

---

**If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker or other independent financial adviser.**

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

---

## **PRESCIENT GLOBAL FUNDS ICAV**

*(An open ended umbrella type Irish collective asset-management vehicle with variable capital and segregated liability between Funds registered and authorised by the Central Bank of Ireland to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015, as may be amended from time to time, by way of continuation and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended and as may be further amended, supplemented or replaced from time to time.)*

## **PROSPECTUS**

## **MANAGER**

## **PRESCIENT FUND SERVICES (IRELAND) LIMITED**

---

The date of this Prospectus is 13th November, 2019.

## **PRESCIENT GLOBAL FUNDS ICAV**

### **IMPORTANT INFORMATION**

#### **The Prospectus**

This Prospectus comprises information relating to Prescient Global Funds ICAV (the "ICAV"), an open-ended umbrella type Irish collective asset-management vehicle with variable capital and limited liability and segregated liability between Funds registered with and authorised by the Central Bank of Ireland to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015 by way of continuation and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended. The ICAV was formerly structured as a variable capital UCITS investment company and converted to an ICAV by way of continuation on 13th November, 2019.

The ICAV is structured as an umbrella fund with segregated liability between its Funds and the names of all Funds of the ICAV will be detailed in a separate Existing Fund Supplement to this Prospectus, which shall form part of, and should be read in conjunction with, this Prospectus and which shall be updated from time to time. The ICAV may comprise several Funds each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into Classes.

The offer proceeds of these Funds are invested in accordance with their respective investment objectives contained in this Prospectus, as amended from time to time.

A separate Supplement to the Prospectus relating to Shares comprising any new Fund of the ICAV will be issued by the Directors at the time of the establishment of that Fund. Each Supplement to the Prospectus shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

#### **Stock Exchange Listing**

Application may be made to Euronext Dublin for the Shares of any particular Class or Fund to be admitted to the Official List and to trading on the main securities market of Euronext Dublin. The Directors do not expect that an active secondary market will develop in the Shares. This document together with the relevant Supplement will constitute listing particulars ("Listing Particulars") for the purpose of any application for listing of the Shares in respect of which the relevant Supplement is issued.

Neither the admission of the Shares to the Official List and to trading on the main securities market nor the approval of the Prospectus and Supplements pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of the service providers to or any other party connected with the ICAV, the adequacy of information contained in the Prospectus and Supplements or the suitability of the ICAV for investment purposes.

## **Restrictions on Distribution and Sale of Shares**

The latest published annual and half yearly reports of the ICAV will be supplied to subscribers free of charge on request and will be available to the public as further described in the section of the prospectus headed "Accounts and Information".

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the ICAV. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date of this Prospectus.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the ICAV to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:-

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

It is intended that application will be made in certain jurisdictions to enable the Shares of the ICAV to be marketed in these jurisdictions.

Only those Funds authorised by the South African Registrar of Collective Investment Schemes may be promoted in South Africa.

Acquiring Shares may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in the ICAV should consult an authorised person specialising in advising on such investments.

## **Authorisation by the Central Bank**

The ICAV is both authorised and supervised by the Central Bank. The Central Bank shall not be liable, by virtue of its authorisation of the ICAV or by reason of its exercise of the functions conferred on it by legislation in relation to the ICAV, for any default of the ICAV. Authorisation of this ICAV does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the parties to the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance of the ICAV.

The price of Shares in the ICAV may rise as well as fall. The difference at any one time between the sale and repurchase price of Shares in the ICAV means that the investment should be viewed as medium to long term. An investment in the ICAV should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.

## **Redemption Charge**

The Directors may charge a fee on redemption in any Fund up to a maximum of 3% of the Net Asset Value per Share. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.

## **Reliance on this Prospectus**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change. Neither the delivery of this Prospectus or any Supplement nor the offer, issue or sale of Shares in the ICAV shall under any circumstances constitute a representation that the affairs of the ICAV have not changed since the date hereof. This Prospectus will be updated by the ICAV to take into account any material changes from time to time and any such amendments will be effected in accordance with the requirements of the Central Bank. No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of Shares of each Fund, and, if given or made, the information or representations must not be relied upon as having been authorised by the ICAV.

## **Risk Factors**

Investors should read and consider the risk discussion under the section in the Prospectus headed "Risk Factors" before investing in the ICAV.

## **Translations**

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the prospectus on which such action is based shall prevail.

## TABLE OF CONTENTS

IMPORTANT INFORMATION	2
DEFINITIONS	8
DIRECTORS AND ADVISERS	18
INTRODUCTION.....	19
INVESTMENT OBJECTIVES AND POLICIES.....	19
PROFILE OF A TYPICAL INVESTOR .....	20
FUND OF FUNDS.....	20
EFFICIENT PORTFOLIO MANAGEMENT.....	21
HEDGED CLASSES.....	22
FINANCIAL DERIVATIVE INSTRUMENTS .....	23
ELIGIBLE ASSETS AND INVESTMENT RESTRICTIONS.....	23
BORROWING POWERS .....	24
ADHERENCE AND CHANGES TO INVESTMENT AND BORROWING RESTRICTIONS .....	24
DIVIDEND POLICY .....	24
CROSS-INVESTMENT .....	25
BENCHMARK REGULATIONS.....	25
RISK FACTORS	27
MANAGEMENT AND ADMINISTRATION	51
THE DIRECTORS OF THE ICAV .....	51
MANAGER .....	52
INVESTMENT MANAGER AND DISTRIBUTOR.....	54
DEPOSITARY.....	54
PAYING AGENTS/REPRESENTATIVES/SUB-DISTRIBUTORS .....	56
SECRETARY.....	56
CONFLICTS OF INTEREST.....	56
NON-MIFID REGULATED INVESTMENT MANAGERS .....	58
MIFID REGULATED INVESTMENT MANAGERS .....	58
MEETINGS .....	59
ACCOUNTS AND INFORMATION .....	60
VALUATION, SUBSCRIPTIONS AND REDEMPTIONS	61
CALCULATION OF NET ASSET VALUE.....	61
PUBLICATION OF NET ASSET VALUE PER SHARE .....	61
OPERATION OF CASH ACCOUNTS IN THE NAME OF THE ICAV .....	61
SUBSCRIPTION.....	62
ANTI-MONEY LAUNDERING AND COUNTERING TERRORIST FINANCING MEASURES .....	64
ABUSIVE TRADING PRACTICES/MARKET TIMING .....	66
SUBSCRIPTION PRICE .....	67
PAYMENT OF SUBSCRIPTION MONIES .....	68
MINIMUM SUBSCRIPTIONS, MINIMUM HOLDINGS, MINIMUM ADDITIONAL INVESTMENT .....	69
REDEMPTION OF SHARES.....	69
REDEMPTION PRICE .....	71
CURRENCY OF PAYMENT AND FOREIGN EXCHANGE TRANSACTIONS .....	73
TOTAL REDEMPTION/WINDING UP.....	73

TRANSFER OF SHARES .....	75
TEMPORARY SUSPENSIONS.....	75
SWITCHING.....	76
<b>FEEES AND EXPENSES</b>	<b>79</b>
GENERAL .....	79
OPERATING EXPENSES AND FEES.....	79
MANAGEMENT FEES .....	79
ADMINISTRATION FEES .....	80
REMUNERATION POLICY OF THE MANAGER .....	80
INVESTMENT MANAGER AND DISTRIBUTOR FEES .....	81
DEPOSITARY FEES .....	81
DIRECTORS FEES.....	81
PAYING AGENTS FEES.....	82
PRELIMINARY FEE/INITIAL FEE .....	82
REDEMPTION FEE .....	82
FUND OF FUNDS.....	82
ANTI-DILUTION LEVY/DUTIES AND CHARGES.....	82
SWITCHING FEE .....	83
ALLOCATION OF FEES AND EXPENSES .....	83
FEE INCREASES .....	83
ALLOCATION OF ASSETS AND LIABILITIES	84
TAXATION	86
STATUTORY AND GENERAL INFORMATION	99
APPENDIX I - PERMITTED INVESTMENTS	117
APPENDIX II - RECOGNISED EXCHANGES	122
APPENDIX III - FINANCIAL DERIVATIVE INSTRUMENTS FOR THE PURPOSE OF INVESTMENT AND/OR EFFICIENT PORTFOLIO MANAGEMENT AND SECURITIES FINANCING TRANSACTIONS	127
APPENDIX IV - LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE NORTHERN TRUST COMPANY	140
EXISTING FUND SUPPLEMENT	147

## DEFINITIONS

"Accounting Date"	in the case of each Fund, 30 June in each year unless otherwise set out in the relevant Fund Supplement, or such other date as the Directors may from time to time decide and notify in advance to the Central Bank.
"Accounting Period"	in respect of each Fund, a period ending on an Accounting Date and commencing on the day following expiry of the immediately preceding Accounting Period.
"Act"	the Irish Collective Asset-management Vehicles Act, 2015 and every amendment or re-enactment of same.
"Application Form"	such application form as may be prescribed by the Directors or the Manager in relation to any Fund.
"Auditors"	KPMG, Dublin, or any successor company appointed by the ICAV.
"Base Currency",	the currency of account of a Fund as specified in the relevant Supplement for that Fund.
"Benchmark Regulations"	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (as may be amended).
"Benchmark Regulation Register"	the register of administrators and benchmarks maintained by ESMA under the Benchmark Regulations.
"Beneficial Ownership Regulations"	the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as may be amended or consolidated from time to time.
"Business Day"	in relation to the Funds, any day, except Saturday or Sunday, on which banks in Ireland are open for business or such other day or days as may be set out in the relevant Supplement.
"Central Bank"	the Central Bank of Ireland or any successor body thereto.
"Central Bank UCITS Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be



amended, supplemented or replaced from time to time and any related guidance issued by the Central Bank from time to time.

