the relevant Dealing Deadline. Each Application Form is subject to acceptance by the ICAV. Investors must validly complete, execute and return an Application Form in respect of the Class(es) of Shares which they wish subscribe for and in respect of each additional application for Shares.

### Minimum Subscription

The minimum initial subscription per investor (“Minimum Subscription”) is detailed below under ‘**Share Class Details**’.

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

Knowledgeable Persons may be exempted from such a minimum at the discretion of the Directors.

### Offer Price

Shares will be issued at an Initial Offer Price, as detailed below under ‘Share Class Details’ during the Initial Offer Period, net of initial charges, if any. In respect of Shares issued following the expiry of the Initial Offer Period, such Shares will be issued at the Net Asset Value per Share of the relevant Class at the Valuation Day following the relevant Dealing Deadline, net of initial charges if any.

### Share Class Details

Class Name	Initial Offer Price	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount	Minimum Holding	Initial Offer Period
<b>I - USD</b>	USD100	USD Equivalent of USD 120,000	None	None	Closed
<b>I - EUR</b>	EUR 100	EUR 100,000	None	None	Closed
<b>I - CHF</b>	CHF 100	CHF Equivalent of EUR 120,000	None	None	Closed

<b>I - GBP</b>	GBP 100	GBP 100,000	None	None	9.00a.m. (Irish time) on 5 <sup>th</sup> December, 2018 to 5.00 p.m. (Irish time) on 24 <sup>th</sup> January, 2019
<b>F - USD</b>	USD 100	USD 25,000,000	None	None	Closed
<b>F - EUR</b>	EUR 100	EUR 25,000,000	None	None	Closed
<b>F - GBP</b>	GBP 100	GBP 25,000,000	None	None	9.00a.m. (Irish time) on 5 <sup>th</sup> December, 2018 to 5.00 p.m. (Irish time) on 24 <sup>th</sup> January, 2019
<b>S - USD</b>	USD 100	USD 25,000,000	None	None	Closed
<b>S - EUR</b>	EUR 100	EUR 25,000,000	None	None	Closed
<b>S - GBP</b>	GBP 100	GBP 25,000,000	None	None	9.00a.m. (Irish time) on 5 <sup>th</sup> December, 2018 to 5.00 p.m. (Irish time) on 24 <sup>th</sup> January, 2019
<b>**E - USD</b>	USD 100	USD Equivalent of EUR 100,000	None		Closed
<b>**E - EUR</b>	EUR 100	EUR 100,000	None		Closed
<b>**E - GBP</b>	GBP 100	GBP 100,000	None		9.00a.m. (Irish time) on 5 <sup>th</sup> December, 2018 to 5.00 p.m. (Irish time) on 24 <sup>th</sup> January, 2019

\*\* Class E reserved for Directors of the ICAV or a director or employee of the AIFM

## Subscription Application Procedure

### General

Subscription applications should be made in writing using the Application Form in accordance with the procedures outlined therein and in this Prospectus.

Subscription requests received prior to the relevant Subscription Deadline for any Dealing Day will generally be processed on that Dealing Day. Any Subscription requests for Shares received after the Subscription Deadline for a particular Dealing Day will be processed on the following Dealing Day

unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such Subscription requests have been received prior to the Valuation Point for the particular Dealing Day.

If the application is accepted by the ICAV, the Administrator will endeavour to confirm such acceptance by written acknowledgement to the applicant as soon as practicable. If the applicant has not received such written acknowledgement from the Administrator on behalf of the ICAV within 5 Business Days, the applicant should contact the Administrator at the address set forth in this Prospectus to ascertain the status of its application, as it cannot assume its successful application until it receives such written acknowledgement from the Administrator.

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

Amendments to payment instructions will only be made following receipt of original written instructions from the relevant investor or Shareholder.

#### **Payment of subscription monies**

Payment in cleared funds to the account of the Fund should be received no later than 5.00 p.m. (Dublin time) not less than two Business Days prior to the relevant Dealing Day.

#### **In Specie or In Kind Subscriptions**

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

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

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

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

duly completed with cleared funds.

Fractions of Shares will be issued where any part of the subscription monies for Shares of a Class represents less than the Subscription Price for one Share of the relevant Class, provided however, that fractions shall not be less than 0.01 of a Share.

Amendments to payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

## **REDEMPTIONS**

Shareholders may request redemption of their Shares on and with effect from any Dealing Day.

