
The Directors of the ICAV whose names appear in the Directory on page 1 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

CIFC CREDIT FUNDS ICAV

(an open-ended Irish collective asset-management vehicle with registered number C422393 structured as an umbrella fund with segregated liability between Funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended)

PROSPECTUS

The date of this Prospectus is 17 April 2024.

IMPORTANT INFORMATION

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE ICAV AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT YOUR STOCKBROKER OR OTHER FINANCIAL ADVISER.

Certain terms used in this Prospectus are defined in the section of this Prospectus entitled “Definitions”.

Central Bank Authorisation

The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the ICAV by the Central Bank does 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 or of any Fund.

Risk Factors

Investors should read and consider the section of this Prospectus entitled “*Special Considerations and Risk Factors*” before investing in a Fund as well as the Supplement in respect of such Fund.

There can be no assurance that a Fund will achieve its investment objective. **The value of the Shares, and the income from them, may fall as well as rise and therefore Shareholders may not get back the amount invested in the Fund.** The capital return and income of a Fund are based on the capital appreciation and income of the investments it holds less expenses incurred. Therefore, a Fund’s return may be expected to fluctuate in response to changes in such capital appreciation or income.

Details of any applicable Subscription Charge, of up to 5% of the amount subscribed, or Redemption Charge, of up to 3% of the Redemption Proceeds, will be disclosed in the Relevant Supplement for a Fund, if applicable. In the event that such charges are imposed, the difference at any time between the Subscription Price and the Redemption Price of Shares means that an investment in such Shares should be viewed as medium to long term.

Shareholders should note that all/part of the fees and expenses (including management fees if applicable) may be charged to the capital of a Fund. This will have the effect of lowering the capital value of your investment of the relevant Fund where disclosed in the Relevant Supplement.

Selling Restrictions

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Each purchaser of Shares will be required to represent that such Shares are being acquired for its own account, for investment, and not with a view to resale or distribution.

Investors must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and U.S. taxation.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any state or political sub-division of the U.S., and the ICAV has not been and will not be registered under the 1940 Act. Except as otherwise described herein, Shares may not be offered or sold, directly or indirectly to, or for the benefit of, any U.S. Person except pursuant to registration or applicable exemption that does not violate U.S. securities laws.

Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus, Relevant Supplement, the latest KIID and the latest annual audited financial statements and any subsequent half-yearly report.

Shareholders should note that the audited financial statements contained in the annual report are presented to the Shareholders as a body at the date of the annual audited financial statements and the auditors do not accept liability to any other party in respect of such financial statements.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

The distribution of this Prospectus and the KIIDs in some jurisdictions may require the translation of the documents into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

This Prospectus must be read in its entirety before making an application for Shares.

Forward Looking Statements

This Prospectus includes “forward looking statements.” In some cases, forward looking statements can be identified by the use of terminology such as “anticipates,” “believes,” “estimates,” “seeks,” “expects,” “plans,” “will,” “intends,” “aims” and similar expressions. Although the ICAV believes that the expectations reflected in these forward looking statements are reasonable as of the date of this Prospectus, such expectations may prove to be incorrect. Important factors could cause actual results to differ materially from such expectations. For information about some of the factors that could cause a Fund’s actual results to differ from the expectations stated in the forward looking statements, please read the section entitled “Special Considerations and Risk Factors” in this Prospectus. The ICAV urges investors to consider these risk factors carefully in evaluating the forward looking statements contained in this Prospectus. All subsequent written or oral forward looking statements attributable to the ICAV or any persons acting on behalf of the ICAV are expressly qualified in their entirety by these cautionary statements. The forward looking statements included in this Prospectus are made only as of the date of this Prospectus. The ICAV does not intend, and undertakes no obligation, to update these forward looking statements.

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DIRECTORY

Directors

Joshua Hughes
Robert McGann
Donard McClean
Claire Cawley

Registered Office

70 Sir John Rogerson's Quay
D02 R296
Dublin 2
Ireland

Manager

Carne Global Fund Managers (Ireland) Limited
3rd Floor
55 Charlemont Place
Dublin
D02 F985
Ireland

Investment Manager and Distributor

CIFC Asset Management LLC
1 SE 3rd Avenue
Suite 1660
Miami
FL 33131
United States

Depository

J.P. Morgan Bank (Ireland) plc
200 Capital dock
79 Sir John Rogerson's Quay
D02 RK57
Dublin 2
Ireland

Administrator

JPMorgan Hedge Fund Services (Ireland)
Limited
200 Capital dock
79 Sir John Rogerson's Quay
D02 RK57
Dublin 2
Ireland

Auditors

Deloitte
Deloitte Ireland LLP
29 Earlsfort Terrace
D02 AY28
Ireland

Legal Advisor as to Irish Law

Matheson
70 Sir John Rogerson's Quay
D02 R296
Dublin 2
Ireland

Secretary

Matsack Trust Limited
70 Sir John Rogerson's Quay
D02 R296
Dublin 2
Ireland

DEFINITIONS

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

“1933 Act”	means the U.S. Securities Act of 1933 (as amended);
“1940 Act”	means the U.S. Investment Company Act of 1940 (as amended);
“Accumulating Shares”	means Shares of a Fund carrying no right to any distributions of income with the income and capital gains attributable to such Shares retained within the Fund and reflected in the Net Asset Value of such Shares;
“Administration Agreement”	means the agreement dated 31 July 2020 between the Manager, the ICAV and the Administrator, pursuant to which the latter was appointed administrator, registrar and transfer agent of the ICAV as may be amended, supplemented or modified from time to time in accordance with the requirements of the Central Bank;
“Administrator”	means JPMorgan Hedge Fund Services (Ireland) Limited or such other entity that shall be appointed by the ICAV as administrator, registrar and transfer agent;
“AEOP”	has the meaning ascribed to it in the section of this Prospectus entitled “The OECD Common Reporting Standard”;
“Anti-Dilution Levy”	means such levy, adjustment or charge which may be applied in the circumstances described in this Prospectus and/or the relevant Supplement to cover any dealing costs (including Duties and Charges) and to preserve the value of the underlying assets of the relevant Fund, such levy being retained for the benefit of the Fund;
“Application Form”	means the application form to be completed by Subscribers for Shares of any Fund or Class as prescribed by the ICAV from time to time;
“Base Currency”	means the base currency of a Fund as specified in the Relevant Supplement;
“Beneficial Owner”	means a natural person(s) who ultimately owns or controls the ICAV through either a direct or indirect ownership of a sufficient percentage of shares or voting rights or ownership interest in the ICAV (as a whole). Where a natural person holds more than 25% of the shares of the ICAV or has an ownership interest of more than 25%, then that shall be an indication of direct ownership by that person. Where a corporate or multiple corporates hold more than 25% of the shares or other ownership interest exceeding 25% in the ICAV and those holdings are controlled by the same natural person(s) that shall be an indication of indirect ownership;

“Beneficial Ownership Regulations”	means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as may be amended, consolidated or substituted from time to time;
“Business Day”	means a “Business Day” as defined in the Relevant Supplement;
“Central Bank”	means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the ICAV;
“Central Bank Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as amended or any further amendment thereto for the time being in force and any other regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations;
“Class”	means any class of Shares;
“Class Currency”	means the currency in which Shares of a Class are issued;
“CLO”	means collateralized loan obligations;
“Connected Person”	means the Depositary or the Manager, and the delegates or sub-delegates of the Depositary or the Manager (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Depositary or the Manager and any such delegate or sub-delegate;
“Conversion Charge”	means the charge, if any, payable on the conversion of Shares as is specified in the Relevant Supplement;
“CRS”	means the Common Reporting Standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council for Economic Cooperation and Development;
“Data Privacy Notice”	means the data privacy notice of the ICAV, a copy of which can be found at https://www.cifc.com/investors/cifc-credit-funds/ , which includes details of how the ICAV processes personal data;
“Data Protection Legislation”	means the Data Protection Act 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), the EU ePrivacy Directive 2002/58/EC (as amended), any relevant transposition of, or successor or replacement to, those laws; and any other applicable law, regulations and codes of conduct in any relevant jurisdiction relating to the processing of Personal Data and privacy

including the guidance and codes of practice issued by a relevant data protection regulator;

“Dealing Day”

means a day on which Shares may be subscribed for and/or redeemed, as specified in the Relevant Supplement, provided that there shall, in any event be at least one dealing day per fortnight or at least two dealing days per month, at regular intervals;

“Delegated Regulation”

means the Commission Delegated Regulation (EU) 2016/438 supplementing Directive 2009/65/EU of the European Parliament and of the Council of 17 December 2015 as may be amended, supplemented or replaced from time to time;

“Depositary”

means J.P. Morgan Bank (Ireland) plc or such other entity that shall be appointed by the ICAV as the depositary of the ICAV from time to time;

“Depositary Agreement”

means the agreement dated 31 July 2020 between the ICAV and the Depositary, pursuant to which the latter was appointed depositary of the ICAV as may be amended, supplemented or modified from time to time in accordance with the requirements of the Central Bank;

“Directive”

means the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the Coordination of laws, regulations, and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Directive 2014/91/EU of 23 July 2014 and as amended or replaced from time to time;

“Directors”

means the directors of the ICAV for the time being and (as the context may require or permit) any duly constituted committee thereof;

“Distributor”

means CIFIC Asset Management LLC or such other entity that may be appointed by the Manager and the ICAV as the distributor of the ICAV from time to time;

“Distributing Shares”

means Shares in a Fund in respect of which the Directors intend to declare a dividend;

“Duties and Charges”

in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of investments or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are

payable, which for the avoidance of doubt, includes, when calculating subscription and redemption prices/Net Asset Value per Share, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund;

“EEA”	means the European Economic Area being at the date of this Prospectus the Member States, Norway, Iceland and Liechtenstein;
“EEA State”	means a member state of the EEA;
“EMIR”	means Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 as may be amended, supplemented or replaced from time to time;
“ESMA”	means the European Securities and Markets Authority;
“€” or “euro” or “EUR”	means the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
“EU”	means the European Union;
“FATCA”	means the U.S. Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto (including any intergovernmental agreement between the U.S. and any other jurisdiction which facilitates the implementation of any law or regulation relating to FATCA);
“FDI”	means financial derivative instruments;
“Fund” or “Funds”	means a separate portfolio of assets invested in accordance with the investment objective and policies as set out in the Relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied or charged and “Funds” means all or some of the Funds as the context requires, including any other Funds as may be established by the ICAV from time to time with prior approval of the Central Bank.
“Hedged Share Class”	means a Share Class whose dealing currency is hedged against the Base Currency and/or other currencies in which the assets of the relevant Fund may be denominated;

“ICAV”	means CIFIC Credit Funds ICAV, an Irish collective asset-management vehicle with variable capital established pursuant to the ICAV Act and the UCITS Regulations;
“ICAV Act”	means the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder;
“Initial Offer Period”	means the period during which Shares in a Fund are first offered for subscription at the Initial Offer Price, as specified in the Relevant Supplement;
“Initial Offer Price”	means the price at which a Class of Shares is first offered or at which it is reoffered, as specified in the Relevant Supplement;
“Instrument of Incorporation”	means the instrument of incorporation of the ICAV as may be amended from time to time in accordance with the requirements of the Central Bank;
“Investment Management and Distribution Agreement”	means the investment management and distribution agreement dated 31 July 2020 between the Manager, the ICAV and the Investment Manager pursuant to which the Investment Manager was appointed investment manager and distributor of the ICAV, as may be amended, supplemented or modified from time to time in accordance with the requirements of the Central Bank;
“Investment Manager”	means CIFIC Asset Management LLC or such other entity that shall be appointed by the Manager and the ICAV as the investment manager of the ICAV from time to time;
“Investor Money Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended, supplemented or replaced from time to time;
“Investor Monies”	means subscription monies received from, and redemption and distribution monies due to, investors in a Fund;
“Irish Resident”	shall have the meaning given to that term in the section of this Prospectus entitled “ <i>Taxation of the ICAV</i> ”;
“KIID”	means the key investor information document applicable to a Share Class;
“Management Agreement”	means the management agreement dated 31 July 2020 between the ICAV and the Manager pursuant to which the latter was appointed manager of the ICAV;
“Manager”	means Carne Global Fund Managers (Ireland) Limited, or any successor manager appointed by the ICAV in accordance with the requirements of the Central Bank;

“Member State”	means a member state of the EU;
“Minimum Holding”	means such minimum number or value of a holding of Shares (if any) which must be held at any time by a Shareholder as the Directors, in consultation with the Manager, as appropriate, may determine and as set out in the Relevant Supplement;
“Minimum Initial Investment Amount”	means such minimum cash amount or number of Shares (if any) that the Directors, in consultation with the Manager, as appropriate, may from time to time determine as the minimum initial investment amount required by an applicant for Shares in a Fund or Class thereof as is specified in the Relevant Supplement;
“Minimum Redemption Amount”	means such amount (excluding any Redemption Charge) in the relevant currency that must be redeemed for Shares of any Class in a Fund as is specified in the Relevant Supplement for the Fund;
“Minimum Subsequent Investment Amount”	means such minimum cash amount or minimum number of Shares (if any) as the Directors may prescribe as the minimum additional investment amount required by a Shareholder for Shares in a Fund or Class thereof as specified in the Relevant Supplement;
“Net Asset Value” or “NAV”	means the Net Asset Value of the ICAV, or of a Fund or Class, as appropriate, calculated as described herein;
“Net Asset Value per Share”	means in respect of any Shares, the Net Asset Value attributable to the relevant Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the Fund or Class;
“Non-Irish Resident”	has the meaning ascribed to it in the section of this Prospectus entitled “ <i>Taxation of the ICAV</i> ”;
“OECD”	means the Organisation for Economic Co-Operation and Development;
“OTC”	means over-the-counter;
“Prospectus”	means this document and any Supplement or Relevant Supplement designed to be read and construed together with and to form part of this document;
“Redemption Charge”	means in respect of a Fund, the charge (if any) payable by a Shareholder on a redemption of Shares as is specified in the Relevant Supplement;
“Redemption Price”	means the price at which Shares will be redeemed being the Net Asset Value per Share of the relevant Class referable to the relevant Dealing Day;

“Redemption Proceeds”	means the amount due on a redemption of Shares;
“Regulated Market”	means any stock exchange or regulated market in the EU or a stock exchange or regulated market which is set forth in Schedule 1 to this Prospectus, or such other markets as the Directors may from time to time determine in accordance with the UCITS Requirements and as shall be specified in a supplement or addendum to this Prospectus;
“Relevant Supplement”	means, in relation to a Fund, the Supplement published in respect of that Fund and any addenda thereto;
“Securities Financing Transaction Regulation” or “SFTR”	means Regulation (EU) 2015/2365 of the securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 applicable to total return swaps and to the following transactions (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; (iv) a margin lending transaction, each as defined in the SFTR;
“Service Providers”	means the service providers of the ICAV, including the Manager, the Investment Manager, the Administrator and the Depositary;
“Settlement Time”	means: (i) in the case of subscriptions, the time by which funds representing subscription monies in respect of a subscription order must be received; and (ii) in the case of redemptions, the time by which funds representing Redemption Proceeds in respect of a redemption request shall be paid, as specified in the Relevant Supplement;
“Share” or “Shares” or “Share Classes”	means any Class or Classes of participating share or shares in the ICAV or a Fund, as the context so requires. Shares may be issued in a Fund with voting rights or with no voting rights as specified in the Relevant Supplement;
“Shareholder”	means a holder of Shares;
“Subscriber Shares”	means the subscriber shares issued by the ICAV;
“Subscription Charge”	means in respect of a Fund, the charge (if any) payable on a subscription of Shares as is specified in the Relevant Supplement;
“Subscription Price”	means the price at which Shares will be subscribed (after the Initial Offer Period) being the Net Asset Value per Share of the relevant Class referable to the relevant Dealing Day;
“Supplement”	means any supplemental prospectus issued by the ICAV from time to time in accordance with the requirements of the Central Bank;
“TCA”	means the Taxes Consolidation Act, 1997, as amended from time to time;

“Trade Cut-Off Time”	means in relation to applications for subscription, redemption or conversion of Shares, the time or times specified in the Relevant Supplement by which such application must be received;
“UCITS”	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive;
“UCITS Regulations”	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended or any further amendment thereto for the time being in force;
“UCITS Requirements”	means the requirements outlined in the UCITS Regulations and/or the Central Bank Regulations;
“U.S.”	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“U.S. Person”	means a “U.S. Person” as defined in Regulation S of the 1933 Act;
“U.S.\$” or “U.S. Dollar” or “USD”	means the lawful currency of the U.S.; and
“Valuation Point”	means the time at which the assets and liabilities of a Fund will be valued for the purposes of calculating the Net Asset Value, as specified in the Relevant Supplement.

INTRODUCTION

The ICAV

The ICAV is an open-ended Irish collective asset-management vehicle established under the laws of Ireland pursuant to the ICAV Act and the UCITS Regulations. It was established on 23 January 2020 under registration number C422393. The sole object of the ICAV is the collective investment of its funds in property, to include transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations, of capital raised from the public and which operates on the basis of risk spreading and giving Shareholders the benefit of the results of the management of its funds.

The ICAV is organised in the form of an umbrella fund with segregated liability between its Funds. The Instrument of Incorporation provides for the creation of Funds, each constituting interests in a defined portfolio of assets and liabilities. Shares representing interests in different Funds of the ICAV may be issued from time to time by the Directors. Within each Fund, the Directors may issue Shares of more than one Class, each representing interests in the Fund. Additional Funds may be established by the ICAV with the prior approval of the Central Bank.

The Classes of Shares on offer in respect of each Fund shall be outlined in the Relevant Supplement. A separate pool of assets shall not be maintained for each Class within a Fund. The Shares of each Class allocated to a Fund will rank *pari passu* with each other save as provided for in the Relevant Supplement. The different Classes of Shares in a Fund may, *inter alia*, have the following distinguishing features: currency of denomination policy, may be a hedged or unhedged Share Class, levels of fees, charging structures and may have different Minimum Initial Investment Amounts, Minimum Subsequent Investment Amounts, Minimum Redemption Amounts or Minimum Holdings. Further Classes of Shares must be effected in accordance with the requirements of the Central Bank.

The following Funds are open for subscription:

CIFC Long/Short Credit Fund
CIFC Global Floating Rate Credit Fund
CIFC Multi-Strategy Credit Fund

The creation of any new Fund will require the prior approval of the Central Bank.

This Prospectus

This Prospectus describes the ICAV. The assets of each Fund will be invested in accordance with the investment objectives and policies applicable to such Fund, as specified in the Relevant Supplement. Each Supplement should be read in conjunction with, and construed as one document with, this Prospectus. For the purposes of this Prospectus, where the context so admits or requires, the term “Fund” shall also be deemed to mean the Directors or their delegate acting for the account of the relevant Fund.

INVESTMENT OBJECTIVES AND POLICIES

General

The investment objective and policies for each Fund and the investment restrictions in relation thereto will be formulated by the Directors, in consultation with the Manager, at the time of creation of such Fund and will be set out in the Relevant Supplement. Each Fund aims to achieve its investment objective, as set out in the Relevant Supplement.

The transferable securities and liquid financial assets in which each Fund may invest generally must be listed and/or traded on a Regulated Market except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed and/or traded.

The Regulated Markets in which a Fund's investments will be listed and/or traded are set out in Schedule 1.

As set out in the Relevant Supplement, the Funds may invest in collective investment schemes, subject to the limits set out in Schedule 2 and the limitations contained in the UCITS Regulations. Such investment in collective investment schemes may include investing in other Funds of the ICAV. However, a Fund may not invest in another Fund of the ICAV which itself holds Shares in other Funds of the ICAV or has the ability to invest more than 10% of its net assets in other collective investment schemes. Where a Fund (the "*Investing Fund*") invests in another Fund of the ICAV (the "*Receiving Fund*"), the annual management and/or investment management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in the Receiving Fund (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Fund, or a combination of both) must not exceed the rate of the maximum annual management and/or investment management fee applicable to the relevant Class(es) in the Investing Fund may be charged in respect of the balance of the investing Fund's Assets, such that there must be no double charging of the annual management fee or investment management fee.

Adherence to Investment Objectives and Policies

Any change in investment objectives and any material change in investment policies of a Fund will be subject to approval by the Shareholders who are entitled to vote and are holders of a majority of the outstanding Shares of such Fund cast at a general meeting or by all of the Shareholders of such Fund who are entitled to vote by way of a written resolution. In the event that a change in investment objectives and/or policies is approved by Shareholders who are entitled to vote, a reasonable notification period will be provided to all Shareholders to enable them to redeem their Shares prior to the implementation of such a change. Notification of non-material changes may be provided by means of appropriate disclosure in the next financial statements of the ICAV.

Investment Restrictions

Each Fund's investments shall be limited to investments permitted by the UCITS Regulations, as set out in Schedule 2. If the UCITS Regulations are altered during the life of the ICAV, the investment restrictions may be changed to take account of any such alterations. This is without prejudice to the requirements outlined under "*Adherence to Investment Objectives and Policies*" above. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the ICAV.

Borrowing Policy

A Fund may not borrow money except as follows:

- (a) a Fund may acquire foreign currency by means of a "back to back" loan. Foreign currency obtained in this manner is not classified as borrowing for the purpose of Regulation 103(1) of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a "back to back" deposit. Where the offsetting deposit is not denominated in the Base Currency of the relevant Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency; and
- (b) a Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis.

A Fund may create a charge or grant other security over its assets in connection with its borrowings. In the event of a default by the Fund under the borrowing arrangements, the lender may seek to satisfy the debt owed to it and enforce its security by taking possession and/or disposing of the assets.

Dividend Policy

Under the Instrument of Incorporation, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund. The amount available for distribution in respect of any accounting period or part thereof shall be the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e., realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e., realised and unrealised gains net of realised and unrealised losses) during the accounting period, subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Instrument of Incorporation.

The Directors are empowered to declare and pay dividends on any Share Classes in the ICAV. The dividend policy in respect of each Share Class shall be set out in the Relevant Supplement, where applicable.

Shareholders should note however that Accumulating Shares shall not distribute dividends to Shareholders. The ICAV intends to automatically re-invest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the Fund for the benefit of the Shareholders.

If sufficient interest proceeds after fees and expenses are available in respect of the Distributing Shares, the Directors intend to make a distribution to Shareholders of those Classes of substantially the whole amount of the net income of the Funds of the ICAV, as attributable to those Classes.

Any dividends payable (and not applied to the purchase of further Shares of the relevant Class) will be paid by electronic transfer to the bank account designated by the Shareholder in the Application Form (or as otherwise agreed with the ICAV) at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Class. The ICAV, or the Administrator on its behalf, shall be entitled to deduct from the distribution such amount as may be necessary to discharge any liability to tax in respect of such distribution and shall arrange to discharge the amount of tax due. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out in the section "*Anti-Money Laundering Procedures*".

The dividend policy for each Fund will be set out in the Relevant Supplement.

Any change to the dividend policy of a Fund will be notified in advance to Shareholders and will be noted in an addendum or a revised Prospectus or Supplement.

The Instrument of Incorporation provides that dividends declared but unclaimed by the relevant Shareholder for six years shall be forfeited by the relevant Shareholder unless otherwise determined by the Directors and shall become payable at the end of the six year period to the Fund in respect of which they were declared.

INVESTMENT TECHNIQUES AND INSTRUMENTS

Where permitted by its investment policy as set out in the Relevant Supplement, a Fund may employ FDI for investment purposes and/or for efficient portfolio management purposes, being where the Investment Manager considers that the use of such techniques and instruments is economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund. The Funds' use of such FDI shall be subject to the conditions and within the limits from time to time laid down by the Central Bank UCITS Regulations.

Where a Fund uses FDI, a risk management process will be submitted to the Central Bank in advance of using such FDI which enables the measurement, monitoring and management of the various risks associated with such FDI. Supplementary information relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments, shall be supplied to Shareholders upon request.

The policy that will be applied to collateral arising from OTC FDI transactions or efficient portfolio management techniques relating to the Funds is to adhere to the requirements set out in Schedule 3. This sets out the permitted types of collateral and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Requirements. It is intended that each Fund's OTC FDI transactions or efficient portfolio management techniques where permitted by the investment policy of the Fund will be fully collateralised. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements in Schedule 3, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule 3. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section of this Prospectus entitled "Special Considerations and Risk Factors".

Direct and indirect operational costs and fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to a Fund. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the ICAV or the Depositary. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and half-yearly reports of the ICAV.

The use of these strategies involves certain special risks, including: (i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (ii) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (iii) the fact that skills needed to use these instruments are different from those needed to select a Fund's securities; (iv) the possible absence of a liquid market for any particular instrument at any particular time; and (v) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

Types and Descriptions of FDI and Efficient Portfolio Management Techniques

Below are examples of the types of FDI and efficient portfolio management techniques that the Funds may enter into from time to time, subject to the requirements laid down by the Central Bank UCITS Regulations and each Fund's investment objectives and policies as outlined in the Relevant Supplement.

The particular FDI and techniques and instruments that may be used by a Fund for investment or efficient portfolio management purposes will be set out in the Relevant Supplement for that Fund. Any FDI not included in a risk management process that has already been submitted to the Central Bank will not be utilised until such time as a revised submission of the risk management process has been provided to the Central Bank.

Forward Currency Exchange Contracts

A forward currency exchange contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces a Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of a Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. A Fund may enter into these contracts to hedge against exchange risk, to increase exposure to a currency or to shift exposure to currency fluctuations from one currency to another. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for a Fund to benefit from favourable fluctuations in relevant currencies. A Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Futures and Options on Futures

A Fund may enter into futures contracts and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security or other financial instrument at a specific date and price on an exchange or OTC. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

Options

A Fund may purchase and sell put and call options on debt and equity securities and indices. A put option on securities gives the purchaser of the option, upon payment of a premium, the right to deliver a specified amount of the securities to the writer of the option on or before a fixed date at a predetermined price. A put option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index drops below a predetermined level on or before a fixed date. A call option on securities gives the purchaser of the option, upon payment of a premium, the right to call upon the writer to deliver a specified amount of the securities on or before a fixed date at a predetermined price. A call option on a securities index gives the purchaser of the option, upon payment of a premium, the right to a cash payment from the writer of the option if the index rises above a predetermined level on or before a fixed date.

Call options may be purchased to provide exposure to increases in the market (e.g., with respect to temporary cash positions), to hedge against an increase in the price of securities or other investments that a Fund intends to purchase and otherwise as is permitted. Similarly, put options may be purchased to hedge against a decrease in the market generally or in the price of securities or other investments held by a Fund and otherwise as is permitted. Buying options may reduce the Fund's returns by the amount of the premiums paid for the options.

A Fund may write covered call options (i.e. where the Fund owns the security or other investment that is subject to the call), typically to seek enhanced returns when the Investment Manager perceives that the option premium offered is in excess of the premium that the Investment Manager would expect to be offered under existing market conditions, or if the exercise price of the option is in excess of the price that the Investment Manager expects the security or other underlying investment to reach during

the life of the option. Writing covered call options may limit a Fund's gain on portfolio investments if the option is exercised because such Fund will have to sell the underlying investments below the current market price.

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options (options not traded on exchanges) generally are established through negotiation with the other party to the option contract. While this type of arrangement allows the Fund greater flexibility to tailor an option to its needs, OTC options generally involve greater credit risk than exchange-traded options (i.e., risk of counterparty failure or default), which are guaranteed by the clearing organization of the exchanges where they are traded.

Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary market risks.

Swaps

A Fund may enter into swap agreements. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a notional amount, e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a basket of securities representing a particular index. Equity swap contracts, for example, involve the exchange of one party's obligation to pay the loss, if any, with respect to a notional amount of a particular equity index plus interest on such notional amount at a designated rate in exchange for the other party's obligation to pay the gain, if any, with respect to the notional amount of such index. Notional amounts of swap transactions are not subject to any limitations, and swap contracts may expose the Fund to unlimited risk of loss.