"Class"	a particular division of Shares in a Fund.
"Dealing Day"	such Business Day as the Directors or the Manager may from time to time determine in the case of any Fund as set out in the relevant Supplement provided there are at least two dealing days in each calendar month occurring at regular intervals and all Shareholders of such Fund are notified in advance.
"Dealing Deadline"	means 10.00 am Irish time on each Dealing Day or such other time as shall be specified in the relevant Supplement for each Fund or such other time as the Directors may determine and notify Shareholders provided that the Valuation Point shall not be prior to the Dealing Deadline.
"Depositary"	Northern Trust Fiduciary Services (Ireland) Limited or any successor company appointed by the ICAV and approved by the Central Bank as depositary of the assets of the ICAV and of each Fund.
"Depositary Agreement"	the Depositary Agreement dated 31st October, 2017 made between the ICAV, the Manager and the Depositary as may be further amended, substituted or replaced from time to time.
"Directors"	the directors of the ICAV or any duly authorised committee thereof.
"Duties and Charges"	in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign commission, exchange commissions and spreads, depositary and 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 redemption of Shares or the sale or purchase of Investments or in respect of certificates 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 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.

"EMIR"	Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories as may be amended, supplemented or consolidated from time to time.
"ESMA"	the European Securities and Markets Authority.
"Exempt Irish Investor"	as defined in the section entitled "Taxation".
"Euronext Dublin"	the Irish Stock Exchange.
"Fund"	means a sub-fund of the ICAV representing the designation by the Directors of a particular Class or Classes of Shares as a sub-fund, the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.
"GDPR"	Regulation (EU) 2016/679 of the European Parliament and of the Council as amended, consolidated or substituted from time to time.
"ICAV"	Prescient Global Funds ICAV.
"Initial Offer Period"	the period set by the Directors in relation to any Fund as the period during which the Shares are initially on offer.
"Instrument"	the Instrument of Incorporation of the ICAV, as amended from time to time in accordance with the requirements of the Central Bank.
"Intermediary"	as defined in the section entitled "Taxation".
"Investment"	any investment authorised by the Instrument of the ICAV and which is permitted by the Instrument.
"Investment Manager" and "Investment Managers"	any one or more persons appointed by the Manager in accordance with the requirements of the Central Bank to

manage the investment and reinvestment of the assets of any one or more of the Funds. Details of each Investment Manager are set out in the relevant Supplement, as required.

“Investment Management Agreement”

the agreement pursuant to which the Manager has appointed the Investment Manager to manage the investment and reinvestment of the assets of any one or more of the Funds, as may be amended, supplemented or replaced from time to time. Details of each Investment Management Agreement are set out in the relevant Supplement, as applicable.

“Ireland”

means the Republic of Ireland.

"Irish Resident"

as defined in the section entitled “Taxation”.

“Manager”

Prescient Fund Services (Ireland) Limited or any successor appointed by the ICAV in accordance with the requirements of the Central Bank.

“Management Agreement”

the Amended and Restated Management Agreement dated 18 December, 2018, between the ICAV and the Manager, as may be further amended, supplemented or replaced from time to time.

“Member”

a Shareholder and a person who is registered as the holder of one or more Subscriber Shares in the ICAV, the prescribed particulars of which have been recorded in the register of the ICAV.

"Member State"

a member state of the European Union.

"MiFID"

means Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 and Commission Regulation (EC) No 600/2014 of 15 May 2014 and any applicable implementing EU legislation, delegated acts (directives or regulations), and technical standards (including, without limitation, the Irish European Union (Markets in Financial Instruments) Regulations 2017 and any and all Central Bank regulations, notices, guidance notes and codes of conduct issued thereunder or in connection therewith) as amended, consolidated or substituted from time to time.

"Minimum Additional Investment"	the minimum number or value of Shares which must be subscribed by the Shareholders after their initial investment as specified in the relevant Supplement.
"Minimum Holding"	the minimum number or value of Shares which must be held by the Shareholders as specified in the relevant Supplement.
"Minimum Subscription"	the minimum amount which must be subscribed for Shares in any Fund or Class, if any, as specified in the relevant Supplement.
"Money Market Instruments"	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which comply with the requirements of the Central Bank.
"Net Asset Value"	in respect of any Fund, the net asset value of Shares determined in accordance with the Instrument. For further details, see "Calculation of Net Asset Value".
"Ordinarily Resident in Ireland"	as defined in the section entitled "Taxation".
"Paying Agent"	one or more paying agents that may be appointed by the Manager in certain jurisdictions in accordance with the requirements of the Central Bank.
"Ordinary Resolution"	means a resolution of the Members of the ICAV or of the Shareholders of a particular Fund or Class of Shares passed by (i) a simple majority of the votes cast in person or by proxy at a general meeting of the ICAV, Fund or Class of Shares or (ii) a resolution in writing signed by all of the Members (or such other majority of Members as approved by the Directors, permitted under the Act and disclosed in the Prospectus or Supplement for the relevant Fund) of the ICAV, the relevant Fund or Class of Shares for the time being entitled to attend and vote on such resolution at a general meeting.
"Prospectus"	the prospectus of the ICAV and any Supplements and addenda issued thereto in accordance with the requirements of the UCITS Regulations.

"Qualified Holder",	any person, corporation or entity other than <ul style="list-style-type: none"> <li>(i) a United States person;</li> <li>(ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it; or</li> <li>(iii) a depositary, nominee, or trustee for any person, corporation or entity.</li> </ul>
"Redemption Price"	in respect of any Fund, the price at which Shares can be redeemed as calculated in the manner set out herein.
"Regulated Funds"	<ul style="list-style-type: none"> <li>(a) Undertakings for Collective Investment in Transferable Securities (UCITS) authorised in any Member State, retail open-ended investment funds authorised by the Central Bank, United Kingdom authorised unit trusts, Guernsey Class A Schemes, Jersey Recognised Schemes and Isle of Man Authorised Schemes; and</li> <li>(b) Regulated open-ended alternative investment funds which fall within the requirements set out in the Central Bank's Guidance "UCITS Acceptable Investment in other Investment Funds" and the level of protection of which is equivalent to that provided to unitholders of a UCITS.</li> </ul>
"Recognised Clearing System"	as defined in the section entitled "Taxation".
"Recognised Exchanges"	means the stock exchanges or markets set out in Appendix II.
"Relevant Declaration"	as defined in the section entitled "Taxation".
"Relevant Period"	as defined in the section entitled "Taxation".
"Securities Financing Transactions"	means repurchase agreements, reverse repurchase agreements, stock lending agreements and any other transactions within the scope of the Securities Financing Transactions Regulations that a Fund is permitted to engage in.

“Securities Financing Transaction Regulations”	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented or consolidated from time to time.
"Share" or "Share"	a participating share of no par value in the ICAV designated as a share in a Fund of the ICAV.
"Shareholder"	the registered holder of a Share.
“South Africa”	the Republic of South Africa.
“Special Resolution”	means a special resolution of the Members of the ICAV or the Shareholders of a particular Fund or Class of Shares passed by (i) not less than 75% of the votes cast in person or by proxy at a general meeting of the ICAV, a Fund or Class of Shares or (ii) a resolution in writing signed by all of the Members (or such other majority of Members as approved by the Directors, permitted under the Act and disclosed in the Prospectus or Supplement for the relevant Fund) of the ICAV, the relevant Fund or Class of Shares for the time being entitled to attend and vote on such resolution at a general meeting.
“Specified US Person”	means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States <b>excluding</b> (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or

instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

“Subscriber Share”

means a redeemable non-participating share in the capital of the ICAV which shall only have the right to receive an amount not to exceed the consideration paid for such Subscriber Share.

"Subscription Price"

in respect of any Fund, the price at which Shares can be subscribed as calculated in the manner outlined under the section entitled “Subscription Price”.

“Supplement”

a document issued by the Directors and expressed to be a supplement to the Prospectus specifying certain information in respect of a Fund and/or one or more Classes.

"Taxes Act"

as defined in the section entitled “Taxation”.