If the redemption of only part of a Shareholder's shareholding of a Class would leave the Shareholder holding less than the Minimum Holding for the relevant Class, the ICAV or its delegate may, if it thinks fit, redeem the whole of that Shareholder's holding in such Class.

Please refer to the section headed "Redemption of Shares" in the section entitled "REDEMPTIONS AND CONVERSIONS" in the Prospectus for further information on the redemption process and restrictions.

Please refer to the section headed "Redemption of Shares" in the Prospectus for further information on the redemption process and restrictions.

### *Redemption Prices*

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

### *Redemption Cash Payments*

Redemption proceeds, less any deductions on account of Performance Fees, are expected to be paid within 10 business days of the relevant Dealing Day, provided, however, that such redemption proceeds will be paid to Shareholders within 90 calendar days of the relevant Dealing Day.

### *In Specie or In Kind Payments*

The Directors may, with the consent of the Shareholder whose Shares are being redeemed, effect any redemption of Shares by the transfer in specie or in kind to such Shareholder of assets of the Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any redemption charge and other expenses of the transfer.

Where the redemption proceeds to be paid to a Shareholder represent five per cent. or more of the Net Asset Value of the Fund, the Directors may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind by way of the transfer of shares, securities and/or other assets of the Fund, having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash. The costs of effecting such transfer shall be deducted from the redemption

proceeds. The relevant Shareholder(s) may in such instances further elect for the relevant assets to be held in a segregated account of the Fund and for the proceeds of disposal of such assets, less costs, to be distributed to the relevant Shareholder(s). In the case of redemption in specie or in kind, asset allocation will be subject to the approval of the Depositary. The Depositary may only accept a redemption on an in specie or in kind if it is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the Shareholders.

### **COMPULSORY REDEMPTION**

The Directors have the power under the Instrument to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation. The Directors have the power, subject to notice requirements set out in the Instrument, to compulsorily redeem all Shares in the Fund where the Net Asset Value of the Fund falls below the Minimum Viable Amount. The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of (i) any person who is not a Qualifying Investor or (ii) any other person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, the Fund or Class or Shareholders as a whole. The Directors may also redeem any Shares held by any person who does not supply any information or declaration required under the terms hereof to be furnished. The Directors may in their absolute discretion designate one or more Redemption Days prior to the expiration of the Term in order to return capital to Shareholders by way of compulsory redemption.

Any such redemptions will be effected on a Business Day determined by the Directors, and notified in advance to Shareholders, at the Net Asset Value per Share calculated as of the Valuation Point with respect to the relevant Business Day on which the Shares are to be redeemed. The ICAV may deduct from such redemption proceeds an amount to discharge any taxation or withholding tax arising (or that may arise, as determined by the ICAV in its sole discretion) as a result of the holding, beneficial ownership, disposal or redemption of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders amounts in respect of liability to Irish taxation including any penalties and interest thereon. The Directors may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding, beneficial ownership, disposal or redemption of Shares by a Shareholder including any interest or penalties payable thereon. Relevant Shareholders will indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

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

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

## DISTRIBUTION POLICY

It is not intended to declare any dividends in respect of any Shares in the Fund.

### UK Reporting Fund Status

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

## SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Directors may from time to time temporarily suspend the determination of Net Asset Value of the Fund or Class and/or the issue and redemption of Shares in any Class in circumstances set out in the Instrument and the section of the Prospectus entitled “**Suspension of Valuation of Assets**”.

## FEES AND EXPENSES

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

### *AIFM's Fee*

Pursuant to the AIFM Agreement, the AIFM is entitled to charge the Fund an annual fee not to exceed 2.0% of the Net Asset Value of the Fund. The AIFM's fee shall be subject to the imposition of Value Added Tax (“VAT”) if required. Details of the AIFM fee payable at Class level is detailed below. The fee will be calculated and accrued daily and is payable monthly in arrears within ten (10) Business Days of the last Business Day of each calendar month. The AIFM's fee may be waived or reduced by the AIFM, in consultation with the Directors. The AIFM may decide to rebate to one or more Shareholders or intermediaries part or all of its investment management fee, which may include directors and employees of the AIFM.