If a Fund enters into an equity swap contract, for example, its Net Asset Value will fluctuate as a result of changes in the value of the equity index on which the equity swap is based as if it had purchased (in the case of a long equity swap) or sold (in the case of a short equity swap) the notional amount of securities comprising the index.

A Fund may only close out a swap, cap, floor or collar or OTC option with the particular counterparty. Also, if the counterparty defaults, such Fund will have contractual remedies pursuant to the agreement relating to the transaction, but there is no assurance that contract counterparties will be able to meet their obligations pursuant to such contracts or that, in the event of default, such Fund will succeed in enforcing contractual remedies. There also may be documentation risk, including the risk that the parties may disagree as to the proper interpretation of the terms of a contract. If such a dispute occurs, the cost and unpredictability of the legal proceedings required for such Fund to enforce its contractual rights may lead such Fund to decide not to pursue its claims against the counterparty. The Fund thus assumes the risk that it may be unable to obtain payments owed to it under swap contracts, OTC options and other two-party contracts or that those payments may be delayed or made only after the Fund has incurred the costs of litigation.

Equity swap contracts typically involve the exchange of one party's obligation to pay the loss, if any, with respect to a notional amount of a particular equity index (e.g., the S&P 500 Index) plus amounts computed in the same manner as interest on such notional amount at a designated reference rate in exchange for the other party's obligation to pay the gain, if any, with respect to the notional amount of such index.

In a credit default swap, one party makes a stream of periodic payments to another party in exchange for the right to receive a specified return in the event of default by a third party on its obligations. Therefore, with credit default swaps, the Fund may pay the periodic payments referenced above and, in

return, have the right to deliver certain bonds or loans to the counterparty to the transaction upon an event of default (or similar events) in exchange for the par (or other agreed-upon) value of those bonds or loans. Rather than exchange the bonds for the par value, the parties may agree to a single cash payment representing the difference between the par value of the bonds and the current market value of the bonds. If the event of default does not occur, the Fund loses its investment and receives nothing. A Fund may also use credit default swaps for investment, in which case the Fund will receive the periodic payments referenced above, but would be obligated to pay the par (or other agreed-upon) value of the defaulted bonds or loans upon the issuer's default.

Total return swap contracts typically involve commitments to pay amounts computed in the same manner as interest in exchange for a market-linked return, both based on notional amounts. To the extent the total return of the security, basket of securities or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty, respectively.

Total return swap agreements may be used to gain exposure to particular securities or securities markets in instances where (1) it is not possible due to local market restrictions or not economic to do so through the underlying security or (2) the Investment Manager desires a degree of leverage, either in the portfolio or for the specific situation. The Funds may utilise total return swap contracts in respect of securities and securities indices whereby the Fund typically exchanges a fixed cash flow based on the total return of an equity for floating rate cash flows. These contracts allow the Funds to manage their exposures to certain securities or securities indices. For these instruments the Funds' return will be based on the return of the underlying equity/index. Counterparties to swap agreements will not breach the exposure limits as set out in Schedule 2 and will comply with the requirements of the Central Bank.

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Funds as set out in the Relevant Supplement. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns are described in the section entitled "Special Considerations and Risk Factors" under the heading "Derivative Risks". It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund's investment portfolio or over the underlying of the FDIs, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund. Investors should also refer to the section entitled "Securities Financing Transactions Regulation Disclosure" below.

Currency swaps similarly involve the exchange of the two parties' respective commitments to pay or receive fluctuations with respect to a notional amount of two different currencies (e.g., an exchange of payments with respect to fluctuations in the value of the Euro relative to the Japanese yen).

Volatility swaps involve the exchange of forward contracts on the future realised volatility of a given underlying asset and allow a Fund to take positions on the volatility of that underlying asset.

Variance swaps offer exposure to the volatility of an underlying asset and may be used to hedge against, or gain an investment return from, an increase or a decrease in the volatility of the underlying asset.

Dividend swaps enable investors to purchase or sell the dividends paid by an index of issuers, a basket of issuers or an individual issuer.

A "swaption" is an option on a swap agreement that gives the buyer the right, but not the obligation, to enter into a swap at a given rate on a specified future date in exchange for paying a market-based premium. Swaptions also include options that allow one of the counterparties to terminate or extend an existing swap.

A Fund may enter into swaps for hedging, risk management and investment leverage. When using swaps for hedging, the Fund may enter into a swap on either an asset-based or liability-based basis, depending on whether it is hedging its assets or its liabilities.

The creditworthiness of a counterparty may be adversely affected by larger-than-average volatility in the markets, even if the counterparty's net market exposure is small relative to its capital.

Warrants and Rights

A Fund may purchase or otherwise receive warrants or rights. A Fund may use warrants and rights to obtain exposure to, or acquire, the underlying equity or other securities of an issuer consistent with the Fund's investment policies. A Fund may receive rights passively (e.g., as a result of corporate actions) because of the Fund's existing holdings in equity or other securities issued by the rights issuer. However, a Fund may also acquire or dispose of rights on the secondary market. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Such Funds typically use warrants and rights in a manner similar to their use of options on securities, as described above. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognised clearing agency. In addition, the terms of warrants or rights may limit a Fund's ability to exercise the warrants or rights at such time, or in such quantities, as the Fund would otherwise wish.

Convertible Securities

A Fund may purchase convertible bonds or convertible preferred securities traded on a Regulated Market that are preferred stocks of a company.

Convertible bonds are bonds that provide the holder of the bond with the option to exchange the bond for a specific number of shares of the company's stock. This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the underlying stock is performing poorly the convertible continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money. A Fund may invest in convertible bonds for the purpose of taking exposure to companies and issuers that are consistent with the investment policy of the Fund.

Convertible preferred securities are securities that provide the holder of preference shares with the option to exchange the preference shares for a specific number of shares of the company's ordinary shares. This embedded option allows the Fund to maintain its equity investment strategy whilst providing certain elements of fixed income instruments as preference shares often have fixed dividends which are required to be paid before any dividends are paid to the holders of ordinary shares. As such, the Fund can utilise the preferred element of the security where an underlying company's performance is poorer and convert into the company's ordinary shares when the value of same increases appropriately. In addition, the preferred element of the security assists in providing income to the Fund and the pricing structure might also provide value for the portfolio.

Repurchase Agreements, Reverse Repurchase Agreements and Securities Lending Agreements

Repurchase agreements are transactions in which a Fund purchases securities from a bank or recognised securities dealer and simultaneously commits to resell the securities to the bank or dealer at an agreed-upon date and price reflecting a market rate of interest unrelated to the coupon rate of maturity of the purchased securities. A reverse repurchase agreement involves the sale of securities with an agreement

to repurchase the securities at an agreed upon price, date, and interest payment. A Fund may also lend securities to a counterparty approved by the Investment Manager. Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return the same or equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.

Where stated in the investment policies of a Fund, each Fund may engage in repurchase agreements, reverse repurchase agreements and securities lending agreements for efficient portfolio management purposes only (i.e., hedging, reducing risks or costs, or increasing capital or income returns) subject to the conditions and within the limits from time to time set forth in Schedule 3 and in the Central Bank UCITS Regulations.

For repurchase agreements, a Fund shall ensure that it is able at any time to recall any securities subject to the agreement or to terminate the repurchase agreement into which it has entered. In relation to reverse repurchase agreements, a Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Investors should also refer to the section “Securities Financing Transactions Regulation Disclosure” below.

Securities Financing Transactions Regulation Disclosure

Where disclosed in the Relevant Supplement, a Fund may enter into the following transactions:

- (i) total return swaps;
- (ii) repurchase/reverse repurchase agreements; and
- (iii) securities lending arrangements;

transactions (ii) and (iii) listed above being types of transactions covered by the Securities Financing Transaction Regulation and for the purposes of this Prospectus and Relevant Supplement defined as “Securities Financing Transactions”.

A Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes, and enter into Securities Financing Transactions for efficient portfolio management purposes only.

If the Fund invests in total return swaps or Securities Financing Transactions, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank UCITS Regulations as set out in Schedule 2, and also any investment restrictions set out in the section entitled “Investment Objectives and Policies”, the Fund can invest up to 100% of its Net Asset Value in total return swaps and Securities Financing Transactions.

The Fund may only enter into total return swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in paragraphs 6 and 39 of Schedule 3.

The categories of collateral which may be received by the Fund is set out in Schedule 3 and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will have various maturities and will be valued in accordance with the valuation

methodology set out under the section entitled “Determination of Net Asset Value”. Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where the Fund receives collateral as a result of entering into total return swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty’s obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty’s obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

The section of this Prospectus entitled “Special Considerations and Risk Factors” provides a description of the risks associated with the use of derivatives and Securities Financing Transactions.

The Fund may provide certain assets as collateral to counterparties in connection with total return swaps and Securities Financing Transactions. If the Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty’s insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps or Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank UCITS Regulations as set out in paragraphs 35 to 36 of Schedule 3, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from total return swaps or Securities Financing Transactions may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

Securities Lending Arrangements. A Fund may seek to earn additional income through lending its securities to certain qualified broker-dealers and institutions. There is the risk that when portfolio securities are lent, the securities may not be returned on a timely basis, and a Fund may experience delays and costs in recovering the security or gaining access to the collateral provided to a Fund to collateralise the loan. If a Fund is unable to recover a security on loan, the Fund may use the collateral to purchase replacement securities in the market. There is a risk that the value of the collateral could decrease below the value of the replacement security, resulting in a loss to the Fund. In participating in any securities lending programme, assets of ICAV may be transferred to certain borrowers. Notwithstanding the requirement to receive collateral from any borrower, there are certain risks inherent in the lending of securities such as the default or failure of a borrower or securities lending agent. In addition, there are certain market risks associated with the investment of any collateral received from a borrower which could result in a decline in the value of the invested collateral, resulting in a loss to the ICAV.

Up to 100% of a Fund's assets may be the subject of Securities Financing Transactions or total return swaps, with an expectation that at any time less than 25% of a Fund's assets will be subject to each Securities Financing Transactions or total return swaps.

The assets of a Fund that are subject to Securities Financing Transactions, total return swaps and any collateral received by a Fund shall be held by the Depositary.

Class Currency Hedging

The Investment Manager may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a Hedged Share Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Hedged Share Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Hedged Share Class. All over-hedged positions will be included in the calculation of a Fund's global exposure. Hedged positions will be kept under review to ensure that under-hedged positions do not fall below 95% of the Net Asset Value of a Hedged Share Class and to ensure that under-hedged positions are not carried forward from month to month. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of Share Class level hedging.

While the Investment Manager may attempt to hedge against currency exposure at a Hedged Share Class level, there can be no guarantee that the value of a Hedged Share Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Hedged Share Class. All gains/losses which may be made by any Hedged Share Class of any Fund as a result of such hedging transactions shall accrue to the relevant Hedged Share Class. Hedging transactions shall be clearly attributable to the relevant Hedged Share Class. Any currency exposure of a Hedged Share Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Hedged Share Class from benefiting if the Hedged Share Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

Fund/Portfolio Currency Hedging

Each Fund generally operates the investment portfolio in its Base Currency as specified in the Relevant Supplement. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of a Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The Investment Manager may use currency hedging techniques to remove the currency exposure against Base Currency as applicable in order to limit currency exposure between the currencies of a Fund's investment portfolio and the Base Currency; however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than the Base Currency of the Fund, the Fund's Net Asset Value will be affected by the value of the local currency relative to the Base Currency.

SUSTAINABLE FINANCE DISCLOSURES REGULATION

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”) as may be amended, supplemented or replaced from time to time, the Manager is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds on an ongoing basis. A sustainability risk is defined in SFDR as an environmental, social or governance (“**ESG**”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and consequently the Net Asset Value of a Fund.

Impact of sustainability risks on returns

The below paragraphs constitutes the Manager’s disclosures in accordance with Article 6(1) of the EU Sustainable Finance Disclosure Regulation (2019/2088) concerning the Funds in existence at the time of this Prospectus.

The Manager, acting in respect of the Funds through the Investment Manager, has implemented a policy in respect of the integration of sustainability risks in its investment decision making-process. Further information on the manner in which sustainability risks are integrated into investment decisions is set out below. More detail on the Investment Manager’s approach to sustainability can be found in the Summary of the Investment Manager’s Sustainability Risks Policy described above, which is available publicly on the Investment Manager’s website (www.cifc.com).

The Investment Manager, acting as delegate of the Manager, considers that sustainability risks are relevant to the returns of the Funds. Assessment of sustainability risks is complex and requires subjective judgements, which may be based on data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that the Investment Manager will correctly assess the impact of sustainability risks on the Funds’ investments.

To the extent that a sustainability risk occurs, or occurs in a manner that is not anticipated by the Investment Manager there may be a sudden, material negative impact on the value of an investment, and hence the Net Asset Value of the Funds. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of the Funds. The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk and asset class. In general, where a sustainability risk occurs in respect of an asset, there will be a negative impact on, and may be an entire loss of, its value. For a corporate, this may be because of damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate’s management team may be diverted from furthering its business and be absorbed seeking to deal with the sustainability risk, including changes to business practices and dealing with investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which the Funds are exposed may also be adversely impacted by a sustainability risk.

Sustainability risks are relevant as both standalone risks, and also as cross-cutting risks which manifest through many other risk types which are relevant to the assets of the Funds. For example, the occurrence of a sustainability risk can give rise to financial and business risk, including though a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of a sustainability risk may result in significant reputational damage to affected businesses. The occurrence of a sustainability risk may also give rise to enforcement risk by governments and regulators, and also litigation risk.

A sustainability risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and/or jurisdictions and political regions.

Many economic sectors, regions and/or jurisdictions, including those in which the Funds may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organisations and special interest groups.

Laws, regulations and industry norms play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. Further, businesses which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such businesses.

Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in the supply chain. The influence of such authorities, organizations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such external influence can also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt so as to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.

In the event that a sustainability risk arises, this may cause the Investment Manager in respect of a Fund to determine that a particular investment is no longer suitable and to divest of it (or not make an investment in it), further exacerbating the downward pressure on the value of the investment.

In addition to the above, a description of certain other sustainability risks identified by the Investment Manager as being potentially relevant to the investments made by a Fund and hence its Net Asset Value is set out below. This description is not exhaustive.

1. **Environmental**

Environmental risks are associated with environmental events or conditions and their effect on the value of assets to which a Fund may have exposure. Such risks may arise in respect of a company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental risks include:

Climate change: risks arising from climate change, including the occurrence of extreme weather events (for example major droughts, floods, or storms) may adversely impact the operations, revenue and expenses of certain industries and may result in physical loss or damage of, or otherwise loss in value of, assets, and in particular physical assets such as real estate and infrastructure. Global warming may result in extreme heat waves, increased localised or widespread flooding and rising sea levels, compromising infrastructure, agriculture and ecosystems, increasing operational risk and the cost of insurance, which may affect the utility

and value of investments. To the extent that companies in which a Fund invests have historically contributed to climate change, they could face enforcement action by regulators and/or be subject to fines or other sanctions. The likelihood and extent of any such action might be unknown at the time of investment.

Natural resources: the relationship between businesses and natural resources is becoming increasingly important due to the scarcity of fresh water, loss of biodiversity and risks arising from land use. Water is critical to agricultural, industrial, domestic, energy generation, recreational and environmental activities. Reduced supply or allocation of water and/or increased cost in supply and controls over its use may adversely impact the operations, revenue and expenses of certain industries in which a Fund may invest. Biodiversity underpins ecosystem services such as food, clean water, genetic resources, flood protection, nutrient cycling and climate regulation. A continued loss of biodiversity may adversely affect the operations, revenue and expenses of certain industries in which a Fund may invest, such as land users and marine industries, agriculture, the extractives industries (cement and aggregates, oil, gas and mining) forestry and tourism. Land use and land use management practices have a major impact on natural resources. In particular, industries dependant on commodities linked to deforestation such as soy, palm oil, cattle and timber may suffer an adverse impact on their operations, revenue and expenses as a result of measures taken to manage land use.

Pollution and waste: pollution adversely affects the environment and may for example, result in negative impact on human health, damage to ecosystems and biodiversity and reduced crop harvests. Measures introduced by governments or regulators to transition to a low-carbon economy and more broadly reduce pollution and control and reduce waste may adversely impact the operations, revenue and expenses of industries in which a Fund may invest. Technologies linked to environmentally harmful materials or practices may become obsolete, resulting in a decrease in value of investments.

2. Social

Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which a Fund may invest or otherwise have exposure. Social risks also relate to the vulnerability of a business to, and its ability to take advantage of, broader social “megatrends”. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Social risks include:

Internal social factors: human capital considerations such as human rights violations, lack of access to clean water, food and sanitary living environment, human trafficking, modern slavery / forced labour, inadequate health and safety, discrimination, breaches of employee rights and use of child labour which may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation. The profitability of a business reliant on adverse treatment of human capital may appear materially higher than if appropriate practices were followed.

External social factors: for example, restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities and indigenous populations may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation.

Social “megatrends”: trends such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changes to family structures and individual rights and responsibilities of family members, changing demographics including though health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability

and inability to adapt or take advantage of such trends may result in a material negative impact on a Fund's investments.

3. Governance

Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies in which a Fund may invest or otherwise have exposure. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. These risks include:

Lack of diversity at board or governing body level: the absence of a diverse and relevant skillset within a board or governing body may result in less well informed decisions being made without appropriate debate and an increased risk of "group think". Further, the absence of an independent chairperson of the board, particularly where such role is combined with the role of chief executive officer, may lead to a concentration of powers and hamper the board's ability to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, input on issues such as succession planning and executive remuneration and otherwise set the board's agenda.

Inadequate external or internal audit: ineffective or otherwise inadequate internal and external audit functions may increase the likelihood that fraud and other issues within a company are not detected and/or that material information used as part of a company's valuation and/or the Investment Manager's investment decision making is inaccurate.

Infringement or curtailment of rights of (minority) shareholders: the extent to which rights of shareholders, and in particular minority shareholders (which may include a Fund) are appropriately respected within a company's formal decision making process may have an impact on the extent to which the company is managed in the best interest of its shareholders as a whole (rather than, for example, a small number of dominant shareholders) and therefore the value of an investment in it.

Bribery and corruption: the effectiveness of a company's controls to detect and prevent bribery and corruption both within the company and its governing body and also its suppliers, contractors and sub-contractors may have an impact on the extent to which a company is operated in furtherance of its business objectives.

Lack of scrutiny of executive pay: failure to align levels of executive pay with performance and long-term corporate strategy in order to protect and create value may result in executives failing to act in the long-term interest of the company.

Poor safeguards on personal data / IT security (of employees and/or customers): the effectiveness of measures taken to protect personal data of employees and customers and, more broadly, IT and cyber security will affect a company's susceptibility to inadvertent data breaches and its resilience to "hacking".

The absence of appropriate and effective safeguards for employment related risks: discriminatory employment practices, workplace harassment, discrimination and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistleblowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to the company, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs.

No Consideration of Principal Adverse Impacts

This section constitutes the Manager's and Investment Manager's disclosure in accordance with Article 7(2) of SFDR. The Manager and Investment Manager do not consider the adverse impacts of investment

decisions on sustainability factors in the manner prescribed by Article 4 of the SFDR in respect to investment decisions taken on behalf of the Funds.

The Manager and Investment Manager have carefully evaluated the requirements of the principal adverse impacts regime in Article 4 SFDR, and in the Final Report on draft Regulatory Technical Standards which were published in February 2021 (the “**PAI regime**”).

The Manager and Investment Manager are supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of their investment decisions on sustainability factors. However, taking account of the Funds’ size, the nature and scale of their activities and the types of products they make available, the Manager and Investment Manager consider that it would be disproportionate to comply with the specific regime in the SFDR in respect to investment decisions taken on behalf of the Funds. In addition, the Manager and Investment Manager note their duties towards the Funds involve portfolio management strategies where it is not possible to conduct detailed diligence on the principal adverse impact of the Funds’ investments on sustainability factors.

Finally, the Manager and Investment Manager are also concerned about the lack of reasonably priced / readily available data to comply with many of the technical reporting requirements of the PAI regime, as it believes that issuers and market data providers are not yet ready to make available all necessary data for the PAI regime.

The Manager and Investment Manager will keep their decision not to comply with the PAI regime under regular review, and will formally re-evaluate the decision at least annually.

SPECIAL CONSIDERATIONS AND RISK FACTORS

An investment in a Fund involves certain risks, including the risk that the entire amount invested may be lost. An investment in a Fund should only be made after consultation with independent qualified sources of investment and tax advice. The following risk factors outline certain of the risks which may be applicable to a Fund. No prospective investor should invest in a Fund without carefully considering such risks. The risk factors contained below do not purport to be an exhaustive list of the risk factors relating to an investment in a Fund. The ICAV believes that the risks described below are the material risks relating to the Shares at the date of this Prospectus. Additional risks and uncertainties not currently known to the ICAV, or that the ICAV deems to be immaterial at the date of this Prospectus, may also have an adverse effect on the performance of the Funds and the value of the Shares. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence or of their magnitude or significance.

General Trading Risks and Restrictions

All investments present a risk of loss of capital. A Fund's investment programme may utilise investment techniques which can, in certain circumstances, increase the adverse impact to which the Fund may be subject. No guarantee or representation is made that a Fund's investment strategy will be successful.

REGULATORY RISKS

Business, Political and Regulatory Risks

Legal, tax and regulatory changes, as well as international political developments, could occur during the term of a Fund which may adversely affect the Fund, the value of investments held by it and its ability to pursue its trading strategies.

The regulation of the international securities and derivatives markets has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future.

Regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and Funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action.

The effect of any future regulatory change on a Fund could be substantial and adverse.

Market Disruptions; Governmental Intervention

Governmental and regulatory authorities, including in the U.S. and the EU, have taken unprecedented action to attempt to stabilise financial markets and improve and increase regulatory oversight in response to recent events of the past decade, both before and after the onset of the financial crisis which began in 2007, including: (i) market volatility and disruptions; (ii) severe illiquidity; (iii) credit contractions; and (iv) the bankruptcy or failure (or near bankruptcy or near failure), improper practices, and adverse financial results of certain companies, financial institutions, trading firms, and private investment funds. Attention has been focused on the necessity for such financial institutions, trading firms and private investment funds to maintain adequate risk controls, capital reserves, and compliance procedures. Events have also raised concerns as to the manner in which certain exchanges and regulators monitor trading activities and implement regulations to protect customer funds.

Periodic market disruptions have led to increased governmental, as well as self-regulatory, scrutiny of the "hedge fund", derivative, and securitisation industries and proposals to increase regulation of certain markets, instruments, and participants. The highly publicised uncovering of "market timing" and "late trading" strategies involving mutual fund shares has led to ongoing scrutiny of major financial

institutions, with potentially broad implications for the financial services industry. Additionally, recent disruptions and adverse events in the equity, securitisation, derivative, and money markets and freezing of the credit markets have increased the call for additional and consolidated regulatory oversight of the worldwide financial markets. Moreover, the U.S. government is revisiting the regulation of the commodities markets, and various national governments have expressed concern regarding the disruptive effects of speculative trading in the energy markets and the need to regulate the derivatives markets in general. As a result, the regulatory environment for investment funds, such as the ICAV and the Funds, is evolving and the effect of any regulatory or tax changes currently being implemented or which may be implemented in the future on the ICAV and the Funds, the markets, or the instruments in which the Funds invest or the counterparties with whom the ICAV transacts may impact on the profit potential of the Funds or could require increased transparency as to the identity of the Shareholders.

Each Fund may incur major losses in the event that disrupted markets and/or other extraordinary events affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from the disconnection from historical prices during periods of market disruption is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for a Fund, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the Funds' strategies.

Changes to the European Union

The United Kingdom ("UK") left the European Union on January 31, 2020 (commonly referred to as "**Brexit**"). From January 1, 2021, European Union laws ceased to apply in the UK. However, many European Union laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended.

As part of the process of the UK leaving the EU, the EU and the UK agreed to an EU-UK Trade and Cooperation Agreement ("**TCA**") that governs the trading relationship between the UK and the member states of the EU and came into effect on 1 January 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

The TCA does not provide for continued access by UK firms to the EU single market adversely affecting financial services firms—although there is the possibility that in time, the UK may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for a Fund.

It will take some time to observe the many and varied effects on UK and EEA businesses (and therefore asset values) of the consequences of the UK leaving the single market and customs union, taking into account the flow of goods and services in both directions and the complications of the Northern Ireland protocol. Given the size and global significance of the UK's economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EU and the UK, may be a

continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Management Company, the Investment Manager and their affiliates to manage, operate and invest the Fund and increased legal, regulatory or compliance burden for the Management Company, the Investment Manager, their affiliates and/or the Fund, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Fund.

The withdrawal of the UK from the EU may also increase the compliance and regulatory burden of a Fund. The UK legal and regulatory framework may, with time, increasingly differ from EU laws and regulations and a Fund, the Management Company and the Investment Manager will need to consider both systems to ensure compliance with applicable laws and regulations.

Investors should also be aware of the on-going disagreements between the UK government and the European Union regarding the Northern Ireland Protocol (“NIP”). The NIP is part of the arrangements put in place as part of the TCA to address cross-border trade in goods between Great Britain, Northern Ireland and the European Union. The UK government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented and has indicated it may take action to suspend and/or override aspects of the NIP. The European Commission has stated it reserves the right to take retaliatory measures in response to actions taken by the UK government.

Any prolonged dispute regarding the TCA and/or the NIP may have a material adverse effect on cross-border trade between the United Kingdom and the European Economic Area which could prove disruptive to their respective economies. Negative impacts on investments that are exposed to the economies of the United Kingdom and/or the European Economic Area may therefore arise which could cause a material adverse effect on the business, financial condition, results of operations and cash flows of a Fund and its investments.

Depending on the terms of any future agreement between the European Union and the UK on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Fund and its investments. Such changes could be materially detrimental to investors.

Russia Related Sanctions

Russia’s action in Ukraine and Crimea has resulted in the US, the EU and other countries imposing sanctions on Russia. These sanctions have led to Russia taking counter measures against Western and other countries and may cause volatility in other regional and global markets. While the Funds will not obtain direct exposure to Russian securities (unless otherwise stated in the Relevant Supplement), the sanctions and their effects may negatively impact the performance of various sectors and industries, as well as companies in other countries, which could have a negative effect on the performance of the Funds.

Pandemic Risk

The outbreak of an epidemic, together with any resulting restrictions on travel or quarantines imposed, could have a significant negative impact on the economy and business activity in the countries in which a Fund may invest and global commercial activity and thereby adversely affect the performance of the Fund’s investments. Pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund’s investments, its ability to source new investments or to realise its investments.

Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, availability of price, interest rates including

negative yields, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the Investment Manager's operations and the operations of the Investment Manager's and the ICAV's service providers.

Additionally, the risks related to pandemics or outbreaks of disease are heightened due to uncertainty as to whether such an event would qualify as a force majeure event. The applicability, or lack thereof, of force majeure provisions could also come into question in connection with contracts that the ICAV, its service providers or the issuers of the investments of a Fund have entered into, which could ultimately work to their detriment. If a force majeure event is determined to have occurred, a counterparty to a Fund or a portfolio investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Fund and its investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability. Either outcome could adversely impact investments and the Fund's performance.

Any outbreak of disease epidemics may result in the closure, or partial closure, of the Manager, Investment Manager or other service providers' offices or other businesses impacting their ability to support and provide services. Such outbreaks of disease may have an adverse impact on a Fund's value and/or a Fund's investments. To the extent an epidemic is present in jurisdictions in which the Manager, Investment Manager or other service providers have offices or investments, it could affect the ability of the relevant entity to operate effectively, including the ability of personnel to function, communicate and travel to the extent necessary to carry out a Fund's investment strategy and objectives or to service the Fund. A Fund may also suffer losses and other adverse impacts if disruptions continue for an extended period of time. In addition, the Manager, Investment Manager and other service providers' personnel may be directly impacted by the spread, both through direct exposure and exposure to family members. The spread of a disease among the Manager, Investment Manager or service providers' personnel would significantly affect the relevant entity's ability to properly oversee the affairs of the Funds, resulting in the possibility of temporary or permanent suspension of a Fund's investment activities or operation.