“UCITS”

an Undertaking for Collective Investment in Transferable Securities, established pursuant to the UCITS Directive.

“UCITS Directive”

Directive 2009/65/EEC of the European Parliament and of the Council, as amended by Directive 2014/91/EU of 23<sup>rd</sup> July, 2014 and as may be further amended, consolidated or substituted from time to time.

"UCITS Regulations"	the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended (and as may be further amended consolidated or substituted from time to time) and any regulations, guidance or notices issued by the Central Bank pursuant thereto for the time being in force.
"Umbrella Cash Account"	a cash account, which may be designated in a particular currency, opened in the name of the ICAV on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.
"United States" or "U.S."	the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.
"United States Dollars", "U.S. Dollars" and "U.S. \$"	the lawful currency of the United States of America.
"United States Person"	any U.S. person within the meaning of Regulation S under the 1933 Act as well as:- <ul style="list-style-type: none"> <li>(a) a natural person resident in the U.S.;</li> <li>(b) an estate with any U.S. executor or administrator;</li> <li>(c) a corporation or partnership organised under U.S. law;</li> <li>(d) an unincorporated branch of a U.S. corporation;</li> <li>(e) a trust having beneficiaries who are U.S. Persons or having any U.S. trustee; and</li> <li>(f) a discretionary or non-discretionary account or similar account held by a U.S. or non-U.S. dealer or other fiduciary for the benefit or account of a U.S. Person.</li> </ul>



A U.S. Person also includes any entity formed by or on behalf of any of the foregoing for the purpose of investing in the ICAV.

For the purposes of this definition, "resident" includes any natural person who maintains a residence in the U.S. regardless of the amount of time such person spends at such residence.

"Valuation Point"

means 5.00 pm New York time on each Dealing Day or such other time as shall be specified in the relevant Supplement for each Fund by reference to which the Net Asset Value shall be calculated on or such other time as the Directors may determine and notify Shareholders provided that the Valuation Point shall not be prior to the Dealing Deadline. Shareholders will be notified in advance of any change of Valuation Point.

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "Dollars", "US\$" or "cents" are to United States Dollars or cents, to "£" are to Pounds Sterling and to "Euro" or "€" are to the lawful unit of single currency in the European Union.

In this Prospectus, unless otherwise specified, all references to a time of day are to Irish time and all references to the masculine gender include the feminine gender and vice versa.

## DIRECTORS AND ADVISERS

### Directors of the ICAV

Carey Millerd  
Hermanus Steyn  
Eimear Cowhey  
Fiona Mulcahy

### Registered Office

49 Upper Mount Street,  
Dublin 2  
Ireland

### Depositary

Northern Trust Fiduciary  
Services (Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland

### Manager

Prescient Fund Services  
(Ireland) Limited  
49 Upper Mount Street  
Dublin 2  
Ireland

### Directors of the Manager

Carey Millerd (Chair)  
Eoin Gleeson  
Grant Jacobi  
Hermanus Steyn  
Craig Mockford  
John Walley

### Secretary

Northern Trust International  
Fund Administration Services  
(Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland

### Irish Legal Advisers

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

### Investment Manager and Distributor

The name and address of the  
relevant Investment Manager  
and Distributor shall be set out  
in the relevant Supplement

### Auditors

KPMG  
Chartered Accountants  
5 George's Dock  
International Financial  
Services Centre  
Dublin 1  
Ireland

## **PRESCIENT GLOBAL FUNDS ICAV**

### **Introduction**

The ICAV is an umbrella type Irish collective asset management vehicle with variable capital and segregated liability between Funds, registered with and authorised by the Central Bank on 13th November, 2019 pursuant to Part 2 of the Act, by way of continuation. The ICAV is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The ICAV was formerly structured as a variable capital UCITS investment company.

The ICAV is structured as an open ended umbrella fund consisting of different Funds each comprised of one or more Classes. There exists segregated liability between each of the Funds of the ICAV. The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged to a Class of a Fund or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

The names of all Funds of the ICAV will be detailed in a separate Existing Fund Supplement to this Prospectus, which shall form part of, and should be read in conjunction with, this Prospectus and which shall be updated from time to time.

Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. The creation of further share classes in a Fund must be effected in accordance with the requirements of the Central Bank. Details of the Classes will be disclosed in the relevant Supplement. Classes of Shares may have different currencies of denomination and may be created as either currency hedged share classes or unhedged currency share classes.

The share capital of each Fund shall at all times equal its Net Asset Value. The currency of designation of each Fund will be determined by the Directors at the time of launch of the Fund.

Investors may deal in the Shares by subscribing for and/or having their Shares purchased or redeemed on each Dealing Day.

### **Investment Objectives and Policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors at the time of creation of the relevant Fund. There can be no assurance that a Fund will achieve its investment objective.

Where the Shares of a particular Fund have been listed on Euronext Dublin, the Directors will ensure that, in the absence of unforeseen circumstances, the relevant Fund will adhere to the material investment objective and policies for that Fund for at least three years following the admission of the Shares to the Official List and to trading on the main securities market of Euronext Dublin.

The Manager shall not make any change to the investment objectives of a Fund, or any material change to the investment policy of a Fund, as set out in the relevant Supplement, unless Shareholders have, in advance, on the basis of a simple majority of votes cast at a general meeting or with the prior written approval of Shareholders of the relevant Fund, approved such change(s).

In the event of a change of the investment objective and/or a material change of investment policy of a Fund, on the basis of a simple majority of votes cast at a general meeting, Shareholders in the relevant Fund will be given reasonable notice (a minimum period of two weeks in the case of daily or weekly dealing Funds or two dealing days in the case of fortnightly dealing Funds, as appropriate to the relevant Fund) of such change to enable them redeem their Shares prior to implementation of such a change.

The Manager shall ensure that information on material changes shall be included in the next set of periodic reports for the ICAV.

The list of Recognised Exchanges on which a Fund's investments in securities, derivatives and techniques and instruments, other than permitted investments in unlisted securities and over the counter derivative instruments, will be listed or traded is set out in Appendix II.

### **Profile of a Typical Investor**

The profile of a typical investor for each Fund is set out in the Supplement for the relevant Fund.

### **Fund of Funds**

Where set out in the relevant Supplement, a Fund may invest in other Regulated Funds on a fund of funds basis in order to achieve its investment objective. Where a Fund invests on a fund of funds basis, the Fund may invest all of its assets in other Regulated Funds in accordance with the restrictions in relation to investing in other collective investment schemes as set down in the UCITS Regulations and the Investment Restrictions set out in Appendix 1.

In the case of investment on a fund of funds basis in other Funds of the ICAV, the provisions set out below under "Cross-Investment" shall be complied with.

Unless otherwise prescribed in the relevant Supplement, the maximum level of management fees that may be charged by the Regulated Funds in which the Funds invest is 2% per annum of their aggregate Net Asset Value. The Regulated Funds may also charge a performance fee as set out in the relevant Supplements.

## **Efficient Portfolio Management**

The ICAV may, on behalf of each Fund, subject to the requirements of the Central Bank engage in techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes within the conditions and limits laid down by the Central Bank from time to time and provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set out in Appendix I.

Efficient portfolio management transactions relating to the assets of the ICAV may be entered into by the Investment Manager with the one of the following aims: i) the reduction or stabilisation of risk; ii) the reduction of cost with no increase or a minimal increase in risk; iii) the generation of additional capital or income for the Fund with a level of risk consistent with the risk profile of the Fund and the diversification requirements in accordance with the Central Bank UCITS Regulations and as disclosed in Appendices I and III to the Prospectus.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Fund. Such techniques and instruments are set out in Appendix III to the Prospectus.

The ICAV may also employ (subject to the conditions and within the limits laid down by the Central Bank) techniques and instruments intended to provide protection against exchange and/or interest rate risks in the context of the management of its assets and liabilities. The techniques and instruments which the ICAV may use on behalf of any Fund include, but are not limited to those set out in Appendix III and, if applicable to a particular Fund, those set out in the relevant Supplement.

In relation to efficient portfolio management operations, the Investment Manager will seek to ensure that the techniques and instruments entered into for the purposes of efficient portfolio management are realised in a cost effective manner. Use of such techniques and instruments should be in line with the best interests of Shareholders.

The Manager shall ensure that all the revenues arising from the use of financial derivative instruments (including those used for currency hedging), efficient portfolio management techniques and instruments, repurchase/reverse repurchase agreements and securities lending shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent and shall not include hidden revenue), shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses will be paid to the relevant counterparty (which, in the case of financial derivative instruments used for currency hedging purposes, may include the Depositary or entities related to the Depositary) at normal commercial rates together with VAT, if any, thereon, and will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase

agreements counterparties and/or securities lending agents engaged by the ICAV from time to time shall be included in the ICAV's semi-annual and annual reports.

Investors should consult the sections of the Prospectus entitled "Risk Factors- Derivatives and Techniques and Instruments Risk" and "Conflicts of Interest" for more information on the risks associated with efficient portfolio management.