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

<b>Class Name</b>	<b>Management Fee</b>	<b>Performance Fee</b>
<b>I - USD</b>	Up to 1.5%	Up to 15%
<b>I - EUR</b>	Up to 1.5%	Up to 15%
<b>I – CHF</b>	Up to 1.5%	Up to 15%
<b>I - GBP</b>	Up to 1.5%	Up to 15%
<b>F - USD</b>	Up to 1%	Up to 10%
<b>F - EUR</b>	Up to 1%	Up to 10%
<b>F – GBP</b>	Up to 1%	Up to 10%



<b>S - USD</b>	Up to 1.25%	Up to 10%
<b>S - EUR</b>	Up to 1.25%	Up to 10%
<b>S - GBP</b>	Up to 1.25%	Up to 10%
<b>E - USD</b>	None	None
<b>E - EUR</b>	None	None
<b>E - GBP</b>	None	None

No AIFM Fee, or performance fee, will be charged on subscriptions made by a Director of the ICAV or a director or employee of the AIFM in respect of Class E Shares (which are reserved for such persons only).

#### *Performance Fee*

#### **Up to 31<sup>st</sup> December 2018**

The AIFM is entitled to a Performance Fee in respect of the performance of each of the Classes as mentioned above under "AIFM's Fee".

The Class Performance Fee of up to 20% per annum multiplied by the net realised and unrealised appreciation of the Net Asset Value of the relevant Class (but for the purpose of calculating the Class Performance Fee, not reduced by the Class Performance Fee; for the purpose of this section the "Gross NAV") shall be calculated in the relevant currency of each Class and payable in USD at the end of each Fee Period. The Class Performance Fee should be calculated subject to the high water mark mechanism described below. The calculation of the Class Performance Fee will be carried out by the Administrator and verified by the Depositary.

The Class Performance Fee will be calculated on each Valuation Day and paid only on new net gains with respect to the relevant Class, i.e., a high water mark will be employed so that no Class Performance Fee will be paid until the Gross NAV of the relevant Class remains below the highest Gross NAV of the relevant Class as of the end of any Fee Period (as defined below), adjusted for any subsequent subscriptions and redemptions. The Class Performance Fee will apply again once the highest adjusted Gross NAV of the relevant Class (at the date of the issue of such Class or the last date in respect of which a performance fee was paid in respect of the Class) has been reached again. For the initial Fee Period, the Gross NAV shall initially be equal to the fixed Initial Offer Price per Share of the relevant Class multiplied by the number of Shares issued in that Class at the end of the Initial Offer Period.

In the event that some or all of a shares of a Class are redeemed other than at the end of the Fee Period, any Performance Fee that the Fund is accruing in relation to such Shares as at the relevant Redemption Date shall be due and payable to the AIFM.

The Class Performance Fee will be payable to the AIFM.

Investors should note that the Fund does not perform equalization for the purposes of determining the Class Performance Fee. The current methodology for calculating the Class Performance Fee involves accruing the Class Performance Fee on each Valuation Day. Investors may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Fee Period.

The value of the Fund positions will be calculated in U.S. Dollars and the amount of the Class Management Fee and the Class Performance Fee borne by the Fund, will be calculated in the currency of each Class.

For the purpose of this section, "Fee Period" means each calendar year ending on the last Valuation Day of December with the initial Fee Period starting at the end of the Initial Offer Period and ending on the last Valuation Day of December 2018.

In the event a Performance Fee is not crystallised on the last Valuation Day of December 2018, the current high water mark will be carried forward for Shareholders into 2019.

**With effect from 1<sup>st</sup> January 2019 and in respect of subscriptions received from 1<sup>st</sup> January 2019**

The AIFM shall be entitled out of the assets of the Fund to a performance fee (the "**Performance Fee**") in respect of each Class which will accrue on each Valuation Day and be paid annually in arrears at the end of each calendar year (the "**Relevant Period**") in an amount equal to up to fifteen per cent (15%) of the "**Excess Increase**". In the case of the first Relevant Period, the initial price of the relevant Class shall be taken as the starting price and the Relevant Period will commence on the last Business Day of the Initial Offer Period and will conclude on the last Valuation Day of December 2019.

"**Excess Increase**" means the excess of the Net Asset Value per Share of the Class (before Performance Fee accrued) on the relevant Valuation Day over and above the Net Asset Value per Share of the Class at which a performance fee was previously paid / accrued in respect of a previous Relevant Period or the initial price if higher (the "**High Water Mark**").

Where the Excess Increase is zero or less, no charge is made.