Taxation

Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in a Fund.

Any change in a Fund's tax status, in accounting standards or in taxation legislation or the tax regime, or the practice in relation to, the interpretation or application of tax legislation applicable to a Fund could affect the value of the investments held by the Fund and affect the Fund's ability to provide investor returns and/or alter the post-tax returns to Shareholders. Potential investors and Shareholders should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in Ireland as at the date of this Prospectus. The tax law and current, future or past practice in other jurisdictions may also affect a Fund, and, 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 a Fund will endure indefinitely. It is possible that any legislative changes may have retrospective effect. The attention of potential investors is drawn to the tax risk associated with investing in the Funds. The information contained in this Prospectus is intended as a guide only and is not a substitute for professional advice. A Shareholder that is eligible for an exemption from Irish withholding tax is required to provide a declaration to the Fund confirming their status as a condition of obtaining the exemption. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section entitled "Taxation" for additional information.

Anti-Money Laundering

If the Directors, the Administrator, or any governmental agency believes that a Fund has accepted contributions, or is otherwise holding assets of, any person or entity that is acting directly or indirectly in violation of international or other anti-money laundering laws, rules, regulations, treaties or other

restrictions, or on behalf of any suspected terrorist or terrorist organisation, suspected drug trafficker, or senior foreign political figure(s) suspected in engaging in foreign corruptions, the Directors, the Investment Manager or such governmental agency may freeze the assets of such person or entity invested in a Fund or suspend their redemption rights. The Directors may also be required to remit or transfer those assets to a governmental agency.

Legal Risk

Many of the laws that govern foreign investment, equity securities transactions and other contractual relationships in certain countries, particularly in emerging markets, are new and largely untested. As a result and to the extent a Fund invests in such markets, the Funds may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain countries in which assets of a Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on a Fund and its operations. In addition, the income and gains of each Fund may be subject to withholding taxes imposed by foreign governments for which Shareholders may not receive a full foreign tax credit. Furthermore, it may be difficult to obtain and enforce a judgment in a court outside of Ireland.

Third-Party Litigation; Limited Funds Available

The Fund's investment activities may subject it to the risks of becoming involved in litigation and the enforcement actions or investigations by third parties. The expense of defending claims against the Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by the Fund. In the event that funds are not sufficient to pay the expenses incurred by the Fund, the ability of the Fund to operate effectively may be impaired, and the Fund may not be able to defend or prosecute legal proceedings that may be brought against it or that the Fund might otherwise bring to protect its interests.

Cyber Security and Identity Theft

Information and technology systems relied upon by the ICAV, a Fund, the Investment Manager, the ICAV's service providers (including, but not limited to, the auditors, the Depositary and the Administrator) and/or the issuers of securities in which a Fund invests may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the parties noted above have implemented measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the ICAV, a Fund, the Investment Manager, a Service Provider and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Shareholders (and the beneficial owners of Shareholders). Such a failure could also harm the ICAV's, a Fund's, the Investment Manager's, a service provider's and/or an issuer's reputation, subject such entity and its affiliates to legal claims and otherwise affect their business and financial performance.

The OECD Common Reporting Standard

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("CRS"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("AEOI"). It draws on 60684529v9

work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions. Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers.

Shareholders should note that the ICAV is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Revenue Commissioners who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the ICAV may require additional information and documentation from Shareholders.

By signing the application form to subscribe for Shares in the ICAV, each Shareholder is agreeing to provide such information upon request from the ICAV or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the ICAV. Shareholders refusing to provide the requisite information to the ICAV may also be reported to the Revenue Commissioners.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

FATCA

The Fund will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Fund may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Fund could become subject to U.S. FATCA withholding tax in respect of its U.S. source income if the U.S. Internal Revenue Service specifically identified the Fund as being a 'non-participating financial institution' for FATCA purposes. Any such U.S. FATCA withholding tax would negatively impact the financial performance of the Fund and all Shareholders may be adversely affected in such circumstances.

U.S. and Global Financial Markets

The market for investments in credit investment opportunities and other investments generally, and the success of a Fund's investment activities in particular, will be affected by general economic and market conditions, as well as by changes in applicable laws, trade barriers, currency exchange controls, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and national and international political and socioeconomic circumstances in respect of the countries in which a Fund may invest. These factors may affect the level and volatility of market prices and the liquidity of a Fund's investments, which could impair a Fund's profitability or result in losses. In addition, general fluctuations in market prices and interest rates may affect a Fund's investment opportunities and the value of a Fund's investments.

The Investment Manager's financial condition may be adversely affected by a significant general economic downturn, and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Investment Manager's businesses and operations and thereby could impact a Fund. Moreover, continued periods of lackluster economic growth in the U.S. and global economies (or any particular segments thereof) could have a pronounced impact on a Fund and could adversely affect a Fund's profitability, impede the ability of a Fund's underlying issuers to perform under or refinance their existing obligations, and impair a Fund's ability to effectively deploy its capital or realize its investments on favorable terms. These concerns are highlighted by recent events in the global economy. The Investment Manager could also be affected by the recent difficult conditions

in the capital markets and the overall weakening of the financial services industry.

While the Investment Manager expects that the current environment will yield attractive investment opportunities for a Fund, there can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of a Fund's investments or its overall performance. A Fund's investment strategy and the availability of opportunities rely in part on the continuation of certain trends and conditions observed in the market for investments and the larger financial markets and in some cases the improvement of such conditions. There can be no assurance of such improvement or the continuation of such perceived trends. Moreover, trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the Investment Manager will prove correct and actual events and circumstances may vary significantly. Also, in light of the distress in the global financial markets, any bankruptcy, insolvency or default by a counterparty to a Fund could result in a loss of a Fund's investments, including, for example, where fund assets are re-hypothecated or otherwise held by such counterparties and in a manner that renders them subject to general claims of their creditors. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments, which loss will likely be exacerbated by the presence of leverage in an underlying issuer's capital structure.

Euro and Euro Zone Risk

Despite measures introduced following the global financial crisis, concerns still persist regarding the growing risk that Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), and that the impact of certain events on Europe and the global financial system could be severe which could have a negative impact on the market.

Furthermore, concerns that the Euro zone sovereign debt crisis may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and / or the abandonment of the Euro as a currency could have major negative effects on the ICAV and the Funds. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated Shares would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Shares. Investors should carefully consider how changes to the Euro zone may affect their investment in the Funds.

European Market Infrastructure Regulation

A Fund may enter into OTC derivative contracts. Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories ("EMIR") and subsequent amendments establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Although not all the regulatory technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been finalised and it is therefore not possible to be definitive, investors should be aware that certain provisions of EMIR impose obligations on the Funds in relation to its transaction of OTC derivative contracts.

The potential implications of EMIR for the Funds include, without limitation, the following:

1. clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
2. risk mitigation techniques: for those of its OTC derivatives which are not subject to central

clearing, the Funds will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Funds pursuing its investment strategy (or hedging risks arising from its investment strategy); and

3. reporting obligations: a Fund's derivative transactions must be reported to a trade repository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Funds of utilising derivatives.

Position Limits

"Position limits" imposed by various regulators may also limit a Fund's ability to effect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if the Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by the Investment Manager and its affiliates may be aggregated. If at any time positions managed by the Investment Manager exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of the Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, the Fund might have to forego or modify certain of its contemplated trades.

Regulatory Restrictions

The investment strategies pursued by a Fund may be affected by national and federal laws governing the beneficial ownership of securities in a public company which may inhibit that Fund's ability to freely acquire and dispose of certain securities. Should a Fund be affected by such rules and regulations, it may not be able to transact in ways that would realise value for that Fund. In addition, any changes to government regulations could make some or all forms of corporate governance strategies unlawful or impractical. Accordingly, such changes, if any, could have an adverse effect on the ability of a Fund to achieve its investment objective.

OPERATIONAL RISKS

Limited Operating History

The ICAV is newly formed and accordingly, the ICAV and the Funds each have no operating history. The past performance of a Fund or the Investment Manager is not indicative of how a Fund will perform in the future.

There can be no assurance that a Fund's investment objective will be achieved or that Shareholders will be able to recover their initial investment. A Fund's investment strategy should be evaluated on the basis that there can be no assurance that their assessments of the prospects of investments will prove accurate.

Management and Operational Risk

Each Fund is subject to management risk because it relies on the ability of the Investment Manager to achieve its investment objective. Proprietary investment techniques are used in making investment decisions for the Funds, but that does not assure that the desired results will be achieved and a Fund may incur significant losses. For example, derivatives may not be used effectively, and positions may be hedged or not hedged at disadvantageous times. Quantitative analyses and/or models may be used. Any imperfections or limitations in such analyses and/or models could affect the ability to implement strategies. By necessity, these analyses and models make simplifying assumptions that limit their efficacy. Models that appear to explain prior market data can fail to predict future market events. Further, the data used in models may be inaccurate and/or it may not include the most recent information

about a company or a security. There also can be no assurance that all of the personnel of the Investment Manager will continue to be associated with the Investment Manager for any length of time. The loss of the services of one or more employees of the Investment Manager could have an adverse impact on a Fund's ability to achieve its investment objective.

Each Fund is also subject to the risk of loss and impairment of operations from operational risk as a result of the Investment Manager's and other Service Providers' provision of investment management, administrative, depositary, accounting, tax, legal, shareholder and other services to the Fund. Operational risk can result from inadequate procedures and controls, human error and system failures by a service provider. For example, trading delays or errors (both human and systematic) could prevent a Fund from purchasing or selling a security that the Investment Manager expects will appreciate or decline in value, as the case may be, thus preventing that Fund from benefiting from potential investment gains or avoiding losses on the security.

Charges to the Funds

Each Fund will be obliged to pay certain fees and expenses, including an investment management and distribution fee, brokerage commissions, and other costs and expenses associated with the acquisition and disposition of investments, and operating costs and expenses, irrespective of profitability. In addition, a Fund's increase in Net Asset Value may be subject to a performance fee, where specified in the Relevant Supplement. There can be no assurance that a Fund will be able to earn sufficient income to offset these charges.

Net Asset Value Considerations

The Net Asset Value per Share is expected to fluctuate over time with the performance of each Fund's investments. A Shareholder may not fully recover its initial investment when their Shares are redeemed if the Net Asset Value per Share of the relevant Class at the time of such redemption is less than the subscription price paid by a Shareholder. In addition, where there is any conflict between applicable financial reporting standards and the valuation principles set out in the Instrument of Incorporation and this Prospectus in relation to the calculation of Net Asset Value, the latter principles shall take precedence.

Contingent Liabilities

The Instrument of Incorporation authorises the Directors to establish such reserves for unknown or contingent liabilities in respect of a Fund, as the Directors in their sole discretion deem advisable. The Directors may underestimate the magnitude of contingent liabilities or may be unaware of unknown liabilities and therefore such reserves may be insufficient.

Conflicts of Interest

Each Fund is subject to certain actual and potential conflicts of interest as referred to in the section entitled "*Conflicts of Interest*".

Custody Risks

The Depositary and its sub-custodians, if any, will have custody of a Fund's securities, cash, distributions and rights accruing to the Fund's securities accounts. If the Depositary or a sub-custodian holds cash on behalf of a Fund, the Fund may be an unsecured creditor in the event of the insolvency of the Depositary or sub-custodian. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Depositary or its sub-custodian will eliminate custodial risk. The Funds will be subject to credit risk with respect to the Depositary and the sub-custodians, if any.

In addition, certain of a Fund's assets may be held by entities other than Depositary and its sub-custodians, including, for example, margin passed to brokers in the course of FDI transactions.

The Fund may invest in markets where custodial and/or settlement systems are not fully developed, including in emerging markets. The assets of a Fund which are traded in such markets may be entrusted to sub-custodians in circumstances where the use of such sub-custodian is necessary.

Counterparty Risk

Each Fund is exposed to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Fund to suffer a loss. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Investment Manager has concentrated their transactions with a single counterparty or small group of counterparties. Other than as disclosed in this Prospectus and in compliance with the UCITS Requirements, the Investment Manager is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty.

Risks Relating to Reliance on the Investment Manager

The Investment Manager is responsible for setting and approving the investment objectives and investment policies of the Funds as stated in this Prospectus and investment decisions will be made for the Funds by the Investment Manager, subject to the terms and conditions of the Investment Management and Distribution Agreement. The success of a Fund will depend on the ability of the Investment Manager to identify suitable investments and the ability of the Investment Manager to dispose of such investments at a profit for the Fund. Adverse events could affect one or more of the Fund’s investments at the same time. There can be no assurance that the Investment Manager will be successful in this regard.

Cross-Liability Risk - Umbrella Structure of the ICAV

Under Irish law the ICAV generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

Cross-Liability Risk - Share Classes

Although each Fund may offer multiple Classes of Shares, all of the assets of a Fund are available to meet all of the liabilities of the Fund, regardless of the Class(es) of Shares to which such assets or liabilities are attributable. The assets attributable to any one Class of Shares will not generally be isolated from the liabilities attributable to other Classes of Shares.

Rights of Share Classes

Each Fund has the power to create different Classes of Shares and may create additional Classes having different rights (including but not limited to Classes with different voting rights, subscription/redemption procedures, charging structures, hedging policies and/or rights to dividends, for example). Each Fund shall have no obligation to offer such additional rights granted to investors in the Fund to all Shareholders, subject always to compliance with the UCITS Regulations, the requirements of the Central Bank and any relevant legal considerations.

Availability of Investment Opportunities

The success of each Fund’s investment activities will depend on the Investment Manager’s ability to identify investment opportunities as well as to assess the importance of news and events that may affect the financial markets. Identification and exploitation of the investment strategies to be pursued by a Fund involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to locate suitable investment opportunities in which to deploy all of a Fund’s assets or to exploit opportunities in the securities and derivatives markets.

Risks Relating to Allocation of Investment Opportunities

Certain investments may be appropriate for a Fund and also for other clients advised or managed by the Investment Manager or its affiliates. Investment decisions for a Fund and such other clients are made by the Investment Manager or its affiliates in their best judgment, but in their sole discretion taking into account such factors as they believe relevant. Such factors may include investment objectives, regulatory restrictions, current holdings, availability of cash for investment, the size of the investments generally, diversification requirements, benchmark deviation, and limitations and restrictions on a client's accounts that are imposed by such client. The Investment Manager generally is not under any obligation to share any investment, idea or strategy with a Fund.

Decisions to buy and sell investments for each client advised by the Investment Manager or its affiliates are made with a view to achieving such client's investment objectives taking into consideration other account-specific factors such as, without limitation, cash flows into or out of the account, the account's benchmark(s), applicable regulatory limitations and/or cash restrictions. Therefore, a particular investment may be bought or sold for only a Fund or only one client or in different amounts and at different times for more than one but less than all clients, including a Fund, even though it could have been bought or sold for other clients at the same time. Likewise, a particular investment may be bought or sold for a Fund or one or more clients when one or more other clients or that Fund are buying or selling the investment, including clients managed by the same investment division. It is also possible that a Fund may take a short position in an investment owned or being purchased by other accounts managed or advised by the Investment Manager and its affiliates or vice versa. In addition, purchases or sales of the same investment may be made for two or more clients, including a Fund, on the same date. Distressed markets may magnify the disparate treatment of accounts with different liquidity requirements.

Certain clients of the Investment Manager and its affiliates may hold bank debt, loans, securities or other investments in companies in which a Fund may also hold securities, loans or other investments, including equity securities. In the event that such investments are made by the Fund or another client of the Investment Manager, the interests of that Fund may be in conflict with the interest of that client, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels, or in different levels of the debt structure of an issuer, could cause conflicts of interest. In certain circumstances, decisions made with respect to investments held by another client of the Investment Manager could adversely affect the investments of a Fund. The involvement of such persons at multiple levels of the capital structure could also inhibit strategic information exchanges among fellow creditors. In certain circumstances, a Fund may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund may or may not provide such additional capital, and if provided each Fund or a client of the Investment Manager will supply such additional capital in such amounts, if any, as determined by the Investment Manager. The Investment Manager and its affiliates may seek to address these conflicts by adopting policies and procedures, which may include limiting investments by a Fund which produce such conflicts, limiting voting or roles on creditors' committees, procedures designed to ensure that the team managing the investments make independent decisions, or other procedures in the judgment of the Investment Manager.

There can be no assurance that a Fund will not receive less (or more) of a certain investment than it would otherwise receive if the Investment Manager did not have a conflict of interest among clients. In effecting transactions, it may not always be possible, or consistent with the investment objectives of the various persons described above and of a Fund, to take or liquidate the same investment positions at the same time or at the same prices. The Investment Manager has adopted policies and procedures reasonably designed to manage and/or mitigate conflicts between the Investment Manager and its clients, including the Funds.

Subject to applicable law and regulation, each of the Funds and the Investment Manager may make information about a Fund's portfolio positions (including short positions) available to unrelated third

parties. These third parties may use that information to provide additional market analysis and research to the Investment Manager. The Investment Manager may use that market analysis and research to provide investment advice to clients other than the Funds.

Liquidity Risk

The effect of liquidity risk is particularly pronounced when low trading volume, lack of a market maker, large size of position, or legal restrictions (including daily price fluctuation limits or “circuit breakers”) limit or prevent a Fund from selling particular securities or unwinding derivative positions at desirable prices. Less liquid securities are more susceptible than other securities to market value declines when markets decline generally.

A Fund is also exposed to liquidity risk when it has an obligation to purchase particular securities (e.g., as a result of writing a put). Some of the markets, exchanges or securities in which a Fund invests may be less liquid and this would affect the price at which, and the time period in which, the Fund may liquidate positions to meet redemption requests or other funding requirements.

Investments in emerging market securities that are not widely traded are sometimes subject to purchase and sale restrictions. Securities of companies with smaller market capitalisations that are not widely held trade less frequently and in lesser quantities than securities of companies with larger market capitalisations.

Securitisation Regulation

The Securitisation Regulation (Regulation EU 2017/2402) (the “**Securitisation Regulation**”) as may be amended, supplemented or replaced from time to time, applies across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to all European securitisations. UCITS such as the ICAV will be within scope of the Securitisation Regulation. Shareholders should be aware that there are material differences between the current EU risk retention requirements and the requirements which will apply under the Securitisation Regulation.

The definition of “securitisation” is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Institutional investors such as a Fund must ensure that the originator, sponsor or original lender of a securitisation retains at least a 5% net economic interest in the securitisation. These rules will mean that the Investment Manager or any Sub-Investment Manager of the relevant Fund will need to conduct due diligence before an investment is made in a securitisation position and continue to perform due diligence during the period the investment continues in a securitisation. This new direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitising entity has retained risk. As a consequence the new direct approach requires securitising entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors. The UCITS Directive has been amended to include a new provision stating that where UCITS are exposed to securitisation positions which do not meet the requirements of the Securitisation Regulation, the UCITS shall “in the best interests of the investors in the relevant UCITS, act and take corrective action”.

The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019 or which create new securitization positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created. Though the Securitisation Regulation will apply to securitisations the securities of which are issued on or after 1 January 2019, there can be no assurance as to whether the investments described herein made by a

Fund will be affected by the Securitisation Regulation or any change thereto or review thereof.

Limited Recourse

A Shareholder will solely be entitled to look to the assets of the relevant Fund in respect of all payments in respect of its Shares. If the realised net assets of the relevant Fund are insufficient to pay any amounts payable in respect of the Shares, the Shareholder will have no further right of payment in respect of such Shares nor any claim against or recourse to any of the assets of any other Fund or any other asset of the ICAV.

Possible Effects of Substantial Redemptions or Withdrawals

Redemptions or withdrawals from a Fund could require that Fund to liquidate its positions more rapidly than otherwise desirable, which could adversely affect that Fund's net asset value. Illiquidity in certain securities could make it difficult for a Fund to liquidate positions on favourable terms, which may affect that Fund's net asset value. Although a Fund may suspend redemptions or withdrawals in the manner described under the section entitled "*Suspension of Calculation of Net Asset Value*" in order to minimize this risk, it might not always do so, nor would use of this provision eliminate such valuation or liquidity risks.

The purchase or redemption of a substantial number of shares in the Fund may require the Investment Manager to change the composition of the Fund's portfolio significantly or may force the Investment Manager to buy or sell investments at unfavourable prices, which may adversely affect the Fund's returns and its overall performance. Portfolio turnover for the Fund may also result in increased trading costs, and may adversely impact the Fund's trading expense ratio.

Limitations on Redemption of Shares/Liquidity

The Directors may limit (and in, certain cases refuse) requests to redeem Shares. Please refer to the section headed "*Limitations on Redemptions*" below and to the terms of the Relevant Supplement. In addition, in certain circumstances the ICAV may decline to accept a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Holding for that Class of Shares of that Fund. Any redemption request having, such an effect may be treated by the ICAV as a request to redeem the Shareholder's entire holding of that Class of Shares.

Concentration Risk

Where a Fund focuses its investments on a limited number of markets, countries, types of investment and/or issuers, it will not enjoy the same level of diversification of risks across different markets, countries, types of investment and/or issuers that would be possible if investments were not so concentrated. Such a concentration of investments could increase the potential for volatility and risk of loss, especially in periods of pronounced market volatility. While the Investment Manager may allocate a Fund's assets among differing investment strategies and techniques, there are no fixed allocation percentages. There is the risk that a disproportionate share of a Fund's assets may be committed to one or more strategies or techniques. Where a Fund has a concentrated portfolio this may increase the likelihood of volatile performance, especially in periods of pronounced market volatility.

Valuation

Details of the method of calculation of the Net Asset Value per Share of a Fund are set out in the section entitled "*Determination of Net Asset Value*" below.

The Investment Manager may have a role with respect to the valuation of unlisted investments or securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation of the Fund's investments and the Investment Manager's other responsibilities. In such circumstances, the Investment Manager's fees will increase

as the value of the assets of the ICAV increases.

When the Fund uses fair value pricing, it may take into account any factors it deems appropriate. The Fund may determine fair value based upon developments related to a specific security, current valuations of stock indices and/or sector or broader stock market indices. The price of securities used by the Fund to calculate its Net Asset Value may differ from quoted or published prices for the same securities. Fair value pricing may involve subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realised upon the sale of that security.

High Portfolio Turnover

Each Fund will be actively managed and the investment strategy followed by the Fund may involve a high volume of trading, resulting in high portfolio turnover. As a result, the Fund could potentially be subject to higher transaction expenses in the form of greater brokerage commissions than funds with a lower portfolio turnover rate.

Reliance on Trading Models

The trading models that may be used by the Investment Manager for a Fund to support the investment decisions have been tested on historical price data. These models utilize the fact that price movements on most markets display very similar patterns. There is, of course, a risk that market behavior will change and that the patterns upon which the forecasts in the models are based weaken or disappear, which would reduce the ability of the models to generate an excess return. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the Investment Manager recognizing that fact before substantial losses are incurred. The successful operation of the models is also reliant upon the information technology systems of the Investment Manager and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. There can be no assurance that the Investment Manager will be successful in maintaining effective trading models that may be used for a Fund.

Benchmark Rate Risk

Prior to June 30, 2023, a significant portion of the bonds and loans held by a Fund may have had floating interest rates based on the London Inter Bank Offered Rate ("LIBOR"). LIBOR is an estimate of the interest rates to borrow U.S. Dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom's Financial Conduct Authority ("FCA"), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. Dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. Dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 ("LIBOR Act"). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. Dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a "determining person" as defined in the legislation, once U.S. Dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve (the "Federal Reserve") has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate ("SOFR")-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. Dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, a significant portion of the bonds and loans held by a Fund may have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the "New York Fed") based on data received from other sources, we have no control over its determination, calculation, or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of a Fund. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked floating rate instruments and the trading prices of such instruments. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, the return on and value of SOFR-linked floating rate instruments may fluctuate more than floating rate instruments that are linked to less volatile rates. All of the foregoing risks may affect the performance of the applicable bonds and loans in which a Fund invests, which in turn may adversely affect the performance of a Fund.

Alternative Benchmark Rate Risk

As stated in "Benchmark Rate Risk" above, some of the bonds and loans held by a Fund may have floating interest rates based on alternative benchmark rates other than SOFR. Such alternative benchmark rates, like SOFR, may not have been widely used by market participants until relatively recently, and they may not perform exactly the same as LIBOR because they are calculated and administered differently. Generally, the use of alternative benchmark rates (including SOFR) may (i) cause the value of the interest rate on such bonds and loans to be uncertain or to be lower or more volatile than it would otherwise be, (ii) result in uncertainty as to the functioning, liquidity or value of such bonds and loans, and/or (iii) involve actions of regulators or rate administrators that may adversely affect certain markets or contracts underlying such bonds and loans. All of the foregoing could adversely affect the return on and value of the related floating rate instruments in which a Fund invests.

Currency Risk – Fund Level

Currency risk includes the risk that currencies in which a Fund's investments are traded and/or in which a Fund receives income, or currencies in which a Fund has taken an active investment position, will decline in value relative to other currencies or otherwise perform in a manner that results in a loss to the Fund. In the case of hedging positions, currency risk includes the risk that the currency to which a Fund has obtained exposure declines in value relative to the foreign currency being hedged. In such event, a Fund may realise a loss on the hedging instrument at the same time a Fund is realising a loss on the currency being hedged. Currency exchange rates fluctuate significantly for many reasons, including changes in supply and demand in the currency exchange markets, actual or perceived changes in interest rates, intervention (or the failure to intervene) by governments, central banks or supranational agencies, and currency controls or other political and economic developments.

Derivative transactions in currencies (such as futures, forwards, options and swaps) may involve leveraging risk in addition to currency risk. The obligations of counterparties in currency derivative transactions may not be secured by collateral, which increases counterparty risk.

While the Base Currency of each Fund is a particular currency, the Fund's assets (including, without limitation, any active management of currency exposures) will often be denominated in other currencies and any income or capital received by the Fund will be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent unhedged) will affect the value of a Fund's portfolio and the unrealised appreciation or depreciation of investments. To the extent they are

unhedged, the value of a Fund's assets will fluctuate with the relevant currency exchange rates applicable to the Fund as well as with price changes of the Fund's investments in the various local markets and the performance of the Fund may be strongly influenced by movements in foreign exchange rates.

Where a Fund invests in assets that are denominated in a currency other than its Base Currency it may, but is not obliged to, employ a hedging strategy in order to hedge against the fluctuations in the rates of the different currencies of the assets and its Base Currency.

It may not always be possible to execute hedging transactions, or to do so at prices, rates or levels advantageous to the Funds. The success of any hedging transactions will be subject to the movements in the direction of securities prices and currency and interest rates and the stability of pricing relationships. Therefore, while a Fund might enter into such transactions to reduce currency exchange rate and interest rate risks, unanticipated changes in exchange rates or interest rates may result in poorer overall performance for the Fund than if it had not engaged in such hedging. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. An imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to a risk of loss.

Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the currency exchange markets, trade balances, the relative merits of investments in different countries, actual or perceived changes in interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and other complex factors. Currency exchange rates also can be affected unpredictably as a result of intervention (or the failure to intervene) by governments, central banks or supranational agencies, or by currency or exchange controls or political and economic developments. Currencies in which a Fund's assets are denominated, or in which a Fund has taken a long position, may be devalued against other currencies, resulting in a loss to such Fund. Similarly, currencies in which a Fund has taken a short position may increase in value relative to other currencies, resulting in a loss to such Fund.

In addition, some currencies are illiquid (e.g., emerging country currencies) and each Fund may not be able to convert these currencies into its Base Currency, in which case the Investment Manager may decide to purchase its Base Currency in a parallel market where the exchange rate is materially and adversely different. Exchange rates for many currencies (e.g., emerging country currencies) are particularly affected by exchange control regulations.