### **Hedged Classes**

Where a Class of a Fund is designated as "hedged" in the relevant Supplement, the ICAV may enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. The relevant Investment Manager shall not combine or offset currency exposures of different Classes and the relevant Investment Manager shall not allocate currency exposures of assets of the Fund to separate Classes. Where there is more than one hedged Class in a Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Classes against the Base Currency of the relevant Fund or against the currencies in which the Fund's assets are denominated, the Fund may, in accordance with the Central Bank requirements, aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

Where the Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. The Manager shall ensure that under-hedged positions do not fall short of 95% hedged of the portion of the Net Asset Value of the Class which is to be hedged against currency risk and keep any under-hedged under review to ensure it is not carried forward from month to month. The Manager shall ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the hedged currency Class. Hedged positions will be kept under review daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and to ensure that positions materially in excess of 100% of Net Asset Value will not be carried forward from month to month.

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

In the case of an unhedged Class of Share, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

### **Financial Derivative Instruments**

**The ICAV may invest in financial derivative instruments (“FDI”) including equivalent cash settled instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.**

The FDI in which the ICAV and any of its Funds may invest and how such FDIs may be used are disclosed in Appendix III hereto and/or set out in the relevant Supplement. The purpose of any such investment will be disclosed in the Supplement for the relevant Fund. If other FDIs may be invested in for a particular Fund, such instruments and their expected effect on the risk profile of such Fund and the extent of each Funds global exposure (as prescribed in the Central Bank UCITS Regulations) through the use of financial derivative instruments will be disclosed in the relevant Supplement. Unless otherwise provided in the Supplement for a particular Fund, each Fund’s global exposure (as prescribed in the Central Bank UCITS Regulations) relating to financial derivative instruments shall not exceed 100% of the Net Asset Value of the Fund. Global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDIs will be measured using the commitment approach save as provided otherwise in the relevant Supplement.

The ICAV will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The ICAV will not utilise FDIs which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Manager or its delegate will provide on request to Shareholders supplementary information relating to the risk management methods employed by the ICAV including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice.

### **Eligible Assets and Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations and the Central Bank UCITS Regulations. The Directors may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the ICAV and each Fund are set out in Appendix I or in the relevant Supplement where further restrictions have been imposed in respect of a particular Fund. Each Fund may also hold ancillary liquid assets.

## **Borrowing Powers**

In accordance with the provisions of the UCITS Regulations, the ICAV may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Borrowings may only be used to finance temporary cash flow mismatches. Subject to this limit, the Directors may exercise all borrowing powers on behalf of the ICAV. In accordance with the provisions of the UCITS Regulations, the ICAV may charge its assets as security for such borrowings.

The ICAV on behalf of a Fund may acquire foreign currency by means of back to back loan agreements. The Manager shall ensure that a Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowings for the purpose of Regulation 103 of the UCITS Regulations.

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

The ICAV will, with respect to each Fund, adhere to any investment or borrowing restrictions herein or imposed by Euronext Dublin for so long as the Shares in a Fund are listed on Euronext Dublin, subject to the UCITS Regulations.

It is intended that the ICAV shall have the power (subject to the prior approval of the Central Bank) to avail itself (in accordance with the requirements of the Central Bank) of any change in the investment and borrowing restrictions specified in the UCITS Regulations which would permit investment by the ICAV in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

## **Dividend Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. Dividends, if declared, will only be paid out of the relevant Fund's net investment income return (i.e. income from dividends, interest or otherwise, less its accrued expenses for the accounting period) and realised and unrealised capital gains net of realised and unrealised losses and (if declared) will normally be paid to Shareholders in September of each year to the bank account specified by them in their application for Shares.

Any dividend paid on a Share that is not being claimed will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be escheated for the benefit of the relevant Fund.

Pending payment to the relevant Shareholder, distribution payments will be held in an Umbrella Cash Account and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the ICAV until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor



of the Fund.

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

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

### **Cross-Investment**

Unless otherwise specified in the relevant Supplement, each of the Funds may invest in the other Funds of the ICAV in accordance with the requirements of Central Bank. In such circumstances, the following requirements shall be satisfied:

- (a) A Fund may only invest in another Fund which itself does not hold Shares in any other Fund within the ICAV; and
- (b) The management fee charged by the Manager (or the relevant Investment Manager where the investment management fee is discharged directly out of the Fund’s assets) in respect of the portion of assets of the investing Fund which is invested in another Fund of the ICAV, whether such management fee is paid by the investing Fund, indirectly at the level of the receiving Fund or a combination of both, shall not exceed the rate of the management fee which is charged by the Manager in respect of the balance of the assets of the investing Fund.

### **Benchmark Regulations**

The Manager and the relevant Investment Manager are working with the applicable benchmark administrators for the benchmark indices of such Funds that use a benchmark within the meaning of the Benchmark Regulations to confirm that the benchmark administrators are or intend to be included in the Benchmark Regulation Register, where applicable.

The list of benchmark administrators that are included in the Benchmark Regulation Register is available on ESMA’s website at [www.esma.europa.eu](http://www.esma.europa.eu).

As at the date of this Prospectus, the following benchmark administrators appear on the Benchmark Regulation Register: MSCI Limited and IHS Markit Benchmark Administration Limited.

As at the date of this Prospectus, the following administrators and/or benchmarks (as applicable) are availing of the transitional arrangements afforded under the Benchmark Regulations and, accordingly, do not appear on the Benchmark Regulation Register.

- Bank of America Merrill Lynch;
- Bureau of Labor Statistics (BLS) of the U.S. Department of Labor.

Details of any other administrators of any benchmark used by a Fund within the meaning of the Benchmark Regulations will be set out in the relevant Supplement.

Where a Fund uses a benchmark within the meaning of the Benchmark Regulations, the Manager will monitor the Benchmark Regulations Register and, ensure that the Prospectus or relevant Supplement is updated at the next available opportunity where there is a change in whether an administrator of a benchmark is in fact authorised or registered with ESMA (if an EU benchmark administrator) or subject to an equivalence decision, recognition or endorsement (in the case of a non-EU benchmark administrator).

The above information is accurate as of the date of this Prospectus and further information relating to a Fund's use of a benchmark and the status of the relevant benchmark administrator will be set out in the relevant Supplement.

The Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark is materially changed or ceases to be provided. A copy of the Manager's policy on cessation or material change to a benchmark is available upon request from the Manager.

## RISK FACTORS

### General

The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the ICAV carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the ICAV or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the ICAV. Please refer to the Section of the Prospectus entitled "Taxation". The securities and instruments in which the ICAV invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

Potential investors should consider the following risk factors before investing in the ICAV.

- Prospective investors should be aware that the Investments of the ICAV are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of Investments will occur. There is no assurance that the investment objectives of any Fund will actually be achieved. Given the possible differences between the offer and redemption prices, an investor who realises his Shares in a Fund after a short period may, in addition to the above, not realise the amount originally invested. Therefore, investment in any Fund should be viewed as a medium to long term investment.
- The Net Asset Value of a Fund may vary in value within a short period of time because of variations in value of the underlying assets of such Fund and the income derived therefrom. Investors may not recoup the original amount invested in any Fund.
- Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see "Temporary Suspensions").

- Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment in one or more of the Funds.
- A listing on Euronext Dublin will not necessarily provide liquidity to investors.

### **Common Stocks**

Common stock represents an ownership interest in a company. The value of a company's stock may fall as a result of factors relating directly to that company, such as decisions made by its management or lower demand for the company's products or services. A stock's value may also fall because of factors affecting not just the company, but companies in the same industry or in a number of different industries, such as increases in production costs. From time to time, a Fund may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the Fund more vulnerable to adverse developments affecting those industries or sectors. The value of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates. In addition, a company's stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of the stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects. Stocks of smaller companies may be more vulnerable to adverse developments than those of larger companies.

### **Value Stocks**

These are stocks of companies that are not expected to experience significant earnings growth, but whose stock is undervalued by the market in the opinion of the Investment Manager. These companies may have experienced adverse business developments or may be subject to special risks that have caused their stocks to be out of favour. If the Investment Manager's assessment of a company's prospects is wrong, or if other investors do not come to recognise the value of the company, then the price of the company's stock may fall or may not approach the value anticipated for it.

### **Growth Stocks**

Certain Funds may invest in stocks of companies that the Investment Manager believes are likely to have earnings that will grow faster than other companies. These growth stocks typically trade at higher multiples of current earnings than other stocks. Therefore, the values of growth stocks may be more sensitive to changes in current or expected earnings than the values of other stocks. If the Investment Advisor's assessment of the prospects for the company's earnings growth is wrong, or if its judgement of how other investors will value the company's earnings growth is wrong, then the price of the company's stock may fall or not approach the value anticipated for it. Seeking earnings growth may result in significant investments in certain sectors, such as the technology sector, which may be subject to greater volatility than other sectors of the economy.