A High Water Mark is employed so that no Performance Fee will be charged until the Net Asset Value per Share of the Class exceeds the highest Net Asset Value per Share of the Class as at the last Valuation Day of any previous Relevant Period. The fee is only payable / paid on the increase over the High Water Mark.

Equalisation

If an investor subscribes for Shares of a particular Class ("**Relevant Class Shares**") at a time when the Net Asset Value per Share before deduction of any accrued performance fee ("**Net Asset Value**") of that Class is at a value other than the High Water Mark for that Class, certain adjustments (as outlined below) will be made to reduce inequalities that could otherwise result to the investor or to the AIFM.

## **1. Subscriptions below the High Water Mark per Class**

If Relevant Class Shares are subscribed for by an investor where the Net Asset Value per Share of that Class is less than the High Water Mark for that Class, the Shareholder will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those Relevant Class Shares.

With respect to any appreciation in the value of those Relevant Class Shares from the Net Asset Value per Share at the date of subscription up to the High Water Mark for that Class, the Performance Fee will be charged at the end of each Relevant Period by redeeming such number of the Shareholder's Shares that aggregate to a Net Asset Value (after accrual for any Performance Fee) equal to up to fifteen per cent (15%) of any such appreciation (a "**Performance Fee Redemption**"). The aggregate Net Asset Value of the Relevant Class Shares so redeemed will be paid to the AIFM as a Performance Fee. Performance Fee Redemptions ensure that the Fund maintains a uniform Net Asset Value per Share. As regards the Shareholder's remaining Relevant Class Shares, any appreciation in the Net Asset Value per Share above the High Water Mark for that Class will be charged a Performance Fee in the normal manner. In the event that a Shareholder redeems Relevant Class Shares midway through a Relevant Period and an adjustment is required to such Relevant Class Shares, such adjustment shall be deducted from the redemption proceeds and shall be paid to the AIFM.

## **2. Subscriptions above the High Water Mark per Class**

If Relevant Class Shares are subscribed for by an investor where the Net Asset Value per Share is greater than the High Water Mark for that Class, the Shareholder will be required to pay an amount in excess of the then current Net Asset Value per Share equal to up to fifteen per cent (15%) of the difference between the Net Asset Value per Share (before accrual for the Performance Fee) and the High Water for that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Relevant Class Share accrued with respect to the other Shares in that Class (the "**Maximum Equalisation Credit**"). The Equalisation Credit accounts for the fact that the Net Asset Value per Share has been reduced to reflect an accrued Performance Fee to be borne in relation to the Relevant Class Shares and serves as a form of credit against Performance Fees that might otherwise be payable in relation to the Relevant Class Shares but that should not, in fairness, be charged against the holder of the Relevant Class Shares making the subscription (because, in relation to the Relevant Class Shares, no favourable performance has yet occurred). The Equalisation Credit mechanism seeks to ensure that all Shares in a Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Relevant Class Shares and will therefore appreciate or depreciate based on the performance of the Relevant Class Shares subsequent to the issue of the those Shares (but will never exceed the Maximum Equalisation Credit). In the event of a decline as at any Redemption Day / Subscription Day in the Net Asset Value per Share for that Class, the Equalisation Credit will also be reduced by an amount equal to up to fifteen per cent (15%) of the difference between the Net Asset Value per Share of that Class (before accrual for the Performance Fee) at the date of issue and as at that Redemption Day / Subscription Day. Any subsequent appreciation in the Net Asset Value of the Relevant Class Shares will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation

Credit up to the Maximum Equalisation Credit.

At the end of each Relevant Period, if the Net Asset Value per Relevant Class Share (before accrual for the Performance Fee) exceeds the High Water Mark for that Class, that portion of the Equalisation Credit equal to up to fifteen per cent (15%) of the excess, multiplied by the number of Shares subscribed for by the Shareholder, will be applied to subscribe for additional Shares in that Class for the Shareholder.

Additional Shares will continue to be so subscribed for at the end of each Relevant Period until the Equalisation Credit, as it may have appreciated or depreciated after the original subscription for the Relevant Class Shares was made, has been fully applied.

The Performance Fee with respect to a Class accrues at each Valuation Day and is payable annually (by reference to the Relevant Period) out of the assets of the Sub-Fund attributable to the relevant Class. However, if a Shareholder redeems Shares of a Class during the Relevant Period on a Redemption Day / Subscription Day in respect of which there is an accrued Performance Fee, the accrued Performance Fee attributable to the Shares being redeemed will be crystallised and payable to the AIFM.