Currency Risk – Class Level

A Fund may issue Classes denominated in a currency other than its Base Currency. Accordingly, changes in currency exchange rates (to the extent unhedged) between the Base Currency of a Fund and the designated currency of a Class may lead to a depreciation of the value of such Shares as expressed in the designated currency.

The Supplement for each Fund shall indicate whether a particular Class is hedged or unhedged. In the case of unhedged currency Classes, the value of the relevant Class of Shares expressed in the Class Currency will be subject to exchange rate risk in relation to the Base Currency of the relevant Fund. The Investment Manager may try to mitigate exchange rate risk by using efficient portfolio management techniques and instruments, including currency options and forward currency exchange contracts. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Hedged Share Class from benefiting if the Class Currency falls against the Base Currency. In such cases, the Class Currency may be hedged so that the resulting currency exposure will not exceed 105% of the Net Asset Value of the Hedged Share Class. Whilst it is not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Investment Manager. The positions will be reviewed on a monthly basis and any positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month.

Transactions will be clearly attributable to a specific Hedged Share Class and therefore currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Funds may not be allocated to separate Classes of Shares. The costs and gains or losses associated with any hedging transactions for Hedged Share Classes will accrue solely to the Hedged Share Class to which they relate. In the event that an unhedged currency Class of Shares is issued which is priced in a currency other than the currency of that Fund, currency conversion costs on subscription, redemption, switching and distributions will be borne by that Class and will take place at prevailing exchange rates. To the extent that the hedging is successful, the performance of the Hedged Share Class is likely to move in line with the performance of the underlying assets because some of the currency exposures have been reduced. Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the currency of that Hedged Share Class falls against that of its Base Currency, the use of class hedging strategies may substantially limit holders of Shares in the relevant Hedged Share Class from benefiting if the currency of that Hedged Share Class rises against that of its Base Currency. Investors in the Hedged Share Class will not benefit if the Hedged Share Class currency falls against the Base Currency and/or the currency in which the underlying assets are denominated.

While the various Funds constitute segregated portfolios of assets and liabilities, no separate pools of assets exist for the individual Classes of the same Fund. Although a Fund as a whole is, generally speaking, liable for the obligations incurred in relation to a specific Class, such as currency hedging transactions, such cross-liability among Classes should be effectively avoided in relation to the Funds if currency hedging agreements with counterparties provide for a limitation of liability to the net assets of the relevant Hedged Share Class. Accordingly, the costs associated with any Hedged Share Class level hedging, and the gains and losses arising from such hedging, will be borne by that Hedged Share Class and this is the basis on which currency class hedging transactions will be entered into with a counterparty. The creation of Hedged Share Classes is intended to create a benefit to Shareholders by allowing them to select their currency exposure in another currency than the Base Currency of the Fund.

Currency Hedging Risk

A Fund may enter into hedging transactions with respect to a particular Class to attempt to offset the risk of exchange rate fluctuations between the currency in which such Class is denominated and the currency or currencies in which the Fund's assets are denominated. Class Currency hedging will likely be limited to the estimated Net Asset Value of the relevant Class, which will be adjusted in line with the dealing frequency for estimated changes in Net Asset Value. Because adjustments are not made more frequently, and because estimates are used in hedging, a Hedged Share Class will always be over- or under-hedged to some degree against its actual currency exchange risk.

Any currency hedging transactions are intended to protect the relevant Class from currency losses but will also prevent any profit from currency gains. Further, there can be no assurance that any currency hedging transactions will be successful, and there are transaction costs associated with hedging, which are borne by those Classes. Moreover, liquidating Fund investments in order to settle currency hedging losses may result in a less liquid and less diversified portfolio for a Fund as a whole, including Classes other than the Class for which the currency hedging transactions are being made.

Currency hedging is a trading strategy implemented through the use of derivatives, and a Fund will be required to settle trading losses on those derivatives, regardless of the liquidity of the Fund's investment portfolio. A Fund may seek to obtain a credit facility on which it can draw to post margin, pay fees or settle hedging losses pending receipt of redemption proceeds from investments. However, there can be no assurance that a credit facility provider will maintain the facility indefinitely, will not refuse a draw request, or will not itself fail, resulting in the loss of the credit line. Additionally, credit facilities will be limited in size and may not be sufficient to cover all margin calls or hedging losses, and credit facilities increase the cost of hedging because a Fund may be required to pay, among other things, (i) a commitment fee to obtain the facility, (ii) the initial costs of negotiating and putting in place the facility, and (iii) a spread over a bank lending rate on any borrowing.

A Fund or a hedging counterparty could determine at any time to discontinue a hedging transaction. Therefore, no prospective investor should invest in a Class in reliance on the Fund hedging its currency

risk at all times.

Borrowing Risks

A Fund may borrow for the account of the Fund in order to facilitate redemptions or to settle the purchase of an investment which may settle late otherwise, in accordance with the limits imposed under the UCITS Regulations. Borrowing involves an increased degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Fund will be able to borrow on favourable terms, or that the Fund's indebtedness will be accessible or be able to be refinanced by the Fund at any time.

Rating of Investment Risk

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

Credit Ratings and Unrated Securities Risk

Rating agencies are private services that provide ratings of the credit quality of loans or fixed income securities, including convertible securities. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. In the event of a downgrading of a security purchased by a Fund, such security or note may become less liquid and as a result a Fund may be unable to sell such security or note at an advantageous time or price. A Fund will not necessarily sell a security or note when its rating is reduced below its rating at the time of purchase. The Investment Manager does not rely solely on credit ratings, and develops its own analysis of issuer credit quality. In the event that the rating services assign different ratings to the same security or note, the Investment Manager will determine which rating it believes best reflects the security's quality and risk at that time, which may be the higher of the several assigned ratings. A Fund may purchase unrated securities (which are not rated by a rating agency) if the Investment Manager determines that the security is of comparable quality to a rated security that such Fund may purchase. Unrated securities may be less liquid than comparable rated securities or notes and involve the risk that the Investment Manager may not accurately evaluate the security's comparative credit rating. Analysis of the creditworthiness of issuers of high yield securities may be more complex than for issuers of higher-quality fixed income securities. To the extent that a Fund invests in high yield and/or unrated securities or notes, the Fund's success in achieving its investment objective may depend more heavily on the Investment Manager's creditworthiness analysis than if the Fund invested exclusively in higher-quality and rated securities.

No Control Over Event of Default Remedies.

If an event of default occurs under the indenture, loan agreement or other document governing an investment, the holders of a majority of the most senior class of outstanding notes or loans issued by such investment generally will be entitled to determine the remedies to be exercised under the indenture, loan agreement or other governing document. These remedies may include the sale and liquidation of the assets underlying the investment and could be adverse to the interests of a Fund. Depending on the seniority of the notes or loans held by a Fund, such Fund may have no rights under the indenture, loan agreement or other document governing an investment and may not be able to exercise any remedies following an event of default as long as any more senior notes or loans are outstanding, nor will such Fund receive any payments after an event of default until the more senior notes or loans and certain other amounts have been paid in full.

Reliance on the Integrity of Financial and Economic Reporting

In following its investment objective and strategy each Fund may rely on the financial, economic and

government policy data made available by companies, governmental agencies, rating agencies, exchanges, professional services firms and central banks. Such data can have a material effect on the investment positions the Investment Manager takes on behalf of the Funds. However, the Investment Manager generally has no ability independently to verify such financial, economic and/or economic policy information. The Investment Manager is dependent upon the integrity of both the individuals and the processes by which such data is generated. The Funds could incur material losses as a result of the misconduct or incompetence of such individuals and/or a failure of, or substantial inaccuracy in, the generation of such information.

Credit Risk

Credit risk is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. A Fund's return to investors would be adversely impacted if an issuer of debt in which a Fund invests becomes unable to make such payments when due.

Although a Fund may make investments that the Investment Manager believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments or a Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated.

With respect to a Fund's investments in debt, if the borrower or issuer breaches any of the covenants or restrictions under the agreement that governs indebtedness of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by a Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of a Fund's investment or a pre-payment (in whole or in part) of a Fund's investment.

Credit Risk of Counterparties

A Fund will assume the credit risk associated with placing its cash, margin and securities with brokers and other counterparties, and the failure or bankruptcy of any of such counterparties could have a material adverse impact on a Fund. In certain circumstances, the Fund might be able to recover, even in respect of property specifically traceable to the Fund, only a *pro rata* share of all property available for distribution to a bankrupt broker's customers. A Fund may carry substantially all of its positions at a single counterparty, thereby increasing this credit risk.

Prepayments

During periods of declining interest rates, borrowers or issuers may exercise their option to prepay principal earlier than scheduled. For fixed rate loans, such payments often occur during periods of declining interest rates, forcing a Fund to reinvest in lower yielding loans, resulting in a possible decline in the Fund's income and distributions to Shareholders. This is known as prepayment or "call" risk. Below investment grade loans may have call features that allow the issuer to redeem the loan at dates prior to its stated maturity but, for a period of time after issuance, at a specified price greater than par ("call protection"). Senior loans and other loans are typically prepayable at the borrower's option, without call protection, although some loans will have limited call protection in the first one or two years, especially in situations where the loan is refinanced at a lower cost.

Participation on Creditors' Committees

A Fund may participate on committees formed by creditors to negotiate with the management of financially troubled companies both inside and outside of bankruptcy or insolvency proceedings, or the Fund may seek to negotiate directly with the debtors with respect to restructuring issues. The participants on such a committee may seek outcomes in their respective individual best interests, and there can be no assurance that results that are the most favourable to the Fund will be obtained in such proceedings. If a committee is appointed in a bankruptcy case, the committee's actions will necessarily

be subject to the jurisdiction and discretion of the bankruptcy court. By participating on such committees, the Fund may be deemed to have duties to other creditors represented by the committees, which might thereby expose the Fund to liability to such other creditors that disagree with the Fund's actions.

Issuer Insolvency Risks

If a court in a lawsuit brought by a creditor or representative of creditors (such as a trustee in bankruptcy) of an issuer of one of the Fund's investments were to find that (a) such creditor did not receive reasonably equivalent value for incurring the indebtedness evidenced by the loans that the company issued to the Fund and (b) after giving effect to such indebtedness and the use of the proceeds thereof, such company (i) was insolvent, (ii) was engaged in a business for which its remaining assets constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debt beyond its ability to pay such debt as they mature, such court could invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, subordinate such indebtedness to existing or future creditors of the obligor or recover amounts previously paid by such company to the Fund in satisfaction of such indebtedness.

In addition, upon the insolvency of an issuer, payments that it made to the Fund may be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year in the case of the U.S.) before insolvency. There can be no assurance as to what a given court would apply in order to determine whether the company was "insolvent" or that, regardless of the method of valuation, a court would not determine that the company was "insolvent," in each case, after giving effect to the indebtedness evidenced by the loans held by the Fund and the use of the proceeds thereof. While the Fund may be able to assert certain defenses to any such avoidance claims, the outcome of such claims is within the discretion of the bankruptcy court and is therefore inherently incapable of being predicted.

In general, if payments are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Fund) or from subsequent transferees of such payments, including the Shareholders.

The above discussion is based upon U.S. federal and state laws. Insofar as investments that are obligations of non-U.S. obligors are concerned, the laws of these jurisdictions may provide for avoidance remedies under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Sovereign Debt

Each Fund may purchase sovereign debt issued by governments, or their agencies and instrumentalities either in the currency of their domicile or in a foreign currency. Investors in sovereign debt may be asked to participate in debt restructuring, including the deferral of interest and principal payments, and may also be requested by the issuer to extend additional loans. There is no current means of collecting on defaulted sovereign debt as part of bankruptcy proceedings.

Settlement Risks

The equity and debt markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Fund are uninvested and no return is earned thereon. The inability of the Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio investments due to settlement problems could result in either losses to a Fund due to subsequent declines in value of the portfolio security or, if it has entered into a contract to sell the investment, it could result in a possible liability of it to the purchaser.

Financial Market and Interest Rate Fluctuations

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Shares. Fluctuations in interest rates of the currency in which the Shares are denominated and/or fluctuations in interest rates of the currency or currencies in which a Fund's assets are denominated may affect the value of the Shares.

General fluctuations in the market prices of securities and interest rates may adversely affect the value of a Fund's investments. Volatility and instability in the securities markets may also increase the risks inherent in a Fund's investments. The ability of companies or businesses in which a Fund may invest to refinance debt securities may depend on their ability to sell new securities in the high yield debt or bank financing markets, which at certain points over the last several years have been extraordinarily difficult to access at favorable rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable-rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. A Fund may also invest in floating-rate debt securities, for which decreases in interest rates may have a negative effect on value.

Risks Associated with Delays in providing Complete Customer Due Diligence

Investors should note that there is a risk that any delay in providing a signed copy of the Application Form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Shares not being issued on a particular Dealing Day.

MARKET RISKS

General Economic and Market Conditions

The performance of a Fund may be affected by general economic conditions. Such conditions might include changes to interest rates and credit spreads, inflation, equity risk premium, changes in laws or regulations and national and international political circumstances. Unexpected volatility and illiquidity in markets may impact a Fund's performance or result in losses.

Highly Volatile Markets

Price movements of a Fund's investments may be highly volatile and influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal and monetary programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in markets that impact the price of certain assets. The value of a Fund's investments may be affected by changes in government regulations and tax policies.

Exchange Rules

Each securities exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension would render it impossible for a Fund to liquidate positions on such exchange and, accordingly, could expose the Fund to losses.

Equity Market Risk

Equity market risk is the risk that a particular share, a fund, an industry, or shares in general may fall in value. The value of investments in a Fund will go up and down with the prices of securities in which a Fund invests. The prices of stocks change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, demand for an issuer's products or services, production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

In the case of securities purchased by a Fund in initial public offerings, such securities shall be valued at the offering price until such time as the securities are listed or traded on a Regulated Market. There may be significant volatility in the price of the securities relative to the offering price in the period following the initial public offering.

Specialisation Risk

Some Funds may specialise in a particular industry, or in a single country or region of the world. This allows them to focus on the potential of that industry or geographic area, but it also means they may be more volatile than more broadly diversified funds because prices of securities in the same industry or region may tend to move up and down together. These Funds must continue to invest in a particular industry or geographic area, even if it is performing poorly.

Global Market Exposure

Each Fund may invest on a global basis in both developed and emerging markets. In doing so, the Funds are subject to: (i) currency risk; (ii) the possible imposition of withholding, income or excise taxes; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and little or potentially biased government supervision and regulation; (iv) financial, economic and political risks, including expropriation, currency exchange control and potential restrictions on foreign investment and repatriation of capital; and (v) global market turmoil.

Emerging Markets Risks

The Funds may invest in securities of issuers in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the smaller markets for securities of emerging markets issuers and lower volumes of trading, resulting in lack of liquidity and in greater price volatility; (iii) certain national policies which may restrict the investment opportunities available in respect of a Fund, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and on the realisation or repatriation of foreign investment; (iv) currency instability and hyper-inflation; (v) the absence of developed legal structures governing private or foreign investment and private property and (vi) a risk that custodial and/or registration systems of issuers are not fully developed. The accounting, auditing and financial reporting standards of countries in which a Fund may invest are likely to be less extensive, particularly in emerging markets.

Certain Securities Markets

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

INVESTMENT RISKS

Non-Investment Grade Investments

Certain Funds may hold or be exposed to the performance of fixed income securities rated below

investment grade. Such securities or notes may have greater price volatility, greater risk of loss of principal and interest, and greater default and liquidity risks, than more highly rated securities. **If a Fund invests more than 30% in these securities or notes then an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Risks of Investing in Non-Investment Grade Fixed Income Securities

Non-investment grade fixed income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as “high yield bonds”) are subject to the increased risk of an issuer’s inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the high yield bond markets generally and less secondary market liquidity.

Non-investment grade fixed income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of non-investment grade fixed income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Manager’s judgement concerning the creditworthiness of issuers than funds which invest in higher-rated securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer’s inability to meet specific projected business forecasts. Negative publicity about the high yield bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder’s risk of loss from default is significantly greater for non-investment grade fixed income securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade fixed income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield bonds is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Fund’s ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Fund to obtain precise valuations of the high yield bonds in its portfolio. In addition, a Fund may invest in debt obligations which may be unrated by a recognized credit rating agency, which may be subject to greater risk of loss of principal and interest than higher-rated debt obligations or debt obligations which rank behind other outstanding securities and obligations of the obligor, all or a significant portion of which may be secured on substantially all of that obligor’s assets. A Fund may also invest in debt obligations which are not protected by financial covenants or

limitations on additional indebtedness. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Any of these factors could have a material adverse effect on the performance of a Fund, and, by extension, such Fund's business, financial condition, results of operations and the value of the interests.

Credit ratings issued by credit rating agencies are designed to evaluate the safety of principle and interest payments of rated securities. They do not, however, evaluate the market value risk of non-investment grade securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality.

Investment in Corporate Debt Obligations

The Fund's investments in corporate debt obligations are subject to specific risks. The assets of the Fund's portfolio may include first lien senior secured debt and may also include selected second lien senior secured debt, which involves a higher degree of risk of a loss of capital.

The factors affecting an issuer's first and second lien leveraged loans and its overall capital structure, are complex and may differ from the general structure outlined in this Prospectus. Some first lien loans may not necessarily have priority over all other debt of an issuer. For example, some first lien loans may permit other obligations to be secured rateably with the loans (such as overdrafts, swaps or other derivatives made available by members of the lending syndicate to the company) or involve first liens only on specified assets of an issuer (e.g., excluding real estate or receivables). Issuers of first lien loans may have two tranches of first lien debt outstanding each with first liens on separate collateral. Furthermore, the liens referred to herein generally only cover U.S. assets and non-U.S. assets are not included (other than a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, Title 11 of the U.S. Code (the "Bankruptcy Code") authorises, under certain circumstances, the issuer to use a creditor's collateral to obtain additional credit by granting a post-petition lender "priming" liens on such collateral and/or super priority administrative expense claims, senior even to liens and claims that were first in priority prior to the bankruptcy filing, as long as the issuer provides what the bankruptcy court determines to be "adequate protection," which may, but need not always, consist of the grant of replacement or additional liens, additional claims (super priority claims, junior to the claims granted to the post-petition lender(s)) or the making of cash payments to the affected secured creditor. It is important to note that adequate protection is a flexible concept and the determination of whether, and in which forms, to provide adequate protection is within the discretion of the bankruptcy court. The imposition of priming liens and/or super priority claims would adversely affect the priority of the liens and claims held by a Fund and could adversely affect the Fund's recovery on its loans. In addition, in a bankruptcy proceeding, certain unsecured administrative and priority claims may have priority over first lien, secured loans including, without limitation, the actual and necessary costs of administering the bankruptcy case (e.g., professional fees, certain wage claims of employees, etc.) Such claim, albeit unsecured, will have effective priority over first lien loans because these claims must be paid in full in order to confirm a plan of reorganisation or liquidation.

As a general matter, in a bankruptcy proceeding, secured debt is entitled to greater priority than unsecured debt but only to the extent of the value of the collateral securing the debt. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the underlying assets selected as collateral to secure loans may give the Fund the ability to realise proceeds through a plan of reorganisation or liquidation, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal, interest and other obligations owing to the Fund with respect to its investment. It is also possible that in a bankruptcy case, unsecured creditors driven to augment their own recoveries may seek to challenge the validity, priority and extent of the first lien lenders' collateral. Even if the first lien lenders were able to successfully defend against such a lien challenge, it is possible that litigation costs relating to such defence could decrease the proceeds of the collateral available for distribution to lenders.

Further, loans may become non-performing for a variety of reasons. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings, all of which may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. Upon a bankruptcy filing by an issuer of debt, the Bankruptcy Code imposes an automatic stay on a lender's efforts to seek or compel payment of prepetition debt. Moreover, if an issuer were to file for Chapter 11 reorganisation, the Bankruptcy Code authorises the issuer to restructure the terms of repayment of debt even if the holders of such debt do not accept the issuer's proposed restructuring as long as, among other things, the bankruptcy court determines that the restructured terms are "fair and equitable" to the debt holders and certain other conditions are met. Because bankruptcy courts are courts of "equity," and have broad statutory power to craft remedies and issue rulings, often without precedent, to facilitate a debtor's reorganisation and/or equitable distribution of assets to creditors and other stakeholders, it is inherently difficult to predict how a bankruptcy court will deal with a particular situation and to what extent the court might authorise compromise of a secured lender's claim.

Senior secured loans are also subject to other risks, including, without limitation, (i) invalidation of a debt or lien as a "fraudulent conveyance", (ii) "preference" claw-backs of liens or payments made on account of an antecedent debt in the ninety (90) calendar days (or one year in case of a creditor that is also an insider of the debtor) before a bankruptcy filing, (iii) equitable subordination of claims in cases of misconduct, (iv) so-called "lender liability" claims by the issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Recent decisions in bankruptcy cases have held that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received such loans as a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination if the secondary holder either took the loan by assignment (as opposed to an open market purchase) or had knowledge of the transferee's misconduct when it purchased the loan.

A Fund's investments in loans may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected.

Covenant-Lite Loans

A Fund may invest in covenant-lite loans, which have been growing in popularity, and which contain limited, if any, financial covenants. Generally, such loans either do not require the obligor to maintain debt service or other financial ratios or do not contain common restrictions on the ability of the obligor to significantly change its operations or to enter into other significant transactions that could affect its ability to repay such loans. As a result, the Fund's exposure to different risks may be increased, including with respect to liquidity, price volatility and ability to restructure loans, relative to loans that have such requirements and restrictions.

Sub-Investment Grade Risk

A Fund may invest in sub-investment grade debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated securities and may be considered to be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. They may be considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with sub-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for sub-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to a Fund, which, in turn, could have a material adverse effect on the performance of such Fund, and, by extension, the Fund's business, financial condition, results of operations and the value of the Interests. Sub-investment grade securities are also subject to the risk of default and have a higher liquidity risk. Sub-investment grade investments that are also stressed or distressed heighten the risks discussed above.

Loan Participations and Assignment Risk

A Fund may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions (“**Lender**”). Such investment is expected to be in the form of participations in (“**Participations**”), or assignment of (“**Assignments**”), the loans. The Participations shall be liquid and will provide for interest rate adjustments at least every 397 days. They are subject to the risk of default by the underlying borrower and in certain circumstances to the credit risk of the Lender if the Participation only provides for the Fund having a contractual relationship with the Lender, not the borrower. A Fund will purchase such Participations only through recognised, regulated dealers. As described in more detail below, holders of Participations are subject to additional risks not applicable to a holder of a direct interest in a loan.

Participations by the Fund in a Lender's portion of a loan result in a contractual relationship only with such Lender, not with the borrower. In the case of a Participation, the Fund will generally have the right to receive payments of principal, interest and any fees to which it is entitled only from the Lender selling the Participation and only upon receipt by such Lender of such payments from the borrower. By holding a Participation in a loan, the Fund generally will have no privity with the borrower, no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set off against the borrower and the Fund may not directly benefit from the collateral supporting the loan in which it has purchased the Participation. As a result, the Fund will assume the credit risk of both the borrower and the Lender selling the Participation, which will remain the legal owner of record of the applicable loan. In the event of the bankruptcy of the Lender, the Fund, by owning a Participation, may be treated as a general unsecured creditor of the Lender, and may not benefit from any set off between the Lender and the borrower. In addition, the Fund may purchase a Participation from a Lender that does not itself retain any portion of the applicable loan and, therefore, may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. When the Fund holds a Participation in a loan it will typically not have the right to vote under the applicable loan agreement with respect to matters that arise thereunder (other than, in most cases, key economic decisions) and it is expected that each Lender will reserve the right to administer the loan sold by it as it sees fit and to amend the documentation evidencing such loan in all respects. Lenders voting in connection with such matters may have interests different from those of the Fund and may fail to consider the interests of the Fund in connection with their votes.

The purchaser of an Assignment of an interest in a loan typically succeeds to all the rights and obligations of the assigning Lender and becomes a lender under the loan agreement with respect to that loan. As an assignee, the Fund generally will have the same voting rights as other lenders under the applicable loan agreement, including the right to vote to waive enforcement of breaches of covenants or to enforce compliance by the borrower with the terms of the loan agreement, and the right to set off claims against the borrower and to have recourse to collateral supporting the loan. Assignments are, however, arranged through private negotiations between assignees and assignors, and in certain cases the rights and obligations acquired by an assignee may differ from, and be more limited than, those held by the assigning Lenders. Assignments and Participations are typically sold strictly without recourse to the Lenders, and the Lenders will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans. In addition, the Fund will be bound by provisions of the underlying loan agreements, if any, that require the preservation of the confidentiality of information provided by the borrower. Because of certain factors including confidentiality provisions, the unique and customized nature of the loan agreement, and the private syndication of the loan, loans may not be not purchased or sold as easily as are publicly traded securities.

Limited Control over Loan Administration

The Fund may purchase its investments directly in the form of an Assignment of, or Participation in, a note or other obligation issued under a loan facility to which more than one Lender is a party. As a direct holder of an investment issued under a syndicated loan agreement, the Fund will have limited consent and control rights acting alone.

Distressed Debt Securities Risk

A Fund may invest in distressed debt securities. Investment in such distressed debt securities (which qualify as transferable securities) involves purchases of obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Although such purchases may result in significant investor returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. Investments in distressed debt securities may also in certain cases result in the incurrence by a Fund of significant professional related fees and expenses, including those of a legal nature. In fact, many of these investments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to a company in which the Fund invests, an investor may lose its entire investment or may be required to accept cash or securities with a value less than the original investment. Under such circumstances, the returns generated from the investment may not compensate the Fund adequately for the risks assumed.

Investing in distressed debt can also impose duties on the Investment Manager which may conflict with duties which it owes to each Fund. A specific example of where the Investment Manager may have a conflict of interest is where it invests the assets of a Fund in a company in serious financial distress and where that investment leads to the Investment Manager investing further amounts of the Fund's assets in the company or taking an active role in advising the company, or one of the Investment Manager's employees becomes a director or other officer of the company. In such cases, the Investment Manager or its employee may have duties to the company and/or its members and creditors which may conflict with, or not correlate with, the interests of the Shareholders of a Fund. In such cases, and subject to the Investment Restrictions set out in Schedule 2 of the Prospectus, the Investment Manager may also have discretion to exercise any rights attaching to the Fund's investments in such a company. For the avoidance of doubt, the Investment Manager shall not intentionally hold or acquire any shares carrying voting rights in such companies, which would enable the Investment Manager to exercise significant influence over the management of such companies. The Investment Manager will take such steps as it considers necessary to resolve such potential conflicts of interest fairly.

Subordinated Debt Risk

A Fund may invest in subordinated debt. Subordinated debt is debt which, in the case of insolvency of the issuer, ranks after other debts in relation to repayment. Because subordinated debt is repayable after senior debts have been re-paid, the chance of receiving any repayment on insolvency is reduced and therefore subordinated debt represents a greater risk to the investor. Depending on the jurisdiction of the issuer, a financial regulator with supervisory authority may use statutory powers and deem the issuer of subordinated debt to have reached a point of non-viability, meaning that public intervention would be necessary. Under such conditions, subordinated debt securities may absorb losses prior to bankruptcy.

Unlisted Instruments

For unlisted instruments, or over-the-counter derivative instruments, where two parties contract directly rather than through an exchange, a Fund will usually have a contractual relationship only with the counterparty of such unlisted instrument and not the reference obligor on the reference obligation. A Fund generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, may be subject to set-off rights exercised by the reference obligor against the counterparty or another person or entity, and generally will not have any voting or other contractual rights of ownership with respect to the reference obligation.