## **Market Capitalisation Risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies and may involve greater risks and volatility than investments in larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

## **Market Risk**

The value of a Fund may be effected by the decline of an entire market of an asset class, thus affecting the prices and values of the assets in the Fund. In an equity Fund, for instance, this is the risk that the equity market in question will go down and, in a bond Fund, the risk that the bond market in question will fall. The higher the volatility of the market in which the Fund invests, the greater the risk. Such markets are subject to greater fluctuations in return. Some of the Recognised Exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

## **Settlement Risk**

It is possible that settlement via a payment system will not take place as expected because payment or delivery by a counterparty fails to take place or is not in accordance with the initial conditions. This risk exists to the extent that the Fund invests in regions where the financial markets are not yet well developed and includes stock exchanges or markets on which the Fund may trade derivatives which may not be the same as those in more developed markets. This risk is limited, but still present, in regions where the financial markets are well developed.

## **Depositary Risk**

It is possible that the assets of a Fund that are held in custody may be lost as a result of insolvency, negligence or fraud on the part of the Depositary or any sub-custodian.

## **Concentration Risk**

Certain Funds may invest a large proportion of total assets in specific assets or in specific markets. This means that the performance of those assets or markets will have a substantial impact on the value of the Fund's portfolio. The greater the diversification of the Fund's portfolio, the smaller the concentration risk. Concentration risk will also be higher in more specialised markets (e.g., a specific region, sector or theme) than in widely diversified markets (e.g., a worldwide allocation).

## **Performance Risk**

The risk of lower returns in a Fund may vary depending on the choices made by the Manager or any Investment Manager, as well as the existence or non-existence of, or restrictions upon, any third-party security. The risk depends in part on the market risk and on how active the Manager is in the management of the Fund.

## **Capital Risk**

The capital value of Shares of a Fund may be affected by various risks to capital, including the potential risk of erosion due to the redemption of Shares and the distribution of profit in excess of the investment return. This risk can be limited by loss-mitigation, capital-protection or capital-guarantee techniques.

## **Repatriation Risk**

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

## **Inflation Risk**

Some Funds may invest in securities whose value can be adversely affected by changes in inflation, for example, bonds with a long term to maturity and a fixed coupon. Although many companies in which a Fund may hold Shares may have operated profitably in the past in an inflationary environment, past performance is no assurance of future performance. Inflation may adversely affect any economy and the value of companies' Shares.

## **Interest Rate Risk**

The values of bonds and other debt securities usually rise and fall in response to changes in interest rates. Declining interest rates generally raise the value of existing debt instruments, and rising interest rates generally lower the value of existing debt instruments. Changes in a debt instrument's value usually will not affect the amount of income the Fund receives from it, but will affect the value of the Fund's Units. Interest rate risk is generally greater for investments with longer maturities.

Some investments give the issuer the option to "call" or redeem, these investments before their maturity date. If an issuer "calls" its investment during a time of declining interest rates, the Investment Manager might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

"Premium" investments offer interest rates higher than prevailing market rates. However, they involve a greater risk of loss, because their values tend to decline over time.

### **Liquidity Risk**

Not all securities or instruments (including derivatives and sub-investment grade bonds) invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

### **Redemption Risk**

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Investing in Fixed Income Securities**

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

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

### **Cross-Liability for Other Funds**

The ICAV is established as an umbrella fund with segregated liability between Funds. Under Irish law the assets of one Fund are not available to satisfy the liabilities of or attributable to another Fund. However, the ICAV may operate or have assets in countries other than Ireland which may not recognise segregation between Funds and there is no guarantee that creditors of one Fund will not seek to enforce one Fund's obligations against another Fund.

## Emerging Markets

- A portion of the Net Asset Value of certain Funds may be exposed to emerging market equities. The following risks should be considered in relation to that portion of the Net Asset Value of such Funds exposed to emerging market equities:
- Emerging markets tend to have a greater level of risk and volatility associated with them and to be less liquid than more established markets. Investors should consider whether or not investment in these Funds is either suitable or should constitute a substantial part of the investors' portfolio.
- The Net Asset Value, the marketability and the returns derived from the particular Fund's investments may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these facts may adversely affect the overall investment climate and, in particular investment opportunities for a Fund.
- Companies in emerging markets may not be subject:-
  - (i) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
  - (ii) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

- The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.
- Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.
- There may be no obligation on the part of registration and tax authorities to make official copies of records available to third parties. In addition, there may be no reliable commercial firms who at present could undertake a comprehensive credit analysis or who could search the records of notary publics to determine whether the assets of an enterprise have been pledged or are



otherwise subject to a pledge or other security interest. Accordingly, the extent of due diligence of prospective companies in which a Fund may invest must in some cases be significantly limited as compared with the standards for due diligence in more developed markets.

- The emerging markets in which a Fund may invest are considerably less regulated than many of the world's leading stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such markets can provide a material risk to a Fund. Furthermore, due to the local postal and banking systems, no guarantee can be given that all entitlements attaching to securities acquired by a Fund (including in relation to dividends), can be realised. However, none of the ICAV, the Depositary, the Investment Manager, the Manager, or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of transactions dealing in emerging markets.
- Prospective investors should be aware that safe custody of securities in emerging markets involves risk and considerations which do not normally apply when settling transactions and providing safe custody services in more developed countries. In circumstances such as the insolvency of a sub-custodian or registrar, or retro-active application of legislation, a Fund may not be able to establish title to investments made and may suffer losses as a result. A Fund may find it impossible to enforce its rights against third parties.
- Custody services are very often undeveloped and, although a Fund will endeavour to put into place control mechanisms, including the selection of agents to register emerging markets securities on behalf of a Fund, there is a significant transaction and custody risk of dealing in securities of emerging markets.
- The value of the assets of a Fund will be affected by fluctuations in the value of the currencies in which the Fund's securities are quoted or denominated relative to the base currency of the Fund. Currency exchange rates in emerging markets may fluctuate significantly over short periods of time, causing together with other factors, the Net Asset Value to fluctuate as well. Currency exchange rates may be affected by market perception of the relative merits of investment in emerging markets, actual and anticipated changes in interest rates, intervention by governments and certain banks or political developments. A Fund may incur costs in connection with conversion between various currencies.
- There is in some emerging market countries a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant countries and thus the value of investments in those countries.

- The economies of many emerging market countries can be heavily dependent on international trade and, accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally.
- The legislative framework in emerging market countries for the purchase and sale of investments and in relation to beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from the Fund's investment in such countries and arrangements contemplated in relation thereto.
- Laws, orders, rules, regulations and other legislation currently regulating the investment arrangements contemplated may be altered, in whole or in part, and a court or other authority of an emerging market country may interpret any relevant existing legislation in such a way that the investment arrangements contemplated are rendered illegal, null or void, whether retroactively or otherwise, or in such a way that the investment of the Fund is adversely affected. There may be unpublished legislation in force now or at any future time in any emerging market country which conflicts with or supersedes published legislation and which may substantially affect the investment arrangements contemplated.
- There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any Correspondent will be upheld by a court of any emerging market country, or that any judgement obtained by the Depositary or the ICAV against any such Correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.
- Legislation regarding companies in emerging market countries, specifically those laws in respect of fiduciary responsibility of administrators and disclosure may be in a state of evolution and may be of a considerable less stringent nature than corresponding laws in more developed countries.
- There can be no guarantee of the accuracy of information available in emerging market countries in relation to investments which may adversely affect the accuracy of the value of Shares in any Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.
- In certain cases, decisions taken by a new majority shareholder following the privatisation of an emerging market country company may have unfavourable effects on the value and marketability of that company's Shares traded on any stock exchange. There is also the risk that privatisations of majority share interests could be cancelled by the relevant authorities and these companies could revert to state ownership. In such cases, there is no guarantee as to the timing of a new privatisation tender or the decision of authorities to organise a new tender. Such outcomes may

also have adverse effects on the value and marketability of a company's Shares traded on any stock exchange.

- It may not be possible for a Fund to repatriate capital, dividends, interest and other income from emerging market countries, or it may require government consents to do so. The Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.
- In certain of the countries where investments are proposed to be made there are restrictions on investment by foreign investors. In addition, the ability of foreign investors, such as a Fund, to participate in privatisations in certain foreign countries may be limited by local law, or the terms on which the Fund may be permitted to participate may be less advantageous than those for local investors. These factors and any restrictions introduced in the future could limit the availability to the Fund of attractive investment opportunities.
- There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any Securities System or that such Securities System properly maintain the registration of the Depositary or the ICAV as the holder of Securities. Where organised securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and over-the-counter traded securities acquired by the Fund, including those related to dividends, can be realised.
- Some emerging markets currently dictate that monies for settlement be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and counterparty risk for that period of time.

### **Operation of Umbrella Cash Accounts**

The ICAV has established one or more Umbrella Cash Accounts, which may be designated in a particular currency, opened in the name of the ICAV into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders. All subscriptions, redemptions and dividends payable to or from the relevant Fund will be channeled and managed through such Umbrella Cash Accounts.