In the event that the ICAV is liquidated, or the Fund or the AIFM Agreement is terminated prior to the end of a Relevant Period, the Performance Fee will be computed as though the effective date of the liquidation of the ICAV or termination of the Fund or the AIFM Agreement, as appropriate, was the end of a Relevant Period.

The Performance Fee shall be calculated by the Administrator (subject to verification by the Depositary) based on the finalised Net Asset Value per Share of the Class as at the relevant Valuation Day.

#### *Administrator's Fee*

The Fund shall discharge the Administrator's fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Administrator's fee shall not exceed 0.05% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Day and shall be payable monthly in arrears subject to a minimum annual fee of € 60,000.

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

#### *Depositary's Fee*

The Fund shall discharge the Depositary's fees and expenses (including any reasonable out of pocket expenses incurred on behalf of the Fund). The Depositary's fee shall not exceed 0.05% of the Net Asset Value of the Fund which shall be calculated and accrued as of each Valuation Day and shall be payable monthly in arrears subject to a minimum annual fee of €40,000. A minimum monthly charge will be applied by the global custodian and will not exceed €4,800. Sub-custodian fees for any other markets

may be charged to the Fund and will be charged at normal commercial rates.

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

#### *Prime Brokers and Sub-Custodians*

The Prime Broker(s) and Sub-Custodian(s) appointed in respect of a Fund will receive such fees as may be agreed with or notified to the Fund from time to time at normal commercial rates. The Prime Broker(s) and Sub-Custodian(s) will receive prime brokerage fees which are based upon a combination of transaction charges and interest costs. The Prime Broker(s) and Sub-Custodian(s) may receive a separate fee for their custodial services.

The fee payable to a prime broker/sub-custodian shall not exceed Libor 1 month + 1% per level of gross leverage of the Fund.

#### *Establishment Expenses*

As per the section of the Prospectus headed “Fees and Expenses” under the sub-section “Establishment Expenses”, the Fund shall bear the fees and expenses in respect of the establishment and organisation of the Fund (including legal, accounting and taxation advisers). Such fees and expenses are estimated to amount to approximately € 40,000 (plus VAT, if any) and it is intended will be amortised over a period of up to five years or such other period and in such manner as the AIFM in its absolute discretion deems fair and shall be subject to such adjustment following the establishment of new Classes (if any) as the AIFM may determine. All fees of the Fund’s professional advisers and the fees and expenses incurred in registering it for sale in various markets will also be borne by the Fund. Such fees and expenses may be amortised over the first five Accounting Periods of the Fund or such other period and in such manner as the AIFM in its absolute discretion deems fair and shall be subject to such adjustment following the establishment of new Funds or Classes (if any) as the AIFM may determine. Costs may be amortised over such period as may be determined by the AIFM and will represent an asset for the purposes of calculating the Net Asset Value of the Fund. In accordance with International Standards on Auditing (UK and Ireland), where any such establishment or organisational expenses are so amortised, it should be noted that the Net Asset Value will be reported in the financial statements as if such expense had been fully amortised in the Accounting Period in which they were incurred.

#### *Distributor Fee*

The fees and expenses of any Distributors or placement agents appointed to assist in the distribution of the Fund’s Shares shall have their fees paid for by the Fund at normal commercial rates and their reasonable expenses reimbursed by the Fund.

#### *Subscription Fee*

The Directors may charge each investor a subscription fee of up to 3% of the Net Asset Value of the relevant Share Class, which fee may be retained by the Fund or used to discharge the fees of

intermediaries. The Directors may waive the application of such fee in respect of one or more investors.

**It is not the current intention to charge a subscription fee.** In the event a subscription fee is to be applied at a future date, prior notice of same shall be provided to Shareholders.

#### *Redemption Fee*

The Directors may charge Shareholders a redemption fee of up to 3% of the Net Asset Value of the relevant Share Class, for the benefit of the Fund, as further detailed below.