A Fund will not directly benefit from any collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the counterparty, a Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, the Fund will be subject to the credit risk of the counterparty as well as that of the reference obligor. As a result, concentrations of over-the-counter derivative instruments entered into with any one counterparty will subject such Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the reference obligor. Additionally, while the Investment Manager expects that the returns on an over-the-counter derivative instrument will generally reflect those of the related reference obligation, as a result of the terms of the over-the-counter derivative instrument and the assumption of the credit risk of the over-the-counter derivative instrument counterparty, an over-the-counter derivative instrument may have a different expected return, a different (and potentially greater) probability of default and expected loss characteristics following a default, and a different expected recovery following default.

When compared to the reference obligation, the terms of an over-the-counter derivative instrument may provide for different maturities, distribution dates, interest rates, interest rate references, credit exposures, or other credit or non-credit related characteristics. Upon maturity, default, acceleration or any other termination (including a put or call) other than pursuant to a credit event (as defined therein) of the over-the-counter derivative instrument, the terms of the over-the-counter derivative instrument may permit or require the issuer of such over-the-counter derivative instrument to satisfy its obligations under the over-the-counter derivative instrument by delivering to a Fund securities other than the reference obligation or an amount different than the then current market value of the reference obligation.

Mortgage-Backed and Asset-Backed Securities

A Fund may invest in securities that represent an interest in a pool of mortgages (“**mortgage-backed securities**”) and, subject to applicable law, credit card receivables, auto loans or other types of loans (“**asset-backed securities**”). Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities. Most mortgage-backed and asset-backed securities are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, mortgage-backed and asset-backed securities are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.

Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

Structured Notes

A Fund may invest in structured notes. The values of the structured notes in which a Fund will invest may be linked to equities or debt instruments (“**reference instruments**”). These notes differ from other types of debt securities in several respects. The interest rate or principal amount payable at maturity may vary based on changes in the value of the reference instruments. A structured note may be positively or negatively indexed; that is, its value or interest rate may increase or decrease if the value of the reference instrument increases. Similarly, its value may increase or decrease if the value of the reference instrument decreases. Further, the change in the principal amount payable with respect to, or the interest rate of, a structured note may be a multiple of the percentage change (positive or negative) in the value of the underlying reference instrument(s). Investments in structured notes involve certain risks, including the credit risk of the issuer and the normal risks of price changes in response to changes in interest rates. Further, in the case of certain structured notes, a decline or increase in the value of the

reference instrument may cause the interest rate to be reduced to zero, and any further declines or increases in the reference instrument may then reduce the principal amount payable on maturity. Finally, these securities may be less liquid than other types of securities, and may be more volatile than their underlying reference instruments.

Debt and Other Fixed Income Securities Generally

Debt and other fixed income securities include fixed and floating rate securities of any maturity. Fixed rate securities pay a specified rate of interest or dividends. Floating rate securities pay a rate that is adjusted periodically by reference to a specified index or market rate. Fixed and floating rate securities include securities issued by governments and related agencies, and by a wide range of private issuers, and generally are referred to as “fixed income securities.” Indexed bonds are a type of fixed income security whose principal value and/or interest rate is adjusted periodically according to a specified instrument, index, or other statistic (e.g., another security, inflation index, currency, or commodity). In addition, a Fund may create “synthetic” bonds (i.e. securities designed to mimic the cash flow and risk profile of a bond) which approximate desired risk and return profiles. A “synthetic bond” can contain items such as put and call options on bonds, bond futures, treasury bonds and credit default swaps. Investors should refer to the sections of the Prospectus entitled “Investment Techniques and Instruments” and “Derivative Risks” above for further details in respect of such derivatives. This may be done where a “non-synthetic” security having the desired risk/return profile either is unavailable (e.g., short-term securities of certain foreign governments) or possesses undesirable characteristics (e.g., interest payments on the security would be subject to withholding taxes).

Holders of fixed income securities are exposed to both market and credit risk. Market risk (or “interest rate risk”) relates to changes in a security’s value as a result of changes in interest rates. In general, the values of fixed income securities increase when interest rates fall and decrease when interest rates rise. Credit risk relates to the ability of an issuer to make payments of principal and interest. Obligations of issuers are subject to bankruptcy, insolvency and other laws that affect the rights and remedies of creditors. Fixed income securities denominated in foreign currencies also are subject to the risk of a decline in the value of the denominating currency.

Because interest rates vary, the future income of the Fund that invests in floating rate fixed income securities cannot be predicted with certainty. To the extent the Fund invests in indexed securities, the future income of the Fund also will be affected by changes in those securities’ indices over time (e.g., changes in inflation rates, currency rates, or commodity prices).

A Fund may invest in a wide range of debt and fixed income instruments, including, but not limited to, asset-backed and mortgage-backed securities including commercial mortgage-backed securities and residential mortgage-backed securities, government securities and high yield securities, as described below.

Cash and Other High Quality Investments

A Fund may invest a portion of its assets in cash or cash equivalents pending other investments or to maintain liquid assets required in connection with its investments. These cash equivalents and other high quality debt securities may include money market instruments, such as government-issued securities, bankers’ acceptances, commercial paper, and bank certificates of deposit. If a custodian holds cash on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of the custodian. In addition, the Fund will be subject to credit risk with respect to such a custodian, which may be heightened to the extent the Fund takes a temporary defensive position.

Investments in Money Market Funds

A Fund may invest in daily dealing money market funds especially in periods when the Fund holds substantial cash balances. Daily dealing money market funds are not bank deposits or guaranteed by any governmental agency or by the promoter or investment manager of the fund.

Government Securities

A Fund may invest in or have exposure to all types of debt instruments. Government securities include securities issued or guaranteed by governments or their authorities, agencies, or instrumentalities or by supra-national agencies. Different kinds of government securities have different kinds of government support. For example, some foreign government securities are supported by the full faith and credit of a foreign national government or political subdivision and some are not. Foreign government securities of some countries may involve varying degrees of credit risk as a result of financial or political instability in those countries or the possible inability of the Fund to enforce its rights against the foreign government. As with issuers of other fixed income securities, sovereign issuers may be unable or unwilling to satisfy their obligations to pay principal or interest payments.

Supra-national agencies are agencies whose member nations make capital contributions to support the agencies' activities. Examples include the International Bank for Reconstruction and Development (the World Bank), the Asian Development Bank, and the Inter-American Development Bank.

As with other fixed income securities, government securities expose their holders to market risk because their values typically change as interest rates fluctuate. For example, the value of government securities may fall during times of rising interest rates. Yields on government securities tend to be lower than those of corporate securities of comparable maturities.

High Yield Securities

A Fund may invest in or have exposure to high yield securities. Such securities are generally not exchange traded and as a result these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace (although it is a permitted market for UCITS such as the Fund). In addition, a Fund may invest in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payment obligations. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Collateral Risk

Cash received as collateral may be invested in other eligible securities, including shares of a short term money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security.

Convertible Security Risk

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

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a

conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on a Fund’s ability to achieve its investment objective.

Securities Lending / Securities Lending Risk

Securities lending, as applicable for a Fund, involves lending for a fee portfolio securities held by a Fund for a set period of time to willing, qualified borrowers who have posted collateral. In lending its securities, a Fund is subject to the risk that the borrower may not fulfil its obligations or go bankrupt leaving the Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund.

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However, a Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The collateral will typically be maintained at a value of at least equal to the market value of any securities loaned. However in the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

Any securities lending made with Connected Parties of the Depositary will be subject to the Conflicts of Interest section below. Please see the “Conflicts of Interest” section below.

Risks Associated with Investment in Other Collective Investment Schemes

A Fund may invest in one or more collective investment schemes including schemes managed by the Investment Manager or its affiliates.

A Fund may invest in shares of both open-ended collective investment schemes (including money market funds and exchange traded funds) and closed-ended collective investment schemes. Investing in another collective investment scheme exposes a Fund to all the risks of that collective investment scheme.

As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

FDI RELATED RISKS

Derivative Risks

While the prudent use of FDI, including securities embedding FDI, can be beneficial, FDI also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

Each Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where the Funds enter into credit default swaps and other swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur a significant losses. There is also a possibility that ongoing FDI will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Other risks arise from the potential inability to terminate or sell FDI positions. A liquid secondary market may not always exist for a Fund's FDI positions at any time. In fact, many OTC FDIs will not be liquid and may not be able to be "closed out" when desired. OTC FDIs such as swap transactions also involve the risk that the other party will not meet its obligations to the Fund. The participants in "OTC" markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes the Fund to risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, a Fund's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Fund that might in turn require, if there is insufficient cash available in the portfolio, the sale of the Fund's investments under disadvantageous conditions. Also, there are legal risks involved in using FDIs which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Interest Rate Swaps

The Funds of the ICAV may invest in interest rate swaps. Interest rate swaps involve the exchange of the two parties' respective commitments to pay or receive interest on a notional principal amount (e.g., an exchange of floating rate payments for fixed rate payments). Interest rate swaps include, for example, inflation swaps.

A Fund will enter into swap transactions only with counterparties approved by the Investment Manager. If there is a default by the other party to such a transaction, a Fund will have contractual remedies pursuant to the agreements related to the transaction. Swaps generally do not involve the delivery of securities, other underlying assets or principal. Accordingly, the risk of loss with respect to these types of swaps is limited to the net amount of payments that the Fund is contractually obligated to make. In addition, because some swap agreements do not require the investment of principal, adverse changes in

the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the swap itself. If the other party to a swap defaults, a Fund's risk of loss consists of the net amount of payments that a Fund is contractually entitled to receive. If there is a default by the counterparty, a Fund may have contractual remedies pursuant to the agreements related to the transaction. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents typically utilizing standardized swap documentation.

The use of swaps is a highly specialized activity which involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its forecasts of market values, interest rates and other applicable factors, the investment performance of a Fund would diminish compared with what it would have been if these investment techniques were not used.

It is possible that government regulation of various types of derivative instruments, including swap agreements, may limit or prevent a Fund from using such instruments as part of its investment strategy, which could negatively impact that Fund. For example, the regulatory regime for derivatives, EMIR and the Dodd-Frank Act has and may further impose mandatory clearing, exchange-trading and margin requirements on many derivatives transactions (including formerly unregulated over the counter (OTC) derivatives) in which the Fund may engage. Nonetheless, the possible effect of EMIR and the Dodd-Frank Act may be to increase the overall costs of entering into derivatives transactions, such as swaps. In particular new margin requirements, position limits and capital charges, even if not directly applicable to a Fund, may cause an increase in the pricing of derivatives transactions sold by market participants to whom such requirements apply. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to a Fund, may also be reflected in higher pricing of derivatives. New exchange-trading and trade-reporting requirements may lead to reductions in the liquidity of derivatives transactions, causing higher pricing or reduced availability of derivatives, or the reduction of arbitrage opportunities for a Fund, adversely affecting the performance of certain of that Fund's trading strategies.

Additional risk factors (if any) in respect of a Fund are set out in the Relevant Supplement for the relevant Fund.

Options

There are various risks associated with transactions in exchange-traded and OTC options. The value of options written by a Fund will be affected by many factors, including changes in the value of underlying assets, changes in interest rates, changes in the actual or perceived volatility of the underlying assets, and the remaining time to an option's expiration. The value of an option also may be adversely affected if the market for the option is reduced or becomes less liquid. In addition, since an American style option allows the holder to exercise its rights any time prior to expiration of the option, the writer of an American style option has no control over the time when it may be required to fulfil its obligations as a writer of the option. This risk is not present when writing a European style option since the holder may only exercise the option on its expiration date.

The Funds' ability to use options as part of their investment programmes depends on the liquidity of the markets in those instruments. In addition, there can be no assurance that a liquid market will exist when a Fund seeks to close out an option position. If a Fund were unable to close out an option that it had purchased on an asset, it would have to exercise the option in order to realise any profit or the option may expire worthless. As the writer of a call option on a portfolio asset, during the option's life, a Fund foregoes the opportunity to profit from increases in the market value of the security underlying the call option above the sum of the premium and the strike price of the call, but retains the risk of loss (net of premiums received) should the price of the underlying asset decline.

An exchange-traded option may be closed out by means of an offsetting transaction only on a securities exchange, which provides a secondary market for an option of the same class. If a liquid secondary market for an exchange-traded option does not exist, a Fund might not be able to effect an offsetting

closing transaction for a particular option. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) insufficient trading interest in some options; (ii) restrictions by an exchange on opening or closing transactions, or both; (iii) trading halts, suspensions, or other restrictions on particular classes of options or underlying securities; (iv) unusual or unforeseen interruptions in normal operations on an exchange; (v) inability to handle current trading volume; or (vi) discontinuance of options trading (or trading in a particular class of options) (although outstanding options on an exchange that were issued by the options clearing corporation should continue to be exercisable in accordance with their terms). In addition, the hours of trading for options on an exchange may not conform to the hours during which the securities held by a Fund are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that may not be reflected in the options markets.

An OTC option may be closed only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ.

Forward Contracts

Investment in forward contracts involves risk. The purchase and sale of forward contracts may be used for speculative purposes.

A purchase or sale of forward contracts may result in losses in excess of the amount invested in the forward contract. If a forward contract is used for hedging, an imperfect correlation between movements in the price of the forward contract and the price of the security, currency, or other investment being hedged creates risk. Correlation is higher when the investment being hedged underlies the forward contract. Correlation is lower when the investment being hedged is different than the security, currency, or other investment underlying the forward contract, such as when a forward contract on an index of securities is used to hedge a single security, a forward contract on one security is used to hedge a different security, or when a forward contract in one currency is used to hedge a security denominated in another currency.

A Fund may purchase forward contracts (or options on them) as an anticipatory hedge against a possible increase in the price of a currency in which securities the Fund anticipates purchasing is denominated. In such instances, the currency may instead decline. If a Fund does not then invest in those securities, the Fund may realise a loss on the forward contract that is not offset by a reduction in the price of the securities purchased.

Forward contracts are not market traded and they settle only on the pre-determined settlement date. This can result in deviations between forward prices and futures prices, especially in circumstances where interest rates and futures prices are positively correlated. In the absence of exchange trading and involvement of clearing houses, there are no standardised terms for forward contracts. Accordingly, the parties are free to establish such settlement times and underlying amounts of a security or currency as deemed desirable in a contractual agreement, which may vary from the standardised provisions available through any futures contract. Forward contracts, as two party obligations that are not generally collateralised and for which there is no secondary market, involve counterparty credit risk generally not present with futures.

Position (Market) Risk

There is also a possibility that ongoing FDI will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Liquidity Risk

A liquid secondary market may not always exist for a Fund's FDI positions at any time. In fact, many OTC instruments will not be liquid and may not be able to be "closed out" when desired. There is also

a possibility that ongoing FDI transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the transactions were originated.

Settlement Risk

A Fund is also subject to the risk of the failure of any of the exchanges on which the FDI are traded or of their clearing houses.

Correlation Risk

FDI do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, a Fund's investment objective.

Legal Risk

FDI also involve legal risk, the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

Leverage

Subject to applicable regulatory constraints and any investment restrictions contained in this Prospectus, a Fund may use leverage in making investments. A Fund may obtain leverage by, among other methods, purchasing or entering into FDI that are inherently leveraged, such as options, forward contracts and swaps. The use of leverage increases risk and results in material interest expense. A Fund's use of leverage and FDI instruments results in certain additional risks. Leveraged investments, by their nature, increase the potential loss to investors resulting from any depreciation in the value of such investments. Consequently, a relatively small price movement in the security underlying a leveraged instrument may result in substantial losses. Furthermore, the use of leverage exposes a Fund to the risk of counterparties foreclosing on the collateral used to margin leveraged positions, resulting in materially increased losses on such positions. Access to leverage and financing could be impaired by many factors, including market forces or regulatory changes, and there can be no assurance that a Fund will be able to secure or maintain adequate leverage or financing.

Risks of Trading Non-Deliverable FX Forwards

A special type of FX forward contract is a non-deliverable forward contract ("**NDF**"). An NDF is a forward transaction in a non-convertible or restricted currency, which is settled against a freely convertible currency. All NDFs have a fixing date, whereby the trade is fixed at a settlement price one or two days prior to the value date of the trade, depending upon the currencies traded. This is done regardless of whether or not the trade has been offset.

When trading NDFs there are certain unique risks inherent in such transactions including, but not limited to, a "Disruption Event." The risk associated with such an event is that the amount due by a client on the settlement date may vary due to the occurrence of such event, which would force the parties to the transaction to find an alternative basis for determining the settlement amount. Disruption Events that may occur with NDF transactions include, but are not limited to, general or specific default, inconvertibility, non-transferability and nationalization. If on any date upon which an NDF transaction is to be valued there has been or is continuing a Disruption Event, the settlement amount to be delivered may be adjusted by the counterparty, acting in good faith and in a reasonable manner. Such adjustments will result in changes to the prices at which such transactions were effected and such changes could be material.

The fixation of a trade at a settlement price, the determination of whether a Disruption Event has occurred and the settlement amount associated therewith are beyond the control of the Investment Manager.

Furthermore, in view of the specific characteristics of trading NDFs, usually a higher margin than for other forward contracts is required.

Repurchase Agreements

The value of the security purchased may be more or less than the price at which the counterparty has agreed to purchase the security. If the other party to a repurchase agreement should default, the Fund might suffer a delay or loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by the Fund in connection with the repurchase agreement are less than the repurchase price. In addition, in the event, of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, the Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the repurchase agreement.

Reverse Repurchase Agreements

Reverse repurchase transactions involve risks in that (a) in the event of the failure of the counterparty with which cash of a Fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment.

SUBSCRIPTIONS, REDEMPTIONS AND VALUATION

Subscriptions

Share Classes

A list of the Share Classes available in respect of each Fund and the characteristics of each such Class are set out in the Relevant Supplement.

Application Procedure

Application Forms for Shares may be obtained from the Administrator. Eligible investors who have forwarded the completed Application Form in writing, via fax or via email, (or in such format or method as shall be agreed in writing in advance with the Administrator) and provided satisfactory proof of identification and source of wealth and/or funds to the Administrator before the Trade Cut-Off Time specified in the Relevant Supplement will be entitled to purchase Shares with the original Application Form to follow by post.

The ICAV or the Administrator acting on behalf of the ICAV will only accept applications for Shares that it considers clear and complete. An application will be considered complete only if the ICAV or the Administrator acting on behalf of the ICAV has received all information and supporting documentation it deems necessary to process the application. Applications for Shares will not be deemed to be complete until all anti-money laundering procedures have been completed.

The ICAV or the Administrator acting on behalf of the ICAV may delay the acceptance of unclear or incomplete applications until the receipt of all necessary information and supporting documentation in a form satisfactory to the ICAV or the Administrator acting on behalf of the ICAV. Unclear or incomplete applications may lead to delays in their execution. The ICAV or Administrator will not accept liability for any loss suffered by applicants as a result of unclear or incomplete applications. No interest will be paid to applicant investors on subscription proceeds received by the ICAV prior to receiving clear and complete applications.

Where a subscription is being made through a regulated intermediary, and the intermediary operates within an EEA jurisdiction or a third country that has anti-money laundering/ terrorist financing no less robust than those equivalent to Ireland, is effectively supervised for compliance with those anti money laundering/ terrorist financing requirements and the Administrator and the ICAV has taken risk sensitive steps to be satisfied that the money laundering/terrorist financing risk associated with the intermediary is low and that the intermediary applies robust and risk-sensitive customer due diligence on its own customers and that the intermediary will provide all customer due diligence information immediately upon request.

The Administrator may be entitled to apply simplified customer due diligence to such an investor; where applicable the Administrator may rely on written representations from the regulated intermediary with respect to the underlying prospective investor, but will also have to conduct ongoing monitoring of the investor for anti-money laundering purposes. Applicants may contact the Administrator in order to determine whether they meet the above exceptions.

The ICAV and the Administrator acting on behalf of the ICAV reserve the right to reject any application for Shares, in whole or in part, in its absolute discretion and without assigning any reason therefor.

Once an application for Shares has been received by the Administrator, it is irrevocable and binding on the investor. An application for Shares may be cancelled or modified only at the discretion of the Directors in consultation with the Manager, as appropriate, having received a written request for cancellation or modification from the relevant investor prior to the Trade Cut-Off Time. Any application received by the Administrator after the Trade Cut-Off Time shall be held in abeyance and shall be effective on the next succeeding Dealing Day. However, the ICAV may, in certain circumstances (as determined by the Directors in consultation with the Manager, as appropriate), decide to accept an

application received by the Administrator after the Trade Cut-Off Time but before the Valuation Point. Cleared funds must be received from an account in the name of the registered investor of the shares.

The ICAV may issue fractional shares rounded to two decimal places. Fractional shares shall not carry any voting rights.

Initial Subscriptions

Initial subscriptions may be made by way of submitting a signed Application Form in writing, via fax or via email, (or in such format or method as shall be agreed in writing in advance with the Administrator) by the Trade Cut-Off Time with the original Application Form to follow by post. All supporting anti-money laundering documentation must be promptly received. Applications for Shares will not be deemed to be complete until all anti-money laundering procedures have been completed. No redemption payments may be made until all required anti-money laundering documentation has been received, together with the original Application Form, from the investor and all anti-money laundering procedures have been carried out to the satisfaction of the ICAV and its delegates.

Subsequent Subscriptions

Subsequent subscriptions (i.e., subsequent to an initial subscription for Shares within a Fund) may be made by submitting a written instruction to the Administrator by the Trade Cut-Off Time in writing, via fax or via email or electronically (or in such format or method as shall be agreed in writing in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank. Subscription requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the ICAV may, in exceptional circumstances (as determined by the Directors in consultation with the Manager, as appropriate), decide to accept a subscription request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

Anti-Money Laundering Procedures

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. Individual and corporate entities will be required to provide anti-money laundering documentation as requested by the ICAV and the Administrator acting on behalf of the ICAV. In addition, if the applicant is an entity, it may be required to provide evidence that its constitutional documents permit it to make investments in securities such as the ICAV, that all appropriate action has been taken to authorize its investment, and that the person(s) executing the Application Form on its behalf has (have) the authority to do so.

Politically exposed persons (“**PEPs**”), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.

The ICAV and the Administrator acting on behalf of the ICAV reserves the right to request such information as is necessary to verify the identity of an applicant and the source of its subscription funds and, generally, to comply with applicable laws and regulations on anti-money laundering and counter terrorism financing and their internal policies and procedures. In the event of delay or failure by the applicant to produce any information required for verification purposes, the ICAV and the Administrator acting on behalf of the ICAV may refuse to accept the application and return all subscription monies or compulsorily redeem such Shareholder’s Shares and/or payment of Redemption Proceeds may be delayed and none of the Funds, the Directors, the Investment Manager, the Depositary or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator acting on behalf of the ICAV will return application monies or the balance thereof by wire transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The ICAV and the Administrator acting on behalf of the ICAV may refuse to pay Redemption Proceeds where the requisite information for verification purposes has not been

produced by a Shareholder.

The Administrator and the Funds shall be indemnified and held harmless against any loss arising as result of a failure to process an application for Shares or redemption request, if such information and documentation has been requested by the ICAV and the Administrator acting on behalf of the ICAV and has not been provided by the applicant. Furthermore the Directors or the Administrator acting on behalf of the ICAV also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors or the Administrator acting on behalf of the ICAV suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Funds, the Directors or the Administrator acting on behalf of the ICAV with any such laws or regulations in any relevant jurisdiction

Subscription Price

During the Initial Offer Period, the initial subscription price per Share of a Fund shall be the Initial Offer Price. Following the Initial Offer Period, Shares will be issued at the Subscription Price per Share of the relevant Class referable to the relevant Dealing Day.

The ICAV or its delegate may make an adjustment by way of an addition to the subscription amount which may be reflected in the Subscription Price when there are net subscriptions to include an Anti-Dilution Levy which the Investment Manager considers represents an appropriate figure to cover dealing costs (including Duties and Charges) and/or to preserve the value of the underlying assets of the relevant Fund. Any such Anti-Dilution Levy shall be retained for the benefit of the relevant Fund.

A Subscription Charge of up to 5% of the Subscription Price may be charged if provided for in the Supplement for the relevant Fund.

Subscriptions for Shares must be made in the relevant Class Currency. Investors should transmit cleared funds representing the subscription monies for initial or subsequent applications for Shares by wire transfer to the relevant accounts set out in the Application Form so that the monies are received in the ICAV's account by the relevant Settlement Time. Cleared funds must be received from an account in the name of the registered investor of the shares. If payment for a subscription is not received by the relevant Settlement Time, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor may be held liable for any loss to a Fund.

Applications for Shares by *in specie* transfer may be made by agreement with the Directors in consultation with the Manager and Investment Manager, as appropriate, on a case-by-case basis and subject to the approval of the Depositary. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders of the ICAV. In such cases, the ICAV shall issue Shares in exchange for investments which the ICAV may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. Any such exchange of Shares for investments shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge) as would have been payable for Shares issued for cash. The number of Shares to be issued shall not exceed the number of Shares which would have been issued against payment of a sum equal to the value of the investments concerned calculated on the same basis as the valuation of Shares that would have been issued for cash provided however that such sum may be adjusted by such amount as the Directors consider represents an appropriate provision for Duties and Charges in respect of costs which would have been incurred by the ICAV in the acquisition of the investments.

Written Confirmations of Ownership

The Administrator shall be responsible for maintaining the ICAV's register of Shareholders in which

all issues, redemptions, conversions and transfers of Shares will be recorded. Contract notes for all investor trades will be issued, along with regular account statements confirming ownership. Shares shall be in registered form. The Administrator shall not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection upon reasonable notice at the registered office of the ICAV during normal business hours where a Shareholder may inspect only his entry on the register.

Limitation on Purchases

Shares may not be issued or sold by the ICAV during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under Suspension of Calculation of Net Asset Value below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the end of such suspension.

Shares may not be directly or indirectly offered or sold in the U.S. or purchased or held by or for the benefit of U.S. Persons (unless the ICAV determines (i) the transaction is permitted under an exemption from registration available under the securities laws of the U.S. and (ii) that the relevant Fund and ICAV continue to be entitled to an exemption from registration as an investment company under the securities laws of the U.S. if such person holds Shares).

Other limits on subscriptions may be set out in the Relevant Supplement for a Fund.

Beneficial Ownership Regulations

The ICAV may also request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the ICAV's beneficial ownership register in accordance with the Beneficial Ownership Regulations.

It should be noted that a Beneficial Owner has, in certain circumstances, obligations to notify the ICAV in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner). Under the Beneficial Ownership Regulations, the ICAV shall be obliged to file certain information on its Beneficial Owners (including name, nationality, country of residence, social security number (which shall be displayed in hashed form only) and details of the interest held in the ICAV) with a central register which will be accessible to the public.

It should also be noted that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the ICAV or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the ICAV as to his/her status as a Beneficial Owner or changes thereto (in circumstances referred to above) or in purporting to comply, provide materially false information.

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 the EU General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR"), as may be amended, supplemented or replaced from time to time.

This data will be used for the specific purposes set out in the Data Privacy Notice which include but are not limited to client identification, the management and administration of investors holding in the ICAV, in order to comply with any applicable legal, taxation or regulatory requirements. Personal data provided to the ICAV (which may include where relevant personal data of persons connected with a corporate Shareholder such as directors, beneficial owners, representatives, etc.) may be disclosed to such third parties as identified in the Data Privacy Notice including regulatory bodies, tax authorities, service providers of the ICAV such as the Administrator, the Investment Manager, the Depositary etc.,

delegates and advisors 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.

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 and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances, a right to data portability may apply. Where a Shareholder is required to give his/her consent to the processing of personal data for certain specific purposes, that Shareholder may withdraw this consent at any time.

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

It should also be noted that service providers of the ICAV may act as data controllers of the personal data provided to the ICAV in certain circumstances. In such instances, all rights afforded to Shareholders as data subjects under the GDPR shall be exercisable by a Shareholder against that service provider as the data controller of his/her personal data.

A copy of the data privacy statement of the ICAV is available from the registered office of the ICAV. A full list of data protection requirements and consents are detailed in the data protection section of the Data Privacy Notice.

Redemptions

Redemption Requests

Shares may be redeemed on a Dealing Day by submitting a signed redemption form to the Administrator acting on behalf of the ICAV by the Trade Cut-Off Time for that Dealing Day. The redemption request may be in writing, by fax or electronically (in such format or method as shall be agreed in writing in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank.

In the case of redemption requests, payment will only be made to the account of record and only where the account has been deemed to be in good order by the Administrator. Any failure by a Shareholder to supply the ICAV or the Administrator acting on behalf of the ICAV with any documentation requested by them for anti-money laundering and counter terrorist financing purposes will result in a delay in the settlement of redemption proceeds or dividend monies.

Redemption requests received subsequent to the Trade Cut-Off Time for that Dealing Day shall be effective on the next succeeding Dealing Day. However, the ICAV may, in exceptional circumstances (as determined by the Directors in consultation with the Manager, as appropriate), decide to accept a redemption request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

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

Redemption Price

The Redemption Price at which Shares will be redeemed on a Dealing Day will be the Net Asset Value per Share of the relevant Class referable to the relevant Dealing Day.

A Redemption Charge of up to 3% of the Redemption Price may be charged by the ICAV for payment to the Fund if provided for in the Relevant Supplement.

The ICAV, or its delegate, may make an adjustment by way of a deduction from the Redemption Price

or the Redemption Proceeds when there are net redemptions to include an Anti-Dilution Levy that the Investment Manager considers represents an appropriate figure to cover dealing costs (including Duties and Charges) and to preserve the value of the underlying assets of the relevant Fund. Any such Anti-Dilution Levy shall be retained for the benefit of the relevant Fund.

All payments of Redemption Proceeds shall be made by the relevant Settlement Time. The Redemption Proceeds shall be sent by wire transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder in the application form and to the account originally designated by the Shareholder at the time of the subscription, unless the Shareholder has previously notified the Administrator in writing of a different account in the name of the Shareholder. Redemption Proceeds cannot be released until the signed Application Form and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed satisfactorily. Redemption Proceeds shall typically be paid in the named currency of the relevant Class of Shares. However, upon the request of the Shareholder, the ICAV, in consultation with the Administrator, may at its discretion pay the equivalent amount of Redemption Proceeds in a different currency. The Administrator will not carry out any payments to a third party.

Any failure to supply the ICAV or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of Redemption Proceeds or dividend monies. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption or the sums payable by way of dividends to the Shareholder shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the ICAV until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which Redemption Proceeds or dividend monies will be released.

At the discretion of the ICAV in consultation with the Manager and Investment Manager, as appropriate, and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the Redemption Proceeds payable on the redemption of Shares. The value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption provided however that such value may be adjusted by such amount as the ICAV may consider represents an appropriate provision for Duties and Charges in respect of costs which would have been incurred by the ICAV as a result of the direct transfer by the ICAV of the investments and/or by such amount as the Directors may consider represents an appropriate provision for Duties and Charges in respect of costs which would have been incurred by the ICAV in the disposition of the investments to be transferred. The shortfall (if any) between the value of the investments transferred on a redemption in specie and the Redemption Proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which investments are delivered to the redeeming Shareholder shall be borne by the redeeming Shareholder. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders. Where a redemption request represents 5% or more of the Net Asset Value of a Fund, the ICAV and/or the Manager may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. The allocation of any such assets shall be subject to the approval of the Depositary. At the request of the relevant Shareholder making such redemption request such assets may be sold by the ICAV and the net proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

Limitations on Redemptions

The ICAV may not redeem Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section entitled "Suspension of Calculation of Net Asset Value" below. Applicants for redemptions of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Directors may at their discretion in consultation with the Manager, as appropriate, limit the number of Shares of a Fund redeemed on any Dealing Day to Shares representing 10% or more of the total number of Shares in the Fund or Shares representing 10% or more of the Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day subject always to the foregoing limit. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

Mandatory Redemption of Shares

If a redemption causes a Shareholder's holding in the ICAV to fall below the Minimum Holding, the ICAV may redeem the whole of that Shareholder's holding. Before doing so, the ICAV shall notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the Minimum Holding.

Shareholders are required to notify the Administrator and the ICAV immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares to non-U.S. Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The ICAV reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a U.S. Person or other person if the holding of the Shares by such other person is unlawful or, in the opinion of the Directors, the holding might result in the ICAV or the Shareholders as a whole incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the ICAV or the Shareholders as a whole might not otherwise suffer or incur.

Additional circumstances when Shares may be compulsorily redeemed by the ICAV are set out in the ICAV's Instrument of Incorporation.

Any outstanding proceeds of such compulsory redemption will not be paid unless the original Application Form signed by or on behalf of the Shareholder has been received by the Administrator acting on behalf of the ICAV and all documentation required by the Administrator, including any document in connection with the AML Acts or other requirements and/or any anti-money laundering procedures have been completed.

TRANSFER OF SHARES

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee, together with the account number of the transferor. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the original form must be submitted to the Administrator. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in the Fund, the transferee must complete an Application Form and comply with the relevant anti-money laundering procedures.

The ICAV or the Administrator acting on behalf of the ICAV will only accept a transfer of Shares that it considers clear and complete. Transfer of shares will be considered complete only if the ICAV or the Administrator acting on behalf of the ICAV has received all information and supporting documentation it deems necessary to process the share transfer. Transfer of shares will not be deemed to be complete until all anti-money laundering procedures have been completed on the transferor and the transferee.

The Directors may decline to register any transfer of Shares including if in consequence of such transfer the transferor or transferee would hold less than the Minimum Initial Subscription for the relevant Fund or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year.

The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the ICAV or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration that the proposed transferee is not a U.S. Person and that upon transfer the Shares will not be held by or for the account of any U.S. Person.

CONVERSION OF SHARES

With the consent of the Directors, a Shareholder may convert Shares of one Fund into Shares of another Fund upon giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{(A \times B - [TC] \times C)}{D}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the redemption price of the Shares to be converted;
- C = the currency conversion factor (if any) as determined by the Directors;
- D = the issue price of Shares in the new Fund on the relevant Dealing Day; and
- TC = the transaction charge incurred in connection with the proposed transaction which shall not in any event exceed 5% of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

A Conversion Charge of up to 3% of the Redemption Price of the Shares being converted may be charged if provided for in the Relevant Supplement.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of Redemption Proceeds from the Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Directors, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted.

Limitations on Conversions

Shares may not be converted for Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under the section entitled "Suspension of Calculation of Net Asset Value" below. Applications for the conversion

of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

If on any Dealing Day a Fund receives aggregate requests for the redemption of Shares, including the redemption part of a conversion of Shares, the value of which amounts to 10% or more of the outstanding Shares in issue of that Fund or Shares representing 10% or more of the Net Asset Value of that Fund on that Dealing Day, the ICAV or the Manager may elect to restrict the total number of Shares redeemed to 10% of the outstanding Shares in issue of such Fund or Shares representing 10% or more of the Net Asset Value of that Fund on that Dealing Day, as applicable, in which case requests will be scaled down pro rata. The balance will be redeemed or converted, as applicable, on the next appropriate Dealing Day whereby redemptions will be processed at the Redemption Price prevailing on that subsequent Dealing Day and conversions will be processed in accordance with the general rules for conversions, in each case subject to the repeated application of the 10% restriction if necessary.

GENERAL TRADING PRACTICES AND INFORMATION

Operation of the Subscription and Redemption Collection Accounts

The ICAV has established individual collection accounts at a sub-fund level (the “**Cash Collection Accounts**”). All subscriptions into and redemptions and distributions due from the Funds will be paid into the relevant Cash Collection Accounts.

Pending the issue of Shares, and pending payment of redemption proceeds or distributions, such monies in the Cash Collection Account are assets of the relevant Fund, and the relevant investor will be an unsecured creditor of the Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from a Fund will be channelled and managed through the Cash Collection Account in respect of the relevant Fund. Redemptions and distributions, including blocked redemptions or distributions, will be held in the relevant Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Cash Collection Accounts have been opened in the name of each Fund with the relevant bank set out in the subscription application form for that Fund. The Depositary will be responsible for safe-keeping and oversight of the monies in the Cash Collection Accounts.

Failure to provide the necessary complete and accurate documentation, and/or to make payment into the correct Cash Collection Account, is at the investor’s risk.

It is important for those subscribing in a Fund to understand that, in respect of any subscription monies that have been provided after the Settlement Time, the application for Shares in a Fund may be rejected by the ICAV in which case the subscription monies or balance thereof will normally be returned to the applicant within five working days of the date of the rejection of the application without interest. In the event that an investor fails to provide the subscription monies within the timeframe stipulated in this Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The ICAV may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the ICAV is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant Shareholders, be held in the relevant Cash Collection Account. Redeeming investors and investors entitled to dividend

payments held in the relevant Cash Collection Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example where the investors have failed to supply such information as is required to allow the ICAV to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the relevant Fund Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

Withholdings and Deductions

The ICAV may be required to account for tax on any distribution or the value of the Shares deemed or actually disposed of, repurchased or transferred at the applicable rate unless it has received from the recipient or the transferor a declaration in the prescribed form confirming that the Shareholder is not a Shareholder in respect of whom it is necessary to deduct tax. In the event that the ICAV is required to deduct, withhold or account for tax on a disposal of Shares by a Shareholder, upon the payment of a distribution to a Shareholder (whether in cash or otherwise) or in any other circumstances in which a taxation liability arises, the Directors or their delegate, shall be entitled to arrange for the redemption and cancellation of such number of the Shares of such Shareholder as is sufficient, after the deduction of any redemption fees to discharge any such tax liability and the Directors may decline to register a transferee as a Shareholder until such time as they receive from the transferee such declarations as to residency or status as they may require. Where the ICAV redeems any Shares held by a Shareholder in respect of which the ICAV is required to account for, deduct or withhold taxation, the ICAV shall be entitled to deduct from the Redemption Proceeds such amount of taxation as the ICAV is required to account for, deduct or withhold.

Portfolio Holdings Information

In addition, information regarding the Funds' investments, such as asset class exposure, sector and geographic allocation, may be made available to any Shareholder on a periodic basis by request to the Investment Manager.

Any publication of a list of Fund investments or portfolio information shall be for information purposes only and does not form part of this Prospectus. There will be an appropriate time-lag between the purchase/sale of the relevant Fund's investments and the time at which such publication occurs. Such information is provided on the understanding that the recipient shall keep it secret and confidential, shall not disclose or disseminate it directly or indirectly to any third party and shall not use or exploit it except in connection with its own analysis of a Fund's portfolio. The ICAV, the Manager and the Investment Manager do not make any warranty or representation concerning the accuracy or completeness of such information. Such information is intended for information purposes only and should not be used by the recipient for the purposes of market timing or seeking to gain an unfair advantage.

Share Price Information

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described below, the information regarding the Net Asset Value per Share shall be available upon request from the Administrator and shall be published on the website www.cifc.com and will be up-to-date as of the previous Dealing Day and is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

Data Protection Notice

Shareholders should note that they may provide personal information, which may constitute "personal data" within the meaning of the Data Protection Legislation.

Shareholders' personal data will be used by the ICAV for the following purposes:

- to manage and administer a Shareholder's holding in the ICAV and any related accounts on an ongoing basis in accordance with the contract between the Shareholder and the ICAV;
- to carry out statistical analysis and market research as the ICAV's legitimate business interest; and
- to comply with legal and regulatory obligations applicable to the investor and the ICAV from time to time including applicable anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections, Shareholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. The Revenue Commissioners in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

Where processing is carried out on behalf of the ICAV, the ICAV shall engage a data processor, within the meaning of Data Protection Legislation, which provides sufficient guarantees to implement appropriate technical and organizational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. For example, the Administrator may process personal data relating to the shareholder of the ICAV for the purposes of providing services to the ICAV, performing its legal and regulatory obligations and conducting financial crime risk management and other activities, including disclosing those data to the Fund and to third parties and transferring them internationally. The ICAV will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process personal data only in accordance with the documented instructions from the ICAV. Shareholders' personal data may be transferred to countries which may not have the same or equivalent data protection laws as Ireland. If such transfer occurs, the ICAV is required to ensure that such processing of shareholders' personal data is in compliance with Data Protection Legislation and, in particular, that appropriate measures are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is "Privacy Shield" certified, if appropriate.

Pursuant to the Data Protection Legislation, shareholders have a number of rights which may be exercised in respect of their personal data, *i.e.*:

- the right of access to personal data held by the ICAV;
- the right to amend and rectify any inaccuracies in personal data held by the ICAV;
- the right to erase personal data held by the ICAV;
- the right to data portability of personal data held by the ICAV;
- the right to request restriction of the processing of personal data held by the ICAV; and
- the right to object to processing of personal data by the ICAV.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the ICAV to discharge these rights, for example because of the structure of the ICAV or the manner in which the Shareholder holds Shares in a Fund. Shareholders may make a request to the ICAV to exercise these rights.

Please note that personal data may be retained by the ICAV for the duration of a shareholder's investment and afterwards in accordance with the ICAV's legal and regulatory obligations, including but not limited to the ICAV's record retention policy.

The ICAV is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by Shareholders in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the ICAV uses Shareholders' personal data, Shareholders may contact the Directors at the registered office of the ICAV. Shareholders have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the ICAV.

Other Data Controllers

The Administrator may use the information provided by the Shareholder in order to obtain information it requires in relation to a prospective investment in another fund. The Administrator may consider itself a data controller with respect to this activity.

The Administrator and MLRO may make a report to An Garda Síochána (the Irish Police) and the Irish Revenue where it has a suspicion of money laundering or terrorist financing offence a suspicious activity. Where the Administrator makes such a report for itself, not with respect to a Shareholder, it may consider itself a data controller with respect to this activity. The legal basis for making such disclosure is to comply with a legal requirement.

The Depositary may consider itself a data controller with respect to personal data it receives in the performance of its oversight services with respect to a Fund. The legal basis for obtaining such data is to comply with a legal requirement.

DETERMINATION OF NET ASSET VALUE

The Administrator shall determine the Net Asset Value per Share of each Class, referable to each Dealing Day as at the Valuation Point on the basis set forth below and in accordance with the Instrument of Incorporation.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the ICAV which are not attributable to any Fund shall be allocated among all of the Funds *pro rata* to the relative Net Asset Value of the Funds.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation, adjusted to take account of any subscription orders (after deduction of any redemption orders) and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. Class Expenses and fees relating specifically to a Class will be charged to that Class. Class Expenses or other fees or charges will normally be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis having taken into account the nature of the fees and charges. In the event that Classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

“Class Expenses” means the expenses of registering a Class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of

converting currency and the costs and gains/losses of the hedging transactions are borne solely by the relevant Class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to such number of decimal places as the Directors may determine and disclosed in the relevant supplement.

In determining the value of the assets of a Fund:

1. Each investment listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued using the closing mid-market price as at the Valuation Point (unless otherwise specified in the Relevant Supplement) provided that the value of the investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and will be in accordance with the requirements of the Central Bank. If the investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the investment. If prices for an investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative, or in the event that any investments are not listed or traded on any Regulated Market, such investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent person appointed by the Directors and approved for such purpose by the Depositary (which may be the Investment Manager). Neither the Investment Manager nor the Administrator shall be under any liability if a price reasonably believed by them to be the latest available price for the time being may be found not to be such.
2. Units or shares in investment funds which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the investment fund.
3. In the case of unlisted securities or any assets traded on a Regulated Market, but in respect of which a price or quotation is not available at the time of valuation which would provide a fair valuation, the value of such asset shall be estimated with care and in good faith by a competent person, appointed by the Directors and approved for the purpose by the Depositary (which may be the Investment Manager) and such value shall be determined on the basis of the probable realisation value of the investment.
4. Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.
5. Exchange-traded futures and options contracts shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded future or option contract is not available, the instrument may be valued in accordance with paragraph (3) above. FDI not traded on an exchange shall be valued on a mark-to-market basis or, where market conditions prevent marking-to-market, on a mark-to-model basis where required by, and in accordance with, EMIR and related regulatory technical standards, and such valuation may be carried out by the Administrator or a competent person appointed by the Directors and approved for such purpose by the Depositary.
6. Forward foreign exchange contracts may be valued in accordance with the preceding paragraph or by reference to freely available market quotations.
7. The Funds may apply an amortised cost method of valuation in respect of a money market instrument in a non-money market fund, provided that such instrument has a residual maturity

of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk. Using the amortised basis, the relevant instrument is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount on the instrument. The Directors, or the Administrator as their delegate, will review the valuation of such instruments to determine whether the value of the instruments calculated pursuant to the amortised cost method of valuation deviates from the value of such instruments if valued on a mark-to-market basis and, if so, whether such deviation may result in a material dilution or other unfair results to the Shareholders in the relevant Fund. Any such review of the amortised cost valuation vis-à-vis market evaluation will be carried out in accordance with the requirements of the Central Bank.

8. If the Directors determine that it is impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the Directors and approved for the purpose by the Depositary (which may be the Investment Manager) is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary and the rationale for the use of such method and the method itself shall be clearly documented.

The value of an asset may be adjusted by the Directors or a competent person appointed by the Directors and approved for the purpose by the Depositary (which may be the Investment Manager), where such an adjustment is considered necessary to reflect the fair value of an asset in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

Suspension of Calculation of Net Asset Value

The ICAV may temporarily suspend the determination of the Net Asset Value and the sale, conversion or redemption of Shares in the ICAV or any Fund during:

1. any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
2. any period during which the disposal or valuation of investments which constitute a substantial portion of the assets of the Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
3. any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
4. any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
5. any period when the proceeds of the sale or redemption of the shares cannot be transmitted to or from the Fund's account;
6. any period when a notice to merge or terminate the Fund has been served or when a meeting of Shareholders has been convened to consider a motion to terminate a Fund;
7. upon the occurrence of an event causing a Fund to terminate; or
8. in exceptional cases, where the circumstances so require, and where the Directors consider it justifiable to do so having regard to the best interests of the Shareholders as a whole.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the Shareholder's name from the register of members or an amendment of the Shareholder's holding. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the register of members.

Any such suspension shall be notified immediately (without delay) to the Central Bank and notified to the Shareholders of the Fund by the ICAV if, in the opinion of the ICAV, such suspension is likely to continue for a period exceeding 14 days. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

Pricing/Net Asset Value Errors

It is possible that errors may be made in the calculation of the Net Asset Value and the Net Asset Value per Share. In determining whether compensation will be payable to a Fund and/or to individual Shareholders as a result of such errors, the ICAV will have regard to the guidelines issued by Irish Funds to apply a materiality threshold, below which, subject to approval of the Depositary, compensation will not usually be payable. In this context the materiality threshold currently applied by the ICAV is 0.5% of the Net Asset Value of the relevant Fund, which reflects, in the opinion of the Directors, general market practice at the date of this Prospectus. As such, and subject on each occasion to the approval of the Depositary, compensation will generally not be payable for errors where the effect on the Fund's Net Asset Value is below the materiality threshold. There may however be circumstances when the Directors or Depositary consider it appropriate for compensation to be paid notwithstanding that the impact of the error was below the materiality threshold. Conversely, compensation will usually be paid in relation to errors where the impact on the Fund's Net Asset Value is in excess of the materiality threshold, with any decision not to pay compensation in such circumstances requiring the approval of the Directors and also the Depositary. On providing notice to Shareholders and in consultation with the Depositary, the Directors reserve the right to change the materiality threshold should, for example, they deem general market practice to have changed or if the correction of pricing errors/Net Asset Valuation errors is the subject of a legislative or regulatory requirement.

FEES AND EXPENSES

General

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the ICAV. These expenses may include the costs of: (i) maintaining the ICAV, any subsidiary company and the Funds and registering the ICAV, the Funds and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) expenses related to compliance-related matters and regulatory filings related to a Fund's activities; (iii) management, administration, depositary, compliance and related services; (iv) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (v) marketing expenses; (vi) taxes; (vii) commissions, bank, legal and brokerage fees; (viii) expenses incurred in connection with the acquisition and disposal of the assets of the ICAV; (ix) auditing, tax, compliance, director and legal fees (including fees and expenses arising in respect of legal or administrative proceedings); (x) insurance premiums and expenses; (xi) fees and expenses of paying agents (which shall be at normal commercial rates), sub-distributors, local representatives and similar agents, (which shall be at normal commercial rates); (xii) listing fees, if applicable; (xiii) costs arising from the offering of a Fund on distribution platforms and the provision of information required in connection with the distribution of a Fund and (xiv) other operating expenses.

The fees and charges may differ from one Class to another and, as a consequence, the Net Asset Value per Share may differ from one Class to another Class.

The Investment Manager may, at its discretion, discharge some or all of the fees and expenses of a Fund to support the Fund until it reaches an acceptable critical size.

Funds that charge fees and expenses to capital

In support of a Fund's investment objective, certain Funds may, where disclosed in the Relevant Supplement, charge management fees and other fees and expenses to the capital, rather than the income of the Fund in order to maximise distributions of the Fund.

It is important for Shareholders to note that charging fees and expenses to capital will have the effect of lowering/ eroding the capital value of your investment. The effect of maximising income will be achieved by foregoing/constraining the potential for future capital growth and will result in a reduction of the Net Asset Value per Share. This means that on redemption of holdings, Shareholders may not receive back the full amount they initially invested.

Funds that charge fees and expenses to income

For those Funds which charge fees and expenses to income, some deductions to capital may be made where there is insufficient income to cover fees and expenses.

The ICAV does not pay distributions out of capital.

Establishment Costs

The cost of establishing the ICAV, including the expenses associated with obtaining authorisation from any authority (including, but not limited to, the Central Bank) to include the establishment fees of the initial Fund, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees and expenses of legal counsel and other professionals involved in the establishment and initial offering of the ICAV not exceeding €250,000, may be borne by the ICAV and amortised over the first five years of the ICAV's operation, on such terms and in such manner as the Directors may in their discretion and in consultation with the Manager determine (and, at the discretion of the Directors in consultation with the Manager, may also be charged to any other Funds established by the ICAV within such five year period. Any establishment costs charged to a Fund will be disclosed in the Relevant Supplement.

Directors' Fees

The Instrument of Incorporation provides that the Directors may be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. The Directors' remuneration will not exceed €40,000 per annum for each Director or such higher amount as may be determined by the Directors and notified to Shareholders from time to time. Any such change in the Directors' remuneration shall also be disclosed in an update to the Prospectus or in the ICAV's financial statements, whichever is published sooner. Any Directors employed by the Investment Manager or affiliate will/may waive their entitlement to fees. The Directors shall be entitled to be reimbursed by the ICAV for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

Service Provider Fees

Each of the Service Providers shall be entitled to receive, out of the assets of each Fund, an annual fee at the rate set out in the Relevant Supplement. Such fees shall accrue and shall be payable within such period as set out in the Relevant Supplement. The Investment Manager may also be entitled to receive a performance fee, where provided for in the Relevant Supplement.

Each of the Service Providers shall also be entitled to be reimbursed by the ICAV, on demand, for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

In addition to the fees payable to the Depositary as set out in the Relevant Supplement, the Depositary shall be entitled to charge custody and sub-custody fees at normal commercial rates.

Subscription Charge, Redemption Charge, Conversion Charge

Where a Subscription Charge, Redemption Charge or Conversion Charge is payable in respect of a Class of Shares, that will be set out in the Relevant Supplement.

Anti-Dilution Levy

On any Dealing Day where there are net subscriptions or net redemptions, the Manager may determine (based on such reasonable factors as it sees fit, including without limitation, the prevailing market conditions and the level of subscriptions or redemptions requested by Shareholders or potential Shareholders in relation to the size of a Fund) to add an anti-dilution levy to the Subscription Price on that Dealing Day or deduct an anti-dilution levy from the Redemption Proceeds, in each case not to exceed 5% of Net Asset Value of the Shares being issued or redeemed, in order to cover dealing costs and to preserve the value of the underlying assets of such Fund.

TAXATION

The following is a general summary of the main Irish tax considerations applicable to the ICAV and certain investors in the ICAV who are the beneficial owners of Shares in the ICAV. It does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the ICAV would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

Taxation of the ICAV

The Directors have been advised that, under current Irish law and practice, the ICAV qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act 1997, as amended (“TCA”) so long as the ICAV is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

As a result of changes introduced in Finance Act 2016, a new regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20% withholding tax on ‘IREF taxable events’. The changes primarily target non-Irish resident investors. Further measures that impose a tax charge on IREFs in certain circumstances were introduced by Finance Act 2019. On the basis that the ICAV does not, and will not, hold Irish property assets, these provisions should not be relevant and are not discussed further.

Chargeable Event

However, Irish tax can arise on the happening of a “**chargeable event**” in the ICAV. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the ICAV for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is a Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to “**intermediary**” means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the ICAV at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate;
- an exchange by a Shareholder, effected by way of arm’s length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV, including an exchange of shares in one sub-fund of the ICAV for shares in another sub-fund of the ICAV; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

If the ICAV becomes liable to account for tax on a chargeable event, the ICAV shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is 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.

Irish Courts Service

Where Shares are held by the Irish Courts Service the ICAV is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the ICAV, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the ICAV to, *inter alia*, account for tax in respect of chargeable events and file returns.

Exempt Irish Resident Shareholders

The ICAV will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the ICAV has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the ICAV is referred to herein as an “**Exempt Irish Resident**”:

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;

- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency
- (l) 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 of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the ICAV; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising the tax exemptions associated with the ICAV.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

Taxation of Non-Irish Resident Shareholders

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the ICAV and no tax will be deducted on distributions from the ICAV or payments by the ICAV in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied

with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the ICAV which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the ICAV under the self-assessment system.

Taxation of Irish Resident Shareholders

Deduction of Tax

Tax will be deducted and remitted to the Revenue Commissioners by the ICAV from any distributions made by the ICAV (other than on a disposal) to an Irish Resident Shareholder or any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder who is not an Exempt Irish Resident at the rate of 41%.

Any gain will be computed as the difference between the value of the Shareholder's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the ICAV is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the ICAV from any distributions made by the ICAV to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Deemed Disposals

A deemed disposal of Shares will occur on each and every eight anniversary of the acquisition of Shares in the ICAV held by Irish Resident Shareholders who are not Exempt Irish Residents. The ICAV may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, is 10% or more of the Net Asset Value of the Fund, the ICAV will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where the total value of Shares held by such Shareholders is less than 10% of the Net Asset Value of the Fund, the ICAV may, and it is expected that the ICAV will, elect not to account for tax on the deemed disposal. In this instance, the ICAV will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves.

The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the ICAV so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Irish Resident Shareholders who have suffered a withholding tax should consult their tax advisers to determine their residual Irish tax liability, if any.

FATCA withholding

If a Shareholder causes (directly or indirectly) the ICAV to suffer a FATCA Deduction, or other financial penalty, cost, expense or liability, the ICAV may compulsorily repurchase any Shares or such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA.

MANAGEMENT AND ADMINISTRATION

The Board of Directors

The Board of Directors is responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors may delegate certain functions to the Service Providers and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the ICAV from being managed in the best interests of its Shareholders.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the ICAV. All Directors are non-executive directors.

Joshua Hughes (U.K. resident)

Mr. Hughes has over 25 years of sales, marketing and business development experience. Prior to joining the Investment Manager, Mr. Hughes served as Head of Global Distribution at Muzinich & Co. Prior to joining Muzinich & Co. in 2008, Mr. Hughes served as Relationship Manager, Global Markets at Raiffeisen Zentral Osterreich AG and Head of Pension Fund and Investment Consultant Relations at FTSE Russell. He began his career in sales at Thomson Reuters. Mr. Hughes graduated with Honors from Loughborough University with a BSc in Economics.

Robert McGann (United States resident)

Mr. McGann has 25 years of experience in accounting, operations, and financial reporting. Prior to joining the Investment Manager, Mr. McGann held the position of Chief Financial Officer at Capstone Investment Advisors LLC. Previously, he was the Chief Financial Officer at Guggenheim Investment Management LLC and Guggenheim Corporate Funding LLC, where he was responsible for the accounting and finance functions of Guggenheim Partners' structured credit division. Prior to his role at Guggenheim Investment Management, Mr. McGann performed various accounting and finance roles within Guggenheim Partners, as well as having worked as an audit senior at Deloitte. Mr. McGann holds a B.S. in Accountancy from Northern Illinois University. Mr. McGann is a licensed CPA in the State of New York, and is a member of AICPA and NYSSCPA.

Donard McClean (Irish resident)

Mr. McClean has worked in the Financial Services Industry since 1989 and is an Independent Director for Funds and Fund Management Companies. From 2006 to 2018 he was CEO and Ireland Location Head for MUFG Investor Services (formerly UBS). During this time, Mr. McClean organized and managed all aspects of the UBS and MUFG business in Ireland and was a member of global Compliance, Operations and Client Services committees. He was a Board Director of Fund Services entities in Ireland (IIA and MiFID licensed), Isle of Man, Cayman and Jersey. He was also a non-executive Director on several UCITS and Non-UCITS Umbrella Funds as well as a Fund Management Company. He has expert knowledge of the Funds Industry in Ireland and internationally especially in relation to risk, compliance and governance across Fund Administration, Custody, Management Company, Asset Management and associated Banking Services. Prior to his role with UBS, Mr. McClean spent nine years with Fortis Prime Fund Solutions where he was Director of Operations with responsibility for Administration, Custody and back-office Banking operations. Prior to Fortis he started his career as an auditor with Coopers and Lybrand Channel Islands. Mr. McClean is a Fellow of the Association of Chartered Certified Accountants, holds a BA in Economics and Politics from UCD as well as a Post Graduate Diploma in Business Studies from the Michael Smurfit School of Business UCD.

Claire Cawley (Irish resident)

Ms. Cawley, FCA, is an independent non-executive director with over 20 years' experience in the asset management and investment funds industry, having held senior executive and board positions in UBS, Mercer and KB Associates. Ms. Cawley serves as an independent non-executive director, chairman, and committee member of investment funds, management companies and financial services providers. Her most recent executive role included divisional responsibility for the development and management of the global UBS Asset Management Alternative product shelf including representation of UBS on investment fund boards. Prior to her position at UBS, Ms. Cawley held positions at Mercer Global

Investments and at KB Associates, a consulting firm which specialised in providing services to the investment management sector with a particular focus on fund support. Ms. Cawley trained as a Chartered Accountant in the financial services assurance division of KPMG in Dublin. Ms. Cawley has a Bachelor of Arts (Economics & Finance) from University of Dublin, Trinity College and she is a fellow of the Institute of Chartered Accountants in Ireland.

The Secretary of the ICAV is Matsack Trust Limited.

The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the ICAV or in which the ICAV is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may vote in respect of any proposal concerning any other Irish collective asset-management vehicle, body corporate, company, trust, partnership or other body of persons in which he is interested, directly or indirectly, whether as an officer, shareholder, employee or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of Shares 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 by the Director to the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in part. Questions arising at any meeting of the Directors shall be determined by a majority of votes of the Directors. In the case of an equality of votes, the Chairman shall have a second or casting vote.

The ICAV delegates UCITS management company functions to the Manager. The Central Bank Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the ICAV.

Management of the ICAV - General

The Directors control the affairs of the ICAV and have delegated certain of their duties to the Manager, which, in turn, has delegated certain of its duties to the Administrator, the Investment Manager and the Distributor. The Depositary has also been appointed to hold the assets of each Fund. Consequently, all Directors of the ICAV in relation to the ICAV are non-executive.

The Manager

The ICAV has appointed the Manager to act as manager to the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the ICAV's affairs and for ensuring compliance with the Central Bank Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management and Distribution Agreement, the Manager has delegated certain investment management and distribution functions in respect of each Fund to the Investment Manager.

The directors of the Manager are:

Neil Clifford (Irish resident)

Mr. Clifford is a Director and Chief Executive Officer of the Manager. He is an experienced Irish-based investment management professional and fund director, with wide experience in the governance and operations of traditional and alternative investment funds. Mr. Clifford joined the Manager in October 2014 from Irish Life Investment Managers (“ILIM”) (April 2006 – September 2014), where he was Head of Alternative Investments. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr. Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr. Clifford holds a degree in Electrical Engineering from University College Cork and a Masters of Business Administration from the Smurfit School of Business, University College, Dublin. He has also attained the professional certifications of Chartered Alternative Investment Analyst (CAIA) and Financial Risk Manager (FRM – Global Association of Risk Professionals).

Teddy Otto (Irish resident)

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

Sarah Murphy (Irish resident)

Ms. Murphy is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Ms. Murphy began her career at the Carne Group as a business manager where she was tasked with leading the launch and development of a number of the firm’s corporate services businesses.

Prior to joining the Carne Group, Ms. Murphy held a number of senior management roles in BDO Ireland’s corporate services business. During this period, Ms. Murphy was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

Elizabeth Beazley (Irish resident)

Ms. Beazley is a Managing Director in Carne Group with over 20 years’ experience in the funds’ industry focussing on fund establishment, operations and corporate governance. During her time in Carne Group, Ms. Beazley has held a number of roles including Global Head of Onboarding covering a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. Ms. Beazley acts as non-executive director on a number of fund boards including Carne Global Fund Managers (Ireland) Limited. Prior to joining Carne, she spent 4 years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for Bank of Bermuda (now HSBC).

Ms. Beazley has been a member of various industry working groups and currently sits on the Irish Funds’ Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters’ degree in Business Studies from the Smurfit Graduate School of Business at

University College Dublin. Ms Beazley is a member of the Association of Chartered Certified Accountants.

Christophe Douche (Luxembourg resident)

Mr. Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

Mr. Douche currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department.

Mr. Douche has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

Jackie O'Connor (Irish resident)

Ms. O'Connor is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Ms. O'Connor was responsible for setting up GSAMFSL in Ireland.

Prior to that, Ms. O'Connor was international head of regulatory reform for Goldman Sachs Asset Management ("GSAM"), responsible for identifying and implementing requirements under new regulations within the EMEA and Asia Pacific regions. Earlier in her career, Ms. O'Connor worked in a number of roles within the GSAM and the wider Goldman Sachs Group, including global project manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Ms. O'Connor holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

Aleda Anderson (Irish resident)

Ms. Anderson is an independent non-executive director with over 30 years' experience within the investment industry, most recently as Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ:PFG), a global investment firm and FORTUNE 500 member. Prior to relocating to Ireland from the United States in 2018 to establish a Dublin office for Principal Global Investors, she was director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30-year career, Ms. Anderson has held various positions at Charles Schwab in San Francisco, CA. including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds. Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Ms. Anderson studied Philosophy and Religion from San Francisco State University and holds Professional Diplomas in Strategic Management and Applied Alternative Investments, and a Professional Certificate in Complex Financial Instruments from University College Dublin.

The Secretary of the Manager is Carne Global Financial Services Limited.

Management Agreement

Pursuant to the Management Agreement the Manager is responsible for the general management and administration of the ICAV's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement, the Manager may delegate one or more of its functions subject to the overall supervision and control of the ICAV.

The Manager shall exercise the due care of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Manager shall not be liable for any decline in the value of the investments of the ICAV or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

Neither the Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Manager of its obligations and duties under the Management Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement.

The ICAV shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the ICAV and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement and provided further that the Manager shall remain responsible and liable for any acts or omissions of any such delegate or sub-contractor as if such acts or omissions were those of the Manager.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Management Agreement or commit persistent breaches of the Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); (vii) is the subject of a court order for its winding up or liquidation; or (viii) ceases to be appropriately regulated in the jurisdiction of its registered office for the proper performance of the Management Agreement. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

The Investment Manager and Distributor

The Manager has appointed CIFIC Asset Management LLC as Investment Manager and Distributor pursuant to the Investment Management and Distribution Agreement. The Investment Manager will be responsible for the provision of discretionary investment management and distribution services in respect of the ICAV.

The Investment Manager and Distributor, having its place of business at 1 SE 3rd Avenue, Suite 1660, Miami, FL 33131, United States of America, is a Delaware limited liability company. The Investment Manager is an investment advisory firm which has been established for the purposes of providing investment management services to collective investment schemes and other institutional and high net worth clients. The Investment Manager is registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, but shall not be required to maintain such registration unless required by applicable law.

The Investment Manager is a private debt manager specializing in corporate credit and structured credit strategies with over \$41 billion of assets under management. The Investment Manager is an SEC-registered investment adviser headquartered in Miami. Founded in 2005, the Investment Manager is an experienced manager in the corporate credit and structured credit investment markets. The Investment Manager currently manages CLOs and various other corporate credit strategies and structured credit strategies, across multiple funds and separately managed accounts. The Investment Manager's employees possess leveraged finance, structured finance, asset management, trading, risk management, restructuring and other capital markets experience.

Pursuant to the Investment Management and Distribution Agreement, the Investment Manager shall not, in the absence of wilful default, fraud or negligence in the performance or non-performance by the Investment Manager of its obligations or duties be under any liability to the ICAV, the Manager or any investor in the ICAV and is indemnified from and against any and all claims made or brought against or directly or indirectly suffered or incurred by the Investment Manager in the performance or non-performance of its obligations or duties. The Investment Management and Distribution Agreement may be terminated by any party giving ninety (90) days' written notice to the other parties or at any time by written notice if at any time all the Shares are repurchased. The Investment Management and Distribution Agreement may also be terminated by any party thereto by notice in writing to the other parties on the grounds set out therein, including if at any time one of the other parties shall: (a) commit any material breach of the Investment Management and Distribution Agreement or commit persistent breaches of the Investment Management and Distribution Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the other party serving notice upon the defaulting party requiring it to remedy same; or (b) be incapable of performing its duties or obligations under the Investment Management and Distribution Agreement due to any change in law or regulatory practice; or (c) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; or (d) be subject to the appointment of a liquidator, receiver, examiner, administrator, trustee, official assignee or similar officer in respect of its affairs or assets. The Investment Management and Distribution Agreement shall automatically terminate if the Fund's approval by the Central Bank is revoked or on termination of the Management Agreement.

Where disclosed in the relevant Supplement, the Investment Manager may appoint portfolio managers, sub-investment managers and/or sub-investment advisors to manage any portion of the assets of any Fund in accordance with the requirements of the Central Bank.

Sub-Distributors

The Investment Manager may appoint one or more sub-distributors or other agents, to distribute the Shares in the Fund.

The Administrator

JPMorgan Hedge Fund Services (Ireland) Limited has been appointed as the Administrator pursuant to the Administration Agreement between the Manager, the ICAV and the Administrator. JPMorgan Hedge Fund Services (Ireland) Limited is a 100 per cent. wholly owned subsidiary of JPMorgan Chase & Co. and is organised under the laws of Ireland and regulated by the Central Bank. Its ultimate holding company, JPMorgan Chase & Co., is a leading global financial services firm with operations in more than 60 countries. JPMorgan Hedge Fund Services as a brand provides fund administration services to clients worldwide out of offices in Boston, Dublin, London, Luxembourg, Mumbai, Bangalore and New York.

The Administrator was incorporated in Ireland on 24 November 1999 with registered number 315706 as a private limited company and is authorised by the Central Bank. The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administration Agreement provides that the Administrator shall administer the ICAV in accordance with the laws of Ireland (including the UCITS Rules), the Instrument of Incorporation and the provisions of this Prospectus. The Administrator will also act as registrar and transfer agent of the ICAV. The Administration Agreement shall be in effect for an initial term of one year from the date on which the Administration Agreement was signed, and thereafter shall be in effect until a valid termination notice is given by the ICAV, the Manager or the Administrator upon at least 90 days' prior notice. Either party may at any time terminate the Administration Agreement by notice in writing to the other party in the event that: (i) the other party commits a material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 90 days of written notice requiring it to be remedied or such longer period as the parties may agree; or (ii) the continued performance of the Administration Agreement for any reason ceases to be unlawful; or (iii) the other party: (A) admits in writing its inability or is generally unable to pay its debts as they become due; (B) institutes, consents to or is otherwise subject to examinership, receivership or liquidation proceedings; (C) is subject to an involuntary order for the transfer of all or part of its business by a statutory authority; (D) has any of its issued shares suspended from trading on any exchange on which they are listed (if applicable); or (E) is subject of a measure similar to any of the foregoing; or (iv) the other party has its authorisation withdrawn by the relevant regulatory authority. The Administrator may terminate the Administration Agreement by giving not less than 60 days' prior written notice to the ICAV and the Manager in the event that the Administrator reasonably determines that servicing the ICAV raises reputational or regulatory concerns. In the event of the termination of the Depositary Agreement, the Administrator may terminate the Administration Agreement in whole or in part.

The Administrator shall not be liable for any losses, damages or expenses suffered by the ICAV or any Shareholder in connection with the performance by the Administrator of its obligations and duties under the Administration Agreement, except a loss, damage or expense resulting from the material breach, negligence, fraud, wilful misconduct, recklessness or bad faith of the Administrator in the performance of its obligations and duties under the Administration Agreement.

The ICAV has agreed to indemnify and hold harmless the Administrator from any losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) in connection with or arising out of performance of its obligations and duties under the Administration Agreement provided that the Administrator has not acted in breach of the Administration Agreement or with negligence, bad faith, recklessness or engaged in fraud or wilful misconduct in connection with the liabilities in question. The ICAV has further agreed that it will indemnify and hold harmless the Administrator from any liabilities that may be imposed on, incurred by, or asserted against the Administrator as a result of any action or omission taken in accordance with any instruction from the ICAV, except to the extent that such liabilities are caused by the fraud, negligence or wilful misconduct of the Administrator in the manner in which it carries out the instruction.

The Depositary

J.P. Morgan Bank (Ireland) plc has been appointed as the Depositary to provide depositary, custodial

and settlement services to the ICAV. The Depositary is a public company incorporated with limited liability in Ireland and is authorised as a credit institution by the Central Bank. Its business activities include the provision of custody and banking services, corporate finance and agency treasury management services. The Depositary has in excess of €403 billion of assets under custody as at 31 December 2019. The ultimate parent company of the Depositary is JP Morgan Chase & Co. incorporated in Delaware, U.S.A..

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the ICAV and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary has the power to delegate certain of its depositary functions. Whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to sub-custodians. The list of sub-custodians appointed by the Depositary as at the date of this Prospectus is set out in Schedule 4. The use of particular sub-custodians will depend on the markets in which the ICAV invests.

The Depositary must exercise due skill, care and diligence in the discharge of its duties.

The Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian unless it can prove that loss was not as a result of the Depositary's negligent or intentional failure to perform its obligations and has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to perform its obligations under the Directive and the Depositary Agreement. The liability of the Depositary will not be affected by the fact that it has delegated a third party certain of its safekeeping functions in respect of the ICAV's assets. The Depositary shall exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of delegates and sub-delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the ICAV and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the ICAV. The Depositary maintains a conflict of interest policy to address this.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the ICAV and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the ICAV. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed.

Up-to-date information regarding the identity of the Depositary, a description of the duties of the Depositary, a description of any conflicts of interest that may arise, the Depositary's delegation arrangements in respect of safekeeping functions, a list of delegates and sub-delegates and information on any conflicts that may arise from such delegation will be made available to investors from the Depositary on request.

The Depositary Agreement may be terminated by either the Depositary or the ICAV giving not less than 90 days' written notice to the other party. Either party may terminate the Depositary Agreement immediately by notice in writing to the other party in the event that: (i) a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or (ii) the other party fails to remedy a material breach of the Depositary Agreement within 30 days of being required to do so; or (iii) if the Depositary is no longer permitted to act as depositary or trustee by the Central Bank. However, the Depositary shall continue in office until a successor approved in advance by the Central Bank has been appointed or the authorisation of the ICAV has been revoked. If no successor depositary is appointed within 90 days of the service of notice of termination, an extraordinary general meeting shall be convened at which a special resolution to wind up the ICAV shall be considered so that Shares may be redeemed or a liquidator appointed who shall wind up the ICAV and as soon as possible thereafter the ICAV shall apply to the Central Bank to revoke the ICAV's authorisation whereupon the Depositary's appointment shall terminate. In such case, the Depositary's appointment shall not terminate until revocation of the ICAV's authorisation by the Central Bank.

The Paying Agents

The ICAV or the Manager may appoint various paying agents in connection with the public distribution of its Shares in certain jurisdictions. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to the Depositary (e.g., a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (i) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV; and (ii) redemption monies payable by such intermediate entity to the relevant redeeming Shareholder.

GENERAL

Conflicts of Interest

The ICAV has policies designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest and, when they cannot be avoided, that the Funds and their Shareholders are fairly treated.

The Directors, the Manager, the Investment Manager, the Depositary and the Administrator may from time to time act as investment manager, investment advisor, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds established by parties other than the ICAV which have similar investment objectives to those of the ICAV and any Fund. The Investment Manager and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the ICAV and other clients. The Investment Manager and its affiliates may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the ICAV and a Fund. Each will, at all times, have regard in such event to its obligations to the ICAV and the Fund and will ensure that such conflicts are resolved fairly.

Any transaction between the ICAV and a Connected Person shall be conducted at arm's length and shall be in the best interests of Shareholders.

The ICAV may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with: (a) the value of the transaction is certified by either (i) a person who has been approved by the Depositary as being independent and competent or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary; (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Directors are, satisfied conform to the requirement that transactions with Connected Person shall be conducted at arm's length and shall be in the best interests of Shareholders. The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons shall be conducted at arm's length and shall be in the best interest of Shareholders.

Conflicts of interest may arise as a result of transactions in FDI and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Investment Manager and its affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the ICAV. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of or share with the ICAV or inform the ICAV of any such transaction or any benefit received by any

of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients.

The Investment Manager may be responsible for valuing certain securities held by the Funds. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Class. Consequently, a conflict of interest could arise between its interests and those of the Funds. In the event of such a conflict of interest, the Investment Manager shall have regard to its obligations to the ICAV and the Fund and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

Any potential conflicts with ICAV directors to be disclosed.

Additional Potential Conflicts

The officers, directors, members, managers and employees of the Investment Manager are permitted to trade in loans and securities for their own accounts, subject to restrictions and reporting requirements as may be required by law and internal policies or otherwise determined from time to time by the Investment Manager. Neither the Fund nor any Shareholder has any right to participate in any manner in any profits or income earned or derived by or accruing to the Investment Manager, its affiliates or the respective members, partners, directors, officers, employees or shareholders thereof from the conduct of business other than the business of the Fund or from any transaction in investments effected by the Investment Manager, its affiliates or their respective members, partners, directors, officers, employees or shareholders thereof for any accounts other than those of the Fund. The Investment Manager and its affiliates are permitted to act in a proprietary capacity with long or short positions in instruments of all types, including those that may be purchased, sold or held directly or indirectly by the Fund. Such positions may also raise other conflicts of interest, including as to the allocation of investment opportunities, as the Investment Manager would have conflicting interests in connection with these investments. There can be no assurance that the returns from participating in a transaction would be equal to and not less than an Other Client participating in the same transaction in the absence of such conflicts, or that would have been as favorable as it would have been had such conflict not existed. There is no guarantee that the Investment Manager and its affiliates would exercise their rights with respect to such investments in the same manner as the Fund or in a manner that is not adverse to the Fund. The Investment Manager may offer co-investment opportunities, and decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Investment Manager and no investors have the right to receive co-investment opportunities. In addition, investment opportunities may be appropriate for the Fund and other clients, or the Investment Manager and its employees or principals, at the same, different, or overlapping levels of an issuer's capital structure. Conflicts may arise in determining the terms of investments, particularly where these clients may invest in different types of instruments of a single issuer, particularly in determining whether and how to exercise rights with respect to such interests. In such circumstances, the Investment Manager may determine to take certain actions to mitigate such conflicts, including by permitting the Fund or Other Clients to vote on the resolution of such conflicts, and abstaining from voting or implementing other procedures in its sole discretion, but there is no guarantee that the Investment Manager's actions would ultimately favor the Fund. In certain instances, significant equity owners of the Investment Manager may invest in the Fund and may exercise voting and other rights, though affiliates of the Investment Manager are generally excluded from votes of the Fund. Such investors have conflicts with respect to approving actions with respect to the Investment Manager and the Fund and there is no guarantee that such investors would exercise their rights in a manner favorable to other investors in the Fund. Such activities could affect the prices and availability of the investments that the Investment Manager seeks to buy or sell on behalf of the Fund, which could adversely impact the financial returns of the Fund. Personnel of the Investment Manager or its affiliates are permitted to serve as directors of entities the securities or assets of which are purchased, sold or held directly or indirectly by the Fund.

Complaints

Information regarding the ICAV's complaint procedures is available to Shareholders free of charge

upon request to the Investment Manager. Shareholders may file any complaints about the ICAV or a Fund free of charge at the registered office of the ICAV, or with the Manager.

The Share Capital

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue up to five hundred billion Shares of no par value in the ICAV at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the ICAV.

As of the date of this document the ICAV has issued Subscriber Shares to the value of €2. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV, but do not entitle the holders to participate in the dividends or net assets of any Fund or of the ICAV.

Each of the Shares entitles the Shareholder to participate equally on a *pro rata* basis in the dividends and net assets of a Fund attributable to the relevant Class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the ICAV to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any Class of Shares from time to time, provided that shareholders in that Class shall first have been notified by the ICAV that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the ICAV, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional Class of Shares.

The Relevant Supplement specifies whether a Class of Shares has voting rights. Certain Shares entitle the holder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares.

No Class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of Shares or any voting rights in relation to matters relating solely to any other Class of Shares.

Any resolution to alter the Class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Instrument of Incorporation.

The Instrument of Incorporation of the ICAV empowers the Directors to issue fractional Shares in the ICAV. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the ICAV or of any Fund or Class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Funds and Segregation of Liability

The ICAV is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more Classes of Shares in the ICAV.

The assets and liabilities of each Fund will be allocated in the following manner:

1. the proceeds from the issue of Shares representing a Fund shall be applied in the books of the ICAV to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;
2. where any asset is derived from another asset, such derivative asset shall be applied in the books of the ICAV to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
3. where the ICAV incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
4. where an asset or a liability of the ICAV cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds *pro rata* to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and neither the ICAV nor any Director, receiver, examiner, liquidator, provisional liquidator, or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement, or transaction entered into by the ICAV the following terms, that:

1. the party or parties contracting with the ICAV shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability that was not incurred on behalf of that Fund;
2. if any party contracting with the ICAV shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the ICAV to pay a sum equal to the value of the benefit thereby obtained by it; and
3. if any party contracting with the ICAV shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the ICAV and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the ICAV shall be credited against any concurrent liability pursuant to the implied terms set out in 1 to 3 above.

Any asset or sum recovered by the ICAV shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the ICAV but the ICAV may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of Irish collective asset-management vehicles and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

Termination

All of the Shares in the ICAV or all of the Shares in a Fund or Class may be redeemed by the ICAV in the following circumstances:

1. a majority of votes cast at a general meeting of the ICAV or the relevant Fund or Class, as appropriate, approve the redemption of the Shares;
2. if so determined by the Directors in consultation with the Manager, provided that not less than 21 days' written notice has been given to the holders of the Shares of the ICAV or the Fund or the Class, as appropriate, that all of the Shares of the ICAV, the Fund or the Class, as the case may be, shall be redeemed by the ICAV; or
3. if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the ICAV of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the ICAV falling below such minimum amount as the ICAV may be obliged to maintain pursuant to applicable law, the ICAV may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the ICAV is wound up or until the ICAV procures the issue of sufficient Shares to ensure that the redemption can be effected. The ICAV shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable.

On a winding-up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed *pro rata* to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the ICAV then remaining that are not attributable to any particular Fund shall be apportioned among the Funds *pro rata* to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund *pro rata* to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the ICAV may make distributions *in specie* to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the ICAV shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the ICAV, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed *in specie*. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder.

Meetings

General Meetings

All general meetings of the ICAV or of a Fund shall be held in Ireland. The quorum for general meetings shall be two persons present in person or by proxy. Fourteen days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the ICAV. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a plurality of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Instrument of Incorporation provides that matters may be determined by a meeting of Shareholders on a show of hands (with each Shareholder having one vote) unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the ICAV, which are submitted to Shareholders for a vote by poll.

Notice of Election to Dispense with Annual General Meetings

The Directors have elected, pursuant to section 89(4) of the ICAV Act, to dispense with the holding of annual general meetings of the ICAV. This election is effective for 2019 and subsequent years. However, pursuant to section 89(6) of the ICAV Act: (i) one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV; or (ii) the auditor of the ICAV, may require the ICAV to hold an annual general meeting in any year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year.

Remuneration Policy of the Manager

The Manager has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Guidelines on sound remuneration policies under the Directive ("**ESMA Remuneration Guidelines**"). The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Instrument of Incorporation. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

Reports

In each year, the Directors shall cause to be prepared an annual report and audited annual accounts for the ICAV. These will be sent to Shareholders (by post or, where a Shareholder so elects, by electronic mail or other form of electronic communication, including by posting them on the website of the ICAV) to Shareholders within four months of the end of the financial year. In addition, the ICAV shall prepare and circulate to Shareholders within two months of the end of the relevant period a half-yearly report,

which shall include unaudited half-yearly accounts for the ICAV.

Annual accounts shall be made up to 31 December in each year. If 31 December is not a Business Day, the value of the investments of the Funds shall be based upon the closest preceding Business Day.

Unaudited half-yearly accounts shall be made up to 30 June in each year. If 30 June is not a Business Day, the value of the investments of the Funds shall be based upon the closest preceding Business Day. Annual accounts and unaudited half-yearly accounts shall be sent to Shareholders by electronic mail or other form of electronic communication, including by posting them on a website. The Instrument of Incorporation provides that consent to receipt of the annual accounts and unaudited half-yearly accounts by electronic mail or other form of electronic communication, including by posting them on a website shall be deemed to have been given by a Shareholder subscribing for or holding Shares. A Shareholder has the ability to revoke this deemed consent at any time by giving 30 days' prior written notice to the ICAV of the fact that the Shareholder does not want to receive the annual accounts and unaudited half-yearly accounts via electronic means. Shareholders have the right to request a hard copy of the annual accounts and unaudited half-yearly accounts from the ICAV at any time free of charge and these will also be made available for inspection at the registered office of the ICAV.

Material Contracts

The following contracts, details of which are set out in the section entitled "*Management and Administration*", have been entered into and are, or may be, material:

1. the Management Agreement, pursuant to which the Manager was appointed as manager in relation to the ICAV;
2. the Investment Management and Distribution Agreement, pursuant to which the Investment Manager acts as investment manager and distributor of the ICAV;
3. the Depositary Agreement, pursuant to which the Depositary acts as depositary of the ICAV; and
4. the Administration Agreement, pursuant to which the Administrator acts as administrator of the ICAV.

Supply and Inspection of Documents

The following documents are available for inspection free of charge during normal business hours on Business Days (Saturdays, Sundays and public holidays excepted) at the registered office of the ICAV:

1. the certificate of registration and Instrument of Incorporation;
2. the material contacts referred to above; and
3. the UCITS Regulations and the Central Bank Regulations.

Copies of the Instrument of Incorporation and the latest financial reports of the ICAV may be obtained, free of charge, upon request at the registered office of the ICAV.

SCHEDULE 1

The Regulated Markets

With the exception of permitted investments in unlisted securities, in OTC derivative instruments or in units of open-ended collective investment schemes, the ICAV will only invest in securities traded or listed on a stock exchange or market which meets with the regulatory criteria of the Central Bank UCITS Regulations (i.e. regulated, operating regularly and open to the public) and which is listed in this Prospectus. For the avoidance of doubt, should an exchange or market listed below change its name or merge with another exchange or market listed below, the list shall be deemed to be amended to refer to the new name of the exchange or market or the name of the merged exchange or market, as the case may be.

The Regulated Markets shall comprise:

- (i) any stock exchange in the European Union; all stock exchanges in a member state of the European Economic Area; any stock exchange in the U.S., Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the U.K. which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) the market organised by the International Capital Markets Association; NASDAQ; the market in U.S. government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York; the over-the-counter market in the U.S. conducted by primary dealers and secondary dealers which are regulated by the U.S. Securities and Exchange Commission and by the Financial Industry Regulatory Authority, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Conduct Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets: ‘The Grey Paper’” dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (the over-the-counter market in negotiable debt instruments); NASDAQ Europe; the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; NASDAQ Japan; Market of the High-Growth and Emerging Stocks; the Hong Kong Growth Enterprise Market; TAISDAQ; the Taiwan Innovative Growing Entrepreneurs Exchange; EASDAQ; SESDAQ and KOSDAQ;
- (iii) all of the following stock exchanges:

Argentina	-	Buenos Aires Stock Exchange
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Argentina	-	Bolsa de Comercio de la Plata
Argentina	-	Bolsa de Comercio de Mendoza
Argentina	-	Mercado Abierto Electronico S.A
Argentina	-	Mercado A Termino de Buenos Aires S.A.
Bahrain	-	Bahrain Stock Exchange
Bahrain	-	Manama Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Botswana	-	Serowe Stock Exchange

Brazil	-	Rio de Janeiro Stock Exchange
Brazil	-	Bahia-Sergipe-Alagoas Stock Exchange
Brazil	-	Extremo Sul Stock Exchange, Porto Alegre
Brazil	-	Minas Esperito Santo Brasilia Stock Exchange
Brazil	-	Parana Stock Exchange, Curitiba
Brazil	-	Pernambuco e Paraiba Stock Exchange
Brazil	-	Regional Stock Exchange, Fortaleza
Brazil	-	Santos Stock Exchange
Brazil	-	BM&F Bovespa
Brazil	-	Bolso de Mercadorias e Futuros Extremo Sul Stock Exchange
Brazil	-	Porto Alegre Mina Esperito Santo Brasilia Stock Exchange
Brazil	-	Sao Paulo Stock Exchange
Brazil	-	Sociedade Stock Exchange
Brazil	-	Operadora do Mecado de Ativos S.
Channel Islands	-	The International Stock Exchange
Chile	-	Santiago Stock Exchange,
Chile	-	Bolsa Electronica de Chile
Chile	-	Valparaiso Stock Exchange
China	-	Shanghai Securities Exchange
China (Peoples' Rep. of Shenzhen)	-	Shenzhen Stock Exchange
Colombia	-	Bogota Stock Exchange
Colombia	-	Medellin Stock Exchange
Colombia	-	Bolsa de Occidente
Costa Rica	-	San Jose Stock Exchange
Croatia	-	Zagreb Stock Exchange
Egypt	-	Cairo Stock Exchange
Egypt	-	Egyptian Exchange
Egypt	-	Alexandria Stock Exchange
Ghana	-	Ghana Stock Exchange
Hong Kong	-	Stock Exchange of Hong Kong
Hong Kong	-	Hong Kong Exchanges and Clearing Ltd.
India	-	Bangalore Stock Exchange
India	-	Mumbai Stock Exchange
India	-	Calcutta Stock Exchange
India	-	Delhi Stock Exchange Association
India	-	Guahati Stock Exchange
India	-	Hyderabad Stock Exchange
India	-	Ludhiana Stock Exchange
India	-	Madras Stock Exchange
India	-	Pune Stock Exchange
India	-	Uttar Pradesh Stock Exchange Association
India	-	National Stock Exchange of India
India	-	Ahmedabad Stock Exchange
India	-	Cochin Stock Exchange
India	-	Magadh Stock Exchange
India	-	The Bombay Stock Exchange
India	-	MCX Stock Exchange (MCX-SX)
India	-	Multi Commodity Exchange (MCX)
India	-	National Commodity and Derivatives Exchange
India	-	National Spot Exchange
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange

Israel	-	Tel Aviv Stock Exchange
Japan	-	Osaka Securities Exchange
Japan	-	Tokyo Stock Exchange
Jordan	-	Amman Stock Exchange
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Korea	-	Korea Stock Exchange
Kuwait	-	Kuwait Stock Exchange
Malaysia	-	The Bursa Malaysia Berhad
Malaysia	-	Bumipatra Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Mexican Stock Exchange
Morocco	-	Casablanca Stock Exchange
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
Morocco	-	Morocco Stock Exchange
Namibia	-	Namibian Stock Exchange
New Zealand	-	New Zealand Exchange
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Pakistan	-	Pakistan Mercantile Exchange
Peru	-	Lima Stock Exchange
Philippines	-	Philippines Stock Exchange
Poland	-	Warsaw Stock Exchange
Qatar	-	Doha Securities Market
Russia	-	Moscow Exchange MICEX – RTS
Saudi Arabia	-	Tadawul Stock Exchange
Saudi Arabia	-	Saudi Arabian Monetary Agency
Serbia	-	The Belgrade Stock Exchange (BSE)
Singapore	-	Stock Exchange of Singapore
South Africa	-	Johannesburg Stock Exchange
South Africa	-	JSE Limited
South African	-	Futures Exchange
South Korea	-	Korea Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Taiwan	-	Taiwan Stock Exchange
Taiwan	-	GreTai Securities Market
Thailand	-	Stock Exchange of Thailand
Thailand	-	Bond Electronic Exchange
Tunisia	-	Bourse des Valeurs Mobilières de Tunis
Turkey	-	Borsa Istanbul
Ukraine	-	PFTS Ukraine Stock Exchange
United Arab Emirates	-	Abu Dhabi Stock Exchange
United Arab Emirates	-	Dubai Financial Exchange
United Arab Emirates	-	Dubai International Financial Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Uruguay	-	Bolsa Electrónica de Valores del Uruguay SA
Vietnam	-	Ho Chi Minh Stock Exchange
Vietnam	-	Hanoi Stock Exchange
Zambia	-	Lusaka Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

(iv) for investments in financial derivative instruments:

- (A) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the **Financial Industry Regulatory Authority, Inc.** and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Conduct Authority publication entitled “The Regulation of the Wholesale Cash and OTC Derivatives Markets”: “The Grey Paper” (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter Market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada and all futures and options exchanges in a member state of the European Union or a member state of the European Economic Area or in the U.K. (in the event that the U.K. is no longer a Member State); and
- (B) Ace Derivatives & Commodity Exchange; American Stock Exchange; Athens Derivative Exchange; Australian Stock Exchange; BM&F Bovespa; Bolsa Mexicana de Valores; Borsa Italiana (IDEM); Bursa Malaysia Derivatives Berhad; Chicago Board of Trade; Chicago Board Options Exchange; Chicago Mercantile Exchange; Chicago Board of Trade; China Financial Futures Exchange; China Interbank Bond Market; CME Group; Coffee, Sugar and Cocoa Exchange; Copenhagen Stock Exchange (including FUTOP); Dalian Commodity Exchange; European Options Exchange; Eurex Deutschland; EUREX Zurich; EUREX for Bunds, OATs, BTPs; Euronext Derivatives Amsterdam; Euronext Derivatives Brussels; Euronext Derivatives Paris; Financieel Termijnmarkt Amsterdam; Finnish Options Market; Hong Kong Futures Exchange; ICE Futures Europe; Indonesia Commodity and Derivatives Exchange; International Capital Market Association; Irish Futures and Option Exchange (IFOX); Kansas City Board of Trade, Financial Futures and Options Exchange; Iowa Electronic Markets; London Metal Exchange; Marche a Terme des International de France; Marche des options Negociables de Paris (MONEP); MEFF Rent Fija; MEFF Renta Variable; Midwest Stock Exchange; Mid-American Commodity Exchange; Minneapolis Grain Exchange; Montreal Stock Exchange; New York Cotton Exchange; New York Futures Exchange; New York Mercantile Exchange; New York Stock Exchange; New Zealand Exchange; OMLX The London Securities and Derivatives Exchange Ltd.; OMX Nordic Exchange Copenhagen; OM Stockholm AB; Osaka Securities Exchange; Pacific Stock Exchange; Philadelphia Board of Trade; Philadelphia Stock Exchange; Shanghai Futures Exchange; Singapore International Monetary Exchange; Singapore Commodity Exchange; Singapore Mercantile Exchange; South Africa Futures Exchange (SAFEX); Sydney Futures Exchange; Taiwan Futures Exchange; Thailand Futures Exchange; Agricultural Futures Exchange of Thailand; The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Tokyo Commodity Exchange; Tokyo Financial Exchange; Toronto Futures Exchange; Ukrainian Interbank Currency Exchange; Zhengzhou Commodity Exchange.

These exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank Regulations. The Central Bank does not issue a list of approved exchanges and markets.

SCHEDULE 2

Investment Restrictions applicable to the Funds

1	Permitted Investments
	Investments of a Fund are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a Regulated Market.
1.4	Units of UCITS.
1.5	Units of alternative investment funds ("AIFs").
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	Investment Restrictions
2.1	A Fund may invest no more than 10% of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	<p><u>Recently Issued Transferable Securities</u></p> <p>(1) Subject to paragraph (2), a Fund shall not invest any more than 10% of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.</p> <p>(2) Paragraph (1) does not apply to an investment by a Fund in US securities known as Rule 144A securities, provided that:</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within one year of issue; and</p> <p>(b) the securities are not illiquid securities i.e., they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</p>
2.3	A Fund may invest no more than 10% of Net Asset Value in transferable securities or money market instruments issued by the same body, provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed

	80% of the Net Asset Value of the Fund. A Fund will not avail of this without the prior approval of the Central Bank.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the Net Asset Value of the Fund.
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20 % of Net Asset Value:</p> <ul style="list-style-type: none"> (i) investments in transferable securities or money market instruments; (ii) deposits; and/or (iii) counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35 % of Net Asset Value.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A Fund may invest up to 100% of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal</p>

	<p>Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, Straight A Funding LLC.</p> <p>The Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of Net Asset Value.</p>
3	Investment in Collective Investment Schemes (“CIS”)
3.1	A Fund may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10% of Net Asset Value in other open-ended CIS.
3.4	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund’s investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, the ICAV, or its manager, an investment manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the ICAV, or its manager shall ensure that the relevant commission is paid into the property of the Fund.
4	Index Tracking UCITS
4.1	A Fund may invest up to 20% of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35% and applied to a single issuer, where this is justified by exceptional market conditions.
5	General Provisions
5.1	An investment company, Irish collective asset-management vehicle (“ICAV”) or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> (i) 10% of the non-voting shares of any single issuing body; (ii) 10% of the debt securities of any single issuing body; (iii) 25% of the units of any single CIS; (iv) 10% of the money market instruments of any single issuing body. <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	5.1 and 5.2 shall not be applicable to:

	<ul style="list-style-type: none"> (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities; (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State; (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
5.4	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> (i) transferable securities; (ii) money market instruments; (iii) units of investment funds; or (iv) financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	Financial Derivative Instruments ("FDI")
6.1	A Fund's global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank

	Regulations/guidance. (This provision does not apply in the case of index-based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Regulations.)
6.3	A Fund may invest in FDI dealt in over-the-counter (OTC), provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

SCHEDULE 3

Investment Techniques and Instruments

A Fund may use derivative instruments traded on an organised exchange and on over-the-counter markets, whether such instruments are used for investment purposes or the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Financial Derivative Instruments

Permitted financial derivative instruments ("FDI")

1. The ICAV shall only invest assets of a Fund in an FDI if:
 - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
 - 1.2 the FDI does not expose the Fund to risks which the Fund could not otherwise assume;
 - 1.3 the FDI does not cause the Fund to diverge from its investment objectives;
 - 1.4 the FDI is dealt in on a Regulated Market or alternatively the conditions in paragraph 6 are satisfied.
2. The reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
 - 2.1 they are sufficiently diversified, in that the following criteria are fulfilled:
 - (a) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - (b) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
 - (c) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
 - 2.2 they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
 - (a) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - (b) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

- (c) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
- 2.3 they are published in an appropriate manner, in that the following criteria are fulfilled:
 - (a) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
 - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in 2.1, 2.2 or 2.3 above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices.

- 3. A transferable security or money market instrument embedding an FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
 - 3.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
 - 3.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
 - 3.3 it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
- 4. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.
- 5. Where the ICAV enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

OTC FDI

- 6. The ICAV shall only invest assets of a Fund in an OTC FDI if the FDI counterparty is within at least one of the following categories:
 - 6.1 a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations;
 - 6.2 an investment firm authorised in accordance with MiFID;

- 6.3 a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve; or
 - 6.4 such other categories of counterparties as are permitted by the Central Bank.
7. Where a counterparty within paragraphs 6.2 or 6.3:
- 7.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and
 - 7.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in paragraph 7.1 this shall result in a new credit assessment being conducted of the counterparty by the ICAV without delay.
8. Where an OTC FDI referred to in paragraph 6 is subject to a novation, the counterparty after the novation must be:
- 8.1 an entity that is within any of the categories set out in paragraph 6; or
 - 8.2 a central counterparty that is:
 - (a) authorised or recognised under EMIR; or
 - (b) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
 - (A) by the SEC as a clearing agency; or
 - (B) by the Commodity Futures Trading Commission as a derivatives clearing organisation.
- 9.
- 9.1 Risk exposure to the counterparty shall not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations, assessed in accordance with paragraph 9.2.
 - 9.2 In assessing risk exposure to the counterparty to an OTC FDI for the purpose of Regulation 70(1)(c) of the UCITS Regulations:
 - (a) the ICAV and/or the Manager shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC FDI with that counterparty;
 - (b) the ICAV and/or the Manager may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC FDI with the same counterparty and not in relation to any other exposures the Fund has with the same counterparty;
 - (c) the ICAV and/or the Manager may take account of collateral received by the ICAV in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (1)(c), (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations.

10. OTC FDI must be subject to reliable and verifiable valuation on a daily basis and sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Issuer concentration limits

11. For the purpose of Regulation 70 of the UCITS Regulations and the calculation of issuer concentration limits of a Fund, the ICAV shall:
 - 11.1 include any net exposure to a counterparty generated through a securities lending or repurchase agreement, where net exposure means the amount receivable by the Fund less any collateral provided by the Fund;
 - 11.2 include exposures created through the reinvestment of collateral; and
 - 11.3 establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. The position exposure of the Fund, if any, to the underlying assets of an FDI, including an FDI that is embedded in transferable securities, money market instruments or investment funds, when combined with positions resulting from direct investments:
 - 12.1 shall be calculated in accordance with paragraph 13; and
 - 12.2 shall not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations.
13. For the purposes of paragraph 12:
 - 13.1 when calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure and this position exposure shall be taken into account in the issuer concentration calculations;
 - 13.2 the ICAV shall calculate the position exposure of the Fund using the commitment approach or the VaR approach as a result of default by the issuer approach, whichever is greater; and
 - 13.3 the ICAV shall calculate the position exposure, regardless of whether the Fund uses VaR for global exposure purposes.
14. Paragraph 12 does not apply in the case of an index-based FDI provided the underlying index meets the criteria set out in Regulation 71(1) of the UCITS Regulations.
15. Collateral received must at all times meet with the requirements set out in paragraphs 30 to 38 below.
16. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.
17. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.

Cover requirements

18. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the ICAV shall calculate exposure of the Fund within the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
19. The ICAV shall ensure that, at all times:
 - 19.1 the Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI;
 - 19.2 the risk management process of the ICAV includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;
 - 19.3 a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the conditions specified in paragraph 20.
20. The conditions to which paragraph 19.3 refers are:
 - 20.1 in the case of an FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure;
 - 20.2 in the case of an FDI that requires physical delivery of the underlying asset, either:
 - (a) the asset must at all times be held by a Fund; or
 - (b) where either or both of the conditions in paragraphs 21.1 and 21.2 applies, the Fund must cover the exposure with sufficient liquid assets.
21. The conditions to which paragraph 20.2(b) refers are:
 - 21.1 the underlying asset consists, or the underlying assets consist, of highly liquid fixed income securities;
 - 21.2
 - (a) the exposure can be covered without the need to hold the underlying assets;
 - (b) the specific FDI is addressed in the risk management process; and
 - (c) details of the exposure are provided in the prospectus.

In this regard, please note that in the case of the instruments referred to in the section entitled “Investment Techniques and Instruments”, the ICAV considers that from time to time the exposure may be covered with sufficient liquid assets.

Risk management process and reporting

22. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of Part 2 of the Central Bank Regulations. The initial filing is required to include information in relation to:
 - 22.1 permitted types of FDI, including embedded FDI in transferable securities and money market instruments;

- 22.2 details of the underlying risks;
- 22.3 relevant quantitative limits and how these will be monitored and enforced; and
- 22.4 methods for estimating risks.

23.

- 23.1 The ICAV shall in writing notify the Central Bank of material amendments to the initial filing of the risk management process of a Fund, in advance of the amendment being made.
- 23.2 The Central Bank may object to the making of any proposed amendment that is notified to it under paragraph 23.1.
- 23.3 (a) No proposed amendment to which the Bank has objected under paragraph 23.2 shall be made to the risk management process of a Fund.
- (b) Where the Central Bank has objected under paragraph 23.2 to the making of a proposed amendment to the risk management process of a Fund.

The relevant Fund shall not engage in any activity that is associated with or which would derive from the proposed amendment to which the objection has been made.

- 24. The ICAV must submit a report to the Central Bank on the Funds' FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the ICAV. The ICAV must, at the request of the Central Bank, provide this report at any time.

Calculation of global exposure

- 25. The ICAV shall ensure that in the case of each Fund, at all times:
 - 25.1 the Fund complies with the limits on global exposure;
 - 25.2 the Fund establishes and implements appropriate internal risk management measures and limits, irrespective of whether the Fund uses a commitment approach or the VaR approach or any other methodology to calculate global exposure. For the purpose of subparagraph (1), paragraph 12 of Schedule 9 of the UCITS Regulations, a UCITS shall only select a methodology where ESMA has published guidelines on the selected methodology; and
 - 25.3 it calculates the global exposure in accordance with Schedule 2 to the Central Bank Regulations.

Efficient Portfolio Management

Portfolio Management Techniques

- 26. The ICAV shall only use efficient portfolio management techniques and instruments for the purposes of Regulation 69(2) of the UCITS Regulations where same are in the best interests of the relevant Fund.
- 27. The ICAV shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the relevant Fund.

28. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- 28.1 they are economically appropriate in that they are realised in a cost-effective way;
 - 28.2 they are entered into for one or more of the following specific aims:
 - (a) reduction of risk;
 - (b) reduction of cost;
 - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulations 70 and 71 of the UCITS Regulations; and
 - 28.3 their risks are adequately captured by the risk management process of the Fund.
29. Repurchase/reverse repurchase agreements and securities lending (i.e., efficient portfolio management techniques) may only be effected in accordance with normal market practice.

Collateral

30. The ICAV shall ensure, in engaging in efficient portfolio management techniques and instruments, that:
- 30.1 every asset that is received by a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral;
 - 30.2 such techniques comply with the criteria set down in paragraph 24(2) of the Central Bank Regulations;
 - 30.3 at all times, collateral that is received by a Fund meets the criteria specified in paragraph 31.
31. The conditions for the receipt of collateral by a Fund, to which paragraphs 30 and 9.2(c) (OTC FDI) refer, are:
- 31.1 **Liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
 - 31.2 **Valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
 - 31.3 **Issuer credit quality:** Collateral received should be of high quality. The ICAV shall ensure that:
 - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and

- (b) where an issuer is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the ICAV without delay.
- 31.4 **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the ICAV to expect that it would not display a high correlation with the performance of the counterparty.
- 31.5 **Diversification (asset concentration):**
 - (a) Subject to sub-paragraph (b) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20 per cent. of the Net Asset Value of the Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20 per cent. limit of exposure to a single issuer.
 - (b) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30 per cent. of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20 per cent. of its Net Asset Value shall be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), the Government of Brazil, the Government of India and the Government of the People's Republic of China (provided the relevant issues are investment grade), the Government of Singapore, the EU, the Council of Europe, Eurofima, the European Investment Bank, Euratom, the Inter-American Development Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (The World Bank), the African Development Bank, the European Central Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the International Finance Corporation, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority and Straight A Funding LLC.
- 31.6 **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- 32. The ICAV shall ensure that the Fund's risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
- 33. Where a Fund receives collateral on a title transfer basis, the ICAV shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that that depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

34. The ICAV shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
35. Where the ICAV invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
- 35.1 a deposit with a credit institution referred to in Regulation 7 of the Central Bank Regulations;
 - 35.2 a high-quality government bond;
 - 35.3 a reverse repurchase agreement provided the transaction is with a credit institution referred to in Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
 - 35.4 short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (Ref: CESR/10-049).
36. Where the ICAV invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
37. The ICAV shall ensure that, where a Fund receives collateral for at least 30 per cent. of its assets, there is in place an appropriate stress testing policy and stress tests are carried out regularly under normal and exceptional liquidity conditions to enable the ICAV to assess the liquidity risk attached to the collateral. The stress testing policy should at least prescribe the following components:
- 37.1 the design of stress test scenario analysis including calibration, certification and sensitivity analysis;
 - 37.2 the empirical approach to impact assessment, including back-testing of liquidity risk estimates;
 - 37.3 the reporting frequency and the threshold(s) for limits and losses; and
 - 37.4 the mitigation actions to reduce loss including haircut policy and gap risk protection.
38. The ICAV shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the ICAV shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The ICAV shall document the haircut policy and the ICAV shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
39. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the ICAV on behalf of a Fund:
- 39.1 was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and
 - 39.2 where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the ICAV without delay.

40. The ICAV shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.

Repurchase and reverse repurchase agreements

41. Where the ICAV enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis.
42. In circumstances in which cash is, by virtue of the obligation under paragraph 41 recallable at any time on a mark-to-market basis, the ICAV shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
43. Where the ICAV enters into a repurchase agreement on behalf of a Fund it shall ensure that the Fund is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
44. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.

SCHEDULE 4

List of Sub-Custodians

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
ARGENTINA	HSBC Bank Argentina S.A.
AUSTRALIA	JPMorgan Chase Bank N.A.
AUSTRIA	UniCredit Bank Austria AG
BAHRAIN	HSBC Bank Middle East Limited
BANGLADESH	Standard Chartered Bank
BELGIUM	BNP Paribas Securities Services S.C.A.
BELGIUM	J.P. Morgan Bank Luxembourg S.A.
BELGIUM	J.P. Morgan Bank (Ireland) PLC
BERMUDA	HSBC Bank Bermuda Limited
BOTSWANA	Standard Chartered Bank Botswana Limited
BRAZIL	J.P. Morgan S.A. DTVM
BULGARIA	Citibank Europe plc
CANADA	CIBC Mellon Trust Company
CANADA	Royal Bank of Canada
CHILE	Banco Santander Chile
CHINA	JPMorgan Chase Bank (China) Company Limited
CHINA	HSBC Bank (China) Company Limited
CHINA	JPMorgan Chase Bank, N.A.
COLOMBIA	Cititrust Colombia S.A.
COSTA RICA	Banco BCT S.A.
CROATIA	Privredna banka Zagreb d.d.
CYPRUS	HSBC France Athens Branch, Greece
CZECH REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s.
DENMARK	Nordea Bank Abp
EGYPT	Citibank N.A., Egypt
ESTONIA	Clearstream Banking S.A., Luxembourg ¹

FINLAND	Nordea Bank Abp
FRANCE	BNP Paribas Securities Services S.C.A.
FRANCE	J.P. Morgan Bank Luxembourg S.A.
FRANCE	J.P. Morgan Bank (Ireland) PLC
GERMANY	J.P. Morgan AG
GERMANY	Deutsche Bank AG
GHANA	Standard Chartered Bank Ghana Limited
GREECE	HSBC France Athens Branch
HONG KONG	JPMorgan Chase Bank, N.A.
HUNGARY	Deutsche Bank AG
ICELAND	Islandsbanki hf.
INDIA	JPMorgan Chase Bank, N.A.
INDONESIA	PT Bank HSBC Indonesia
IRELAND	JPMorgan Chase Bank, N.A., United Kingdom
ISRAEL	Bank Leumi le-Israel B.M.
ITALY	J.P. Morgan Bank (Ireland) PLC
ITALY	BNP Paribas Securities Services S.C.A.
JAPAN	Mizuho Bank Ltd.
JAPAN	MUFG Bank, Ltd.
JORDAN	Standard Chartered Bank, Shmeissani Branch.
KAZAKHSTAN	Citibank Kazakhstan JSC
KENYA	Standard Chartered Bank Kenya Limited
KUWAIT	HSBC Bank Middle East Limited
LATVIA	Clearstream Banking S.A., Luxembourg ²
LITHUANIA	Clearstream Banking S.A., Luxembourg ³
LUXEMBOURG	BNP Paribas Securities Services S.C.A.
MALAWI	Standard Bank PLC
MALAYSIA	HSBC Bank Malaysia Berhad

² in its capacity as International Central Securities Depository

³ in its capacity as International Central Securities Depository

MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited
MEXICO	Banco Nacional de Mexico S.A.
MOROCCO	Société Générale Marocaine de Banques
NAMIBIA	Standard Bank Namibia Limited
NETHERLANDS	J.P. Morgan Bank Luxembourg S.A.
NETHERLANDS	BNP Paribas Securities Services S.C.A.
NETHERLANDS	J.P. Morgan Bank (Ireland) PLC
NEW ZEALAND	JPMorgan Chase Bank, N.A.
NIGERIA	Stanbic IBTC Bank Plc
NORWAY	Nordea Bank Abp
OMAN	HSBC Bank Oman S.A.O.G.
PAKISTAN	Standard Chartered Bank (Pakistan) Limited
PERU	Citibank del Perú S.A.
PHILIPPINES	The Hongkong and Shanghai Banking Corporation Limited
POLAND	Bank Handlowy w. Warszawie S.A.
PORTUGAL	BNP Paribas Securities Services S.C.A.
QATAR	HSBC Bank Middle East Limited
ROMANIA	Citibank Europe plc, Hungary
RUSSIA	Commercial Bank “J.P. Morgan Bank International” (Limited Liability Company)
SAUDI ARABIA	J.P. Morgan Saudi Arabia Company
SERBIA	Unicredit Bank Srbija a.d.
SINGAPORE	DBS Bank Ltd
SLOVAK REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s.
SLOVENIA	UniCredit Banka Slovenija d.d.
SOUTH AFRICA	FirstRand Bank Limited
SOUTH KOREA	Kookmin Bank Co. Ltd.
SOUTH KOREA	Standard Chartered Bank Korea Limited
SPAIN	Santander Securities Services, S.A.
SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited

SWEDEN	Nordea Bank Abp
SWITZERLAND	UBS Switzerland AG
TAIWAN	JPMorgan Chase Bank, N.A.
TANZANIA	Stanbic Bank Tanzania Limited
THAILAND	Standard Chartered Bank (Thai) Public Company Limited
TUNISIA	Union Internationale de Banques Societe Generale SA
TURKEY	Citibank A.S.
UGANDA	Standard Chartered Bank Uganda Limited
UKRAINE	Joint Stock Company "Citibank"
UNITED ARAB EMIRATES	HSBC Bank Middle East Limited
UNITED KINGDOM	JPMorgan Chase Bank, N.A., London Branch
UNITED KINGDOM	Deutsche Bank AG Depository and Clearing Centre
UNITED STATES	JPMorgan Chase Bank, N.A.
URUGUAY	Banco Itaú Uruguay S.A.
VIETNAM	HSBC Bank (Vietnam) Ltd.
WAEMU ⁴	Standard Chartered Bank Côte d'Ivoire S.A.
ZAMBIA	Standard Chartered Bank Zambia Plc
ZIMBABWE	Stanbic Bank Zimbabwe Limited

⁴ Benin, Burkina Faso, Guinea-Bissau, Ivory Coast, Mali, Niger, Senegal, Togo