Certain risks associated with the operation of the Umbrella Cash Accounts are set out in the sections entitled (i) “Valuations, Subscriptions and Redemptions” – “*Operation of Subscription Cash Accounts in the name of the ICAV*”; (ii) “Valuations, Subscriptions and Redemptions” - “*Operation of Redemption Cash Accounts in the name of the ICAV*”; and (iii) “Dividend Policy” respectively.

In addition, investors should note that in the event of the insolvency of another Fund of the ICAV, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Accounts will be subject to the principles of Irish trust and insolvency law and the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore, in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the ICAV on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and, therefore, will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in an Umbrella Cash Account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/ dividend monies are paid to the investor/ Shareholder. Therefore, in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the ICAV on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and, therefore, will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

### **Investment in Russia**

Investments in securities of Russian issuers may involve a particularly high degree of risk and special considerations not typically associated with investing in more developed markets, many of which stem from Russia’s continuing political and economic instability and the slow-paced development of its market economy. Investments in Russian securities should be considered highly speculative. Such risks and special considerations include: (a) delays in settling portfolio transactions and the risk of loss arising out of Russia’s system of share registration and custody; (b) pervasiveness of corruption, insider trading, and crime in the Russian economic system; (c) difficulties associated in obtaining accurate market valuations

of many Russian securities, based partly on the limited amount of publicly available information; (d) the general financial condition of Russian companies, which may involve particularly large amounts of inter-company debt; (e) the risk that the Russian tax system will not be reformed to prevent inconsistent, retroactive and/or exorbitant taxation or, in the alternative, the risk that a reformed tax system may result in the inconsistent and unpredictable enforcement of the new tax laws (f) the risk that the government of Russia or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union (g) the lack of corporate governance provisions applying in Russia generally, and (h) the lack of any rules or regulations relating to investor protection.

Russian securities are issued in book-entry form, with ownership recorded in a share register held by the issuer's registrar. Transfers are effected by entries to the books of registrars. Transferees of shares have no proprietary rights in respect of shares until their name appears in the register of shareholders of the issuer. The law and practice relating to registration of shareholdings are not well developed in Russia and registration delays and failures to register shares can occur. In common with other emerging markets, Russia has no central source for the issuance or publication of corporate actions information. The Depository therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications.

### **Currency Risk**

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

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

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The

successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Performance of a Fund may be strongly influenced by movements in foreign exchange rate because currency performance positions held by a Fund may not correspond to the securities position held.

### **Share Currency Designation Risk**

Where provided for in the relevant Supplement, a Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund and/or the designated currencies in which the Fund's assets are denominated. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency or changes in the exchange rate between the designated currencies in which the Fund's assets are denominated and the designated currency of a Class.

Where a Class of a Fund is designated as "hedged" in the relevant Supplement, the Investment Manager will to mitigate this risk by using financial instruments such as those described under the heading "**Currency Risk**". Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated.

In such circumstances, Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

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

### **Derivatives and Techniques and Instruments Risk**

#### *General*

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by,

among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

#### *Credit Risk*

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

#### *Correlation Risk*

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

#### *Legal Risk*

The use of OTC derivatives, such as forward contracts and swap agreements will expose the Funds to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties.

#### *Liquidity of Futures Contracts*

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

### *Forward Trading*

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

### *Foreign Exchange Transactions*

Where a Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

### *OTC Markets Risk*

**Unlisted derivative instruments i.e. OTC derivative instruments will be limited to unlisted forward currency, interest rate or exchange rate swap transactions and will only be permitted for the purposes of efficient portfolio management.** Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### *Counterparty Risk*

Each Fund will have credit exposure to counterparties by virtue of positions in swaps, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

The Funds will also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

### *Reinvestment of Cash Collateral Risk*

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.



### *Absence of Regulation; Counterparty Default*

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC options could result in substantial losses to the Fund. In addition, a counterparty may not settle a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or 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. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### *Necessity for Counterparty Trading Relationships*

Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the ICAV believes that the ICAV will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC currency market and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### *Futures and Options Trading is Speculative and Volatile*

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which the Fund intends to trade. Certain of the instruments in which the Fund may invest are interest and foreign exchange rate sensitive, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance,

therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates, and to utilise appropriate strategies to maximize returns to the Fund, while attempting to minimize the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

## **Risks Associated with Securities Financing Transactions**

### *General*

Entering into Securities Financing Transactions, such as repurchase agreements, reverse repurchase agreements and stocklending agreements, create several risks for the ICAV and its investors. The relevant Fund is exposed to the risk that a counterparty to a Securities Financing Transaction may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such Securities Financing Transactions may also carry legal risk in that the use of standard contracts to effect Securities Financing Transactions may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such Securities Financing Transactions may also involve operational risks in that the use of Securities Financing Transactions and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Risks Associated with Collateral Management".

### *Securities Lending*

Where disclosed in the relevant Supplement, a Fund may engage in securities lending activities. 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. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the UCITS Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the Central Bank UCITS Regulations, a Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

### *Repurchase Agreements*

Where disclosed in the relevant Supplement, a Fund may enter into a repurchase agreement. Under a repurchase agreement, the relevant Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the

securities. If it chooses to reinvest the cash collateral received under the repurchase agreement, it is also subject to market risk arising in respect of such investment.

#### *Reverse Repurchase Agreements*

Where disclosed in the relevant Supplement, a Fund may enter into reverse repurchase agreement. If the seller of securities to the Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, the Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

#### *Risks Associated with Total Return Swaps*

Where specified in the relevant Supplement, a Fund may enter into total return swap agreements i.e. a derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty. If there is a default by the counterparty to a swap contract, a Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the ICAV on behalf of the Fund will succeed in pursuing contractual remedies. A Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Furthermore, in addition to being subject to the credit risk of the counterparty to the total return swap, the Fund is also subject to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a total return swap and differences in currency values may result in the value of the index/reference value of the underlying of the total return swap differing from the value of the total return swap.

#### *Risks Associated with Collateral Management*

Where a Fund enters into an OTC derivative contract or a Securities Financing Transaction, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a counterparty or a broker that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or a broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker. In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, the Fund is subject to the risk that it will be unable to liquidate

collateral provided to it to cover a counterparty default. The Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

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

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

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

### **Amortised Cost Method**

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to the Section 6.5 of the Prospectus entitled "Net Asset Value and Valuation of Assets" for further information.

In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

### **Investment Manager Valuation Risk**

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

### **Market Crisis and Governmental Intervention**

Global financial markets may from time to time undergo pervasive and fundamental disruptions which may lead to extensive and unprecedented governmental intervention. Such intervention may in some

circumstances be implemented on an “emergency” basis with little or no notice. When circumstances such as these arise, this may subsequently impair some market participants from implementing strategies or managing the risk of their outstanding positions.

### **Market Disruptions**

The ICAV may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices 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. The financing available in the market from its banks, dealers and other counterparties will typically be reduced in disrupted markets. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the ICAV and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for the ICAV to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for the ICAV to close out positions.

### **Eurozone Risks**

In addition to specific national concerns, the Eurozone is experiencing a collective debt crisis. Certain countries have received very substantial financial assistance from other members of the European Union, and the question of additional funding is unclear. Investor confidence in other EU member states, as well as European banks exposed to sovereign debt of Eurozone countries experiencing financial turmoil, has been severely impacted, threatening capital markets throughout the Eurozone. Although the resources of various financial stability mechanisms in the Eurozone continue to be bolstered, there can be no assurance that the level of funds being committed to such facilities will be sufficient to resolve the crisis going forward. It is also unclear whether ultimately a political consensus will emerge in the Eurozone concerning whether and how to restructure sovereign debt. The consequences of any sovereign default would likely be severe and wide-reaching, and could include the withdrawal of one or more member states from the Eurozone, or even the abolition of the Euro. The withdrawal of one or more member states from the Eurozone or the abolition of the Euro could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of the ICAV’s investments.

The ICAV, the Manager and the Investment Managers may face potential risks associated with the referendum on the United Kingdom’s continued membership of the European Union, which took place on June 23, 2016 and which resulted in a vote for the United Kingdom to leave the European Union. On the March 29, 2017, the United Kingdom provided formal notice to the European Union of its intention to terminate its membership. That decision to leave could materially and adversely affect the regulatory regime to which an Investment Manager is currently subject in the United Kingdom, particularly in respect of financial services regulation and taxation. Investors should note that the ICAV and/or the Manager may

be required to introduce changes to the way it is structured and introduce, replace or appoint additional service providers or agents and/or amend the terms of appointment of persons or entities engaged currently to provide services to the ICAV including but not limited to particular Investment Managers. Although the ICAV shall seek to minimize the costs and other implications of any such changes, investors should be aware that the costs of such changes may be borne by the ICAV.

Furthermore, the decision to leave the European Union may result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have a material adverse effect on the ICAV, the Manager and an Investment Manager's business, financial condition, results of operations and prospects. The decision for the United Kingdom to leave the European Union may set in train a sustained period of uncertainty, as the United Kingdom seeks to negotiate the terms of its exit. It may also destabilize some or all of the other 27 members of the European Union (some of which are countries in which we conduct business) and/or the euro zone.

The exit of the United Kingdom from the European Union could have a material impact on its economy and the future growth of that economy, impacting adversely on an Investment Manager's U.K. businesses and the ICAV's investments in the United Kingdom. It could also result in prolonged uncertainty regarding aspects of the U.K. economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the European Union, could have a material adverse effect on the financial condition, results of operations and prospects of the ICAV and an Investment Manager.

### **Cyber Security and Information Technology Risk**

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security and information technology incidents. In general, cyber security and information technology incidents can result from deliberate attacks or unintentional events. Information technology incidents, include but are not limited to, extensive disruption of a service provider's information services due to system malfunctions. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security and information technology incidents affecting the Manager, Investment Managers, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Fund's ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business with the relevant Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the ICAV on behalf of a Fund engages in transactions,

governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security and information technology, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

## **GDPR**

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

Ongoing compliance with GDPR may result in increased operational and compliance costs being borne directly or indirectly by the ICAV. If there are breaches of these measures by the ICAV or any of its service providers, the ICAV or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the ICAV suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **Securitisation Regulation**

Where disclosed in its investment policy, a Fund may invest in securitisations. Under Regulation (EU) 2017/2402) (the “Securitisation Regulation”), the Investment Manager must comply with certain due diligence and ongoing monitoring requirements relating to investment in securitisations. The Securitisation Regulation requires parties involved in an EU securitisation to make certain information on the securitisation available to investors which should allow the Manager or Investment Manager to conduct the necessary due diligence and ongoing monitoring required under the Securitisation Regulation. However, in the case of a non-EU securitisation, such information may not be readily available. This may result in the Fund not being able to gain exposure to such securitisation, thus restricting the investment universe for the Fund. This in turn may have a negative impact on the performance of a Fund. Further, under the Securitisation Regulation, the Manager or Investment Manager is obliged to conduct due diligence on both the parties to a securitisation and the due diligence itself. Where the Manager or Investment Manager engages professional advisors in connection with the completion of such due diligence, this may result in additional costs being borne by a Fund.

## **Benchmark Regulations**

Subject to certain transitional and grandfathering arrangements, the Benchmark Regulations which governs the provision of, contribution to and use of benchmarks, took effect from 1st January 2018. Subject to the applicable transitional arrangements, a Fund is no longer able to “use” a benchmark within the meaning of the Benchmark Regulations which is provided by an EU index provider which is not registered or authorised pursuant to Article 34 of the Benchmark Regulations. In the event that the relevant EU index provider does not comply with the Benchmark Regulations in line with the transitional arrangements set down in the Benchmark Regulations or if the benchmark materially changes or ceases to exist, a Fund will be required to identify a suitable alternative benchmark if available which may prove difficult or impossible. Failure to identify a suitable replacement benchmark may have an adverse impact on the relevant Fund, including in certain circumstances the ability of the Investment Manager to implement the investment strategy of the relevant Fund. Compliance with the Benchmark Regulations may also result in additional costs being borne by the relevant Fund.

## **Agreements with Shareholders**

The Manager or its delegate may grant different rights with respect to fees with respect to any Shareholder in one Share Class, relative to Shareholders in that Share Class or another Share Class. To grant such rights, the Manager or its delegate may enter into, or may have already have entered into, agreements (“Side Letters”). Where permitted by applicable law or regulation, the Manager may enter into such Side Letters without notice to, or the consent of, other Shareholders. The Manager will take all reasonable measures to ensure the equitable treatment of Shareholder in the same Share Class and Shareholders in the same Fund.

## **Taxation**

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

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the ICAV or any Fund’s ability to achieve its investment objective, (ii) the value of the ICAV or any Fund’s investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is



the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the ICAV will endure indefinitely.

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

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the ICAV. Please refer to the section headed "Taxation".

### **Foreign Account Tax Compliance Act**

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

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

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

## **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. Additionally, on 9th December, 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”).

The CRS and DAC2 provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS and DAC2, participating jurisdictions and EU member states will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Ireland has legislated to implement the CRS and DAC2. As a result, the ICAV will be required to comply with the CRS and DAC2 due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS and DAC2. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of its Shares in the relevant Fund.

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

## **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the ICAV or any Fund may be exposed to risks of an exceptional nature from time to time.

## **MANAGEMENT AND ADMINISTRATION**

The Directors of the ICAV control the affairs of the ICAV and are responsible for the overall investment policy. The Directors have delegated certain of their duties to the Manager and the Investment Managers.

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

The ICAV shall be managed and its affairs supervised by the Directors whose details are set out below.

The Directors of the ICAV are all non-Executive Directors.

#### **Carey Millerd (Irish) - Non-Executive Director**

Mr. Millerd is a non-executive director of various of the Prescient group companies including Prescient Fund Services, Prescient Fund Services (Ireland) Limited, Prescient ICAV and Prescient Global Qualified Investment Fund ICAV. He has been with the Prescient Group since October, 2002 and retired from his executive positions in January, 2016. He held various executive roles including but not limited to being responsible for the establishment of the various collective investment scheme companies in South Africa and Ireland. He has over 25 years' experience in the investment industry and was previously an executive within the Nedcor Group with responsibility for the various unit trusts businesses within the group.

#### **Hermanus Steyn (South African) - Non-Executive Director**

Mr. Steyn is a co-founder of Prescient Investment Management and is the current Executive Chairman. He has over 15 years' experience, has a B Bus SC (Hons) degree and is responsible for overall strategy for the group. Mr. Steyn has gained significant investment management experience with a number of leading South African institutions.

#### **Eimear Cowhey (Irish) - Independent Non-Executive Director**

Ms. Cowhey (Irish Resident) has over 25 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin and Luxembourg. From 1999 to 2006 she held various executive positions within The Pioneer Group, including Head of Legal and Compliance and Head of Product Development. From 1992 to 1999 she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Eimear is a qualified Irish lawyer with a Diploma in Accounting and Finance, Diploma in Company Direction (IoD), Certificate in Financial Services Law and is in the course of achieving Chartered Director status from the IoD (London).

Ms. Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairman of Irish Funds (formerly IFIA) and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. Ms. Cowhey lectures at the Law Society of Ireland on Financial Services and Investment Funds law and is a regular conference speaker.

### **Fiona Mulcahy (Irish) - Independent Non-Executive Director**

Ms. Mulcahy is a Non- Executive Director of a number of Irish authorised investment funds with 25 years' experience in the investment funds industry. Ms. Mulcahy was formerly a Partner (1992-2000) and Consultant (2000-2012) with Dillon Eustace Solicitors, whom she joined in August, 1992 and where she worked principally in the area of financial services, banking and corporate finance. Prior to joining Dillon Eustace, Ms. Mulcahy was an associate at the law firm Cawley Sheerin Wynne (1991-1992) and an assistant solicitor at the London office of the law firm CMS Cameron McKenna (1989 -1990). Ms. Mulcahy graduated with an Honours Law Degree from University College Dublin in 1985 and qualified as a solicitor in 1989. Ms. Mulcahy has received a Certificate (Cert IoD) and a Diploma in Company Direction (Dip IoD) from the Institute of Directors (2012).

None of the Directors have had any convictions in relation to indictable offences, been involved in any bankruptcies, individual voluntary arrangements, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company or partnership voluntary arrangements, any composition or arrangements with its creditors generally or any class of its creditors of any company where they were a director or partner with an executive function, nor have had any public criticisms by statutory or regulatory authorities (including recognised professional bodies) nor has any director ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

### **Manager**

Prescient Fund Services (Ireland) Limited has been appointed by the ICAV to act as manager of the ICAV pursuant to the Management Agreement. The Manager was incorporated in Ireland on 26th September, 2009 as a limited liability company with an authorised share capital of €2,000,000.00 comprised of 2,000,000 Shares of €1.00 each of which 452,994 Shares of €1.00 each have been issued fully paid-up. The Manager has responsibility for the management and administration of the ICAV's affairs, subject to the overall supervision and control of the Directors. The responsibilities of the Manager include share registration and transfer agency services, valuation of the ICAV's assets and calculation of the Net Asset Value per Share and the preparation of the ICAV's semi-annual and annual reports.

The Manager has delegated its investment management responsibilities to the Investment Managers. The Manager is ultimately a wholly owned subsidiary of Prescient Holdings (Pty) Ltd.

The Directors of the Manager are Mr. Hermanus Steyn, Mr. Carey Millerd, Mr. Craig Mockford, Mr. John Walley, Mr. Eoin Gleeson and Mr. Grant Jacobi. Mr. Steyn and Mr. Jacobi are executive directors of the

Manager; all other directors of the Manager are non-executive directors. A description of Mr. Hermanus Steyn and Mr. Carey Millerd appear under the heading "The Directors" above.

#### **Craig Mockford (South African)**

Mr. Mockford is the Chief Executive Officer of Prescient Fund Services and has 20 years of accounting experience behind him. He holds a Bachelor of Commerce and Post Graduate Diploma in Accounting from the University of Cape Town, and has been a member of the South African Institute of Chartered Accountants since 1999. After completing his articles at Deloitte & Touche in 1997, Mr. Mockford spent time in London working for both Abbey National Treasury Services and the Royal Bank of Scotland in their Treasury and Capital Markets area. He returned to South Africa at the end of 1999 where he joined Prudential Portfolio Managers Unit Trusts Ltd. Here he was appointed a director of the management company before joining Prescient in 2006 as Chief Operating Officer of the unit trust management company. Mr. Mockford manages the relationships with a large number of service providers and clients of both Prescient Fund Services and Prescient Fund Services (Ireland), which has given him significant experience to help carry out the responsibility of supervising delegates.

#### **Grant Jacobi (New Zealand – Irish Resident)**

Mr. Jacobi is the Head of Operations at Prescient Fund Services (Ireland) Limited, where he is responsible for the overall Fund Operations delivery, including Fund Accounting and Transfer Agency. He holds a Bachelor of Commerce degree and Graduate Diploma in Commerce and has over 16 years' experience in the investment funds industry. Prior to joining Prescient Fund Services in 2011 he held a number of management positions within the ASB Group, a subsidiary of Commonwealth Bank of Australia. He has extensive experience in managing Fund Operational teams, and has been responsible for managing Prescient Fund Service's Risk and Compliance functions since Prescient Fund Services was authorised as a UCITS manager in 2011.

#### **John Walley (Irish)**

Mr. Walley, born in 1953, is a member of the Institute of Bankers in Ireland, corporate Governance Ireland. He currently acts as a consultant within the hedge fund industry and since the mid 90's as a non-executive director of investment companies domiciled in Dublin, Luxembourg, Guernsey, Cayman Islands, Bermuda and the Cook Islands. These investment companies marketed to institutional and retail clients include UCITS, complex fund of funds structures investing in a range of strategies and Structured products.

Until June 2008, he was Chief Executive of Olympia Capital Ireland Ltd, a global fund administration company, a position he held since 1998 when the company was formed. Previously, he was Group Managing Director of Investors Trust Holdings (Ireland) Limited, also a global fund administration company. Prior to that, he established Chemical Bank's first presence in Ireland and was its Managing Director from 1993 to 1996. He joined Chase Manhattan Bank in Ireland in 1982 working in various senior management capacities, including head of global custody and service products.

## **Eoin Gleeson (Irish)**

Mr. Gleeson is the Manager of Prescient Fund Services (Ireland) Limited and has 14 years of accounting experience behind him. He holds a Bachelor of Arts Honours Degree in Accounting and Finance from Dublin City University and is a Fully Qualified ACCA accountant and ACCA member since 2013. He received two awards for finishing 1st and 3rd in Ireland while completing his ACCA exams. Prior to joining Prescient Fund Services (Ireland) Limited in 2010 he held supervisory and management positions within the PFPC International, HedgeServ and UBS. He has extensive experience in managing Fund Operational teams, and has been responsible for managing Prescient Fund Service (Ireland) Limited's Fund Accounting team since it was authorised as a UCITS manager in 2011.

## **Investment Manager and Distributor**

Details of the relevant Investment Manager and Distributor are set out in the Supplement for the relevant Fund.

## **Depositary**

The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited as Depositary of all of its assets pursuant to the Depositary Agreement.

Northern Trust Fiduciary Services (Ireland) Limited is a private limited liability company established in Ireland on 5th July, 1990. Its principal business is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise of the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30th June, 2019, the Northern Trust Group's assets under custody totalled US\$526.4 billion and its assets under administration totalled US\$572.4 billion.

### *Duties of the Depositary*

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

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the ICAV is carried out in accordance with the UCITS Regulations and the Instrument. The Depositary will carry out the instructions of the Directors unless they conflict with the Act or the Instrument. The Depositary is also obliged to enquire into the conduct of the ICAV in each financial year and report thereon to the Shareholders.

### *Depository's Liability*

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

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

### *Delegation*

Under the Depository Agreement, the Depository has power to delegate the whole or any part of its safekeeping obligations, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

Under the terms of the Depository Agreement, the Depository may delegate the whole or part of its safekeeping obligations, provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depository can demonstrate that there is an objective reason for the delegation and (iii) the Depository has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate all or part of its safekeeping functions and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it.

The Depository has delegated its safe-keeping duties (as set out in 34(a)(4) of the UCITS Regulations) in respect of financial instruments in custody to its global sub-custodian, The Northern Trust Company, London Branch. The global sub-custodian, proposes to further delegate these responsibilities to sub-delegates, the identities of which are set out in Appendix III hereto.

This list may be updated from time to time and is available upon request in writing from the Depository.

### *Conflicts*

While the Depository does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed in Appendix III, the Depository may act as the depository of other open-ended investment companies and as trustee or custodian of other collective investment schemes. It is therefore possible that the Depository and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the ICAV or a particular Fund and/or other funds managed by the Manager or other funds for which the Depository acts as the depository, trustee or custodian. The Depository will, however, have regard in such event to its

obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors on request.

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

Local laws/regulations in the EEA may require the appointment of Paying Agents /representatives/distributors/sub-distributors/correspondent banks ("Agents") and maintenance of accounts by such Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent or a sub-distributor in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the ICAV or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Agents appointed which will be at normal commercial rates may be borne by the ICAV or the Fund in respect of which an Agent has been appointed. All Shareholders of the ICAV or the Fund on whose behalf an Agent is appointed may avail of the services provided by the Agents appointed by or on behalf of the ICAV.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders.

### **Secretary**

The secretary of the ICAV is Northern Trust International Fund Administration Services (Ireland) Limited whose registered office is at Georges Court , 54 - 62 Townsend Street, Dublin 2, Ireland.

### **Conflicts of Interest**

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



which a Fund may invest or which have similar or overlapping investment objectives to or with the ICAV or its Funds.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly. In relation to co-investment opportunities which arise between the Funds and other clients of the relevant Investment Manager, the relevant Investment Manager will ensure that the Funds participate fairly in such investment opportunities and that these are fairly allocated.

There is no prohibition on transactions with the ICAV by the Manager, any Investment Manager, the Depositary, or entities related to each of the Manager, the Investment Manager or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and are conducted on an arm's length basis and

- (a) the value of the transaction is certified by a person approved by the Depositary or in the case of a transaction involving the Depositary, the Manager, as independent and competent; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) where the conditions set out in (a) and (b) above are not practical, the Depositary is satisfied that the relevant transaction is conducted at arm's length and is in the best interests of Shareholders (or in the case of a transaction involving the Depositary, the Manager is) satisfied that the transaction is at arm's length and in the best interests of Shareholders.

The Depositary (or the Manager in the case of transactions involving the Depositary) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary (or the Manager in the case of transactions involving the Depositary) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

An Investment Manager or an associated company or any of its affiliates of the relevant Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently or may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by a Fund. In such circumstances, the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue. Neither the Investment Manager nor any of its affiliates nor any person connected with the Investment Manager is under any obligation to offer investment opportunities of which any of them becomes aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from any

such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

Investors' attention is also drawn to the section of the Prospectus above entitled "Depositary", subparagraph "Conflicts" for a description of any safekeeping functions delegated by the depositary, and any conflicts of interest that may arise from such a delegation.

### **Non-MiFID Regulated Investment Managers**

An Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and that any benefits should be those which assist in the provision of investment services to the ICAV.

Where an Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or financial derivative instruments for a Fund, the rebated commission shall be paid to the relevant Fund. An Investment Manager, or any of its delegates, may be paid or reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

A report will be included in the ICAV's annual and half-yearly reports describing the relevant Investment Manager's soft commission practices.

### **MiFID Regulated Investment Managers**

In accordance with its obligations under MiFID, each Investment Manager which is subject to the requirements of MiFID, shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the relevant Investment Manager to the relevant Fund as soon as reasonably possible after receipt.

In particular, where the Investment Manager successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities, permitted derivative instruments or techniques and instruments for a Fund, the rebated commission shall be paid to the relevant Fund as the case may be.

The Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the Investment Manager from complying with its obligation to act in the best interests of the relevant Fund, provided they are disclosed

to the Fund prior to the provisions of investment management services by that entity. A list of acceptable “minor non-monetary” benefits is set out in the Commission Delegated Directive (EU) 2017/593.

The relevant Investment Manager may only receive third-party investment research, provided it is received on such basis that it does not contravene MiFID. Investment research will not constitute an inducement under MiFID where it is paid for by the Investment Manager itself out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund. In this regard, the Investment Manager may discharge the charges relating to investment research which is or may be used by the Investment Manager in managing the