<b>Class Name</b>	<b>Redemption Charge</b>
<b>I - USD</b>	Up to 3%
<b>I - EUR</b>	Up to 3%
<b>I - CHF</b>	Up to 3%
<b>I - GBP</b>	Up to 3%
<b>F - USD</b>	Up to 3%
<b>F - EUR</b>	Up to 3%
<b>F - GBP</b>	Up to 3%
<b>S - USD</b>	Up to 3%
<b>S - EUR</b>	Up to 3%
<b>S - GBP</b>	Up to 3%
<b>E - USD</b>	None
<b>E - EUR</b>	None
<b>E - GBP</b>	None

### **SWING PRICING**

#### **Swing pricing**

Subscriptions or redemptions in a Fund or Share Class can create dilution of the Fund's or the Share Class's assets if Shareholders subscribe or redeem at a price that does not necessarily reflect the real dealing and other costs that arise when the AIFM buys or sells assets to accommodate net subscriptions or net redemptions. In order to protect the interests of the existing Shareholders of a Fund or a Share Class, a swing pricing mechanism may be adopted as appropriate and as further described below.

If the net subscriptions and redemptions based on the last available Net Asset Value on any Valuation Day exceed a certain threshold of the value of a Fund or a Share Class on that Valuation Day, as determined and reviewed on a periodic basis by the AIFM, the asset value may be adjusted respectively upwards or downwards to reflect the dealing and other costs that may be deemed to be incurred in buying or selling assets to satisfy net daily transactions. The Directors may, in consultation with the

AIFM, apply a swing pricing mechanism across any Fund or Share Class as described in the Supplement of the relevant Fund. The extent of the price adjustment will be set by the Directors, in consultation with the AIFM to reflect estimated dealing and other costs.

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

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

## **RISK FACTORS**

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

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

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

### *Risk associated with arbitrage strategies*

Arbitrage is a technique that consists of profiting from price differences on different markets, sectors, securities, currencies, instruments, etc. If the prices for these arbitrages move in the wrong direction (price rise for short transactions and/or price fall for long transactions), the Fund's Net Asset Value may be negatively impacted.

### *Risk associated with discretionary management*

The discretionary management style applied to the Fund is based on anticipating market movements and allocating assets, carried out by the AIFM, and on the quality of stock picking. There is a risk that the AIFM may not select the best performing stocks and that the asset allocation among the various markets is not optimal.

### *Risk of capital loss*

Investors should be aware that the Fund does not offer any guarantee or protection and that they may not get back their original investment.

### *Equity Risk*

Equity risk corresponds to the risk of a downturn in the equity markets. In addition, the Fund may invest in shares of small and mid-cap companies. These securities often involve greater risks than the securities of larger, better-known companies. For example, market movements on those securities are more marked and more rapid than on large-cap stocks, due to limited volume traded. The Fund's Net Asset Value may be affected by these more marked market movements.

### *Currency Risk*

Because the Fund may invest in securities denominated or quoted in currencies other than the Base Currency, changes in currency exchange rates may affect the value of the portfolio. The Fund may seek to protect the value of some or all of its portfolio holdings against currency risks by engaging in hedging transactions. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Fund wishes to use them or that, even if available, the Fund will elect to utilize a hedging strategy.

### *Use of Brokers / Clearers*

The use of a broker and/or a clearing agent will result in credit and settlement risks and in costs at normal commercial rates in relation to the services of a broker and/or a clearing agent.

### *Counterparty Risk*

The Fund may be exposed to OTC instruments which will expose it to the creditworthiness and solvency of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, broker or such other entities, the Fund could experience disruptions and significant losses, inability to materialize any gains on its investments during such period and possibly fees and expenses. These risks may differ materially from those entailed in transactions effected on an exchange which generally entail higher degree of security.

### *Financial Derivative Instrument Risks*

To achieve its investment objective, the Fund may use FDI. These derivatives involve various risks, such as counterparty risk, hedging disruption, taxation risk, regulatory risk, operational risk and liquidity risk. These risks may affect a derivative instrument directly and may result in modification or even premature termination of the derivative transaction, which may reduce the Fund's Net Asset Value.



### *Short Exposure*

The Fund may take synthetic short exposure through the use of FDI. A short exposure involves the risk of a theoretically unlimited increase in the market price of the underlying instruments of the FDI which could result in a theoretically unlimited loss.

### *Risk linked to the use of Reverse Repurchase Agreements*

If the counterparty of a reverse repurchase agreement from which securities have been acquired fails to honour its commitment to repurchase the security in accordance with the terms of the agreement, the Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. The Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights to the underlying securities, including reduced income during the period of enforcement and expenses in enforcing its rights.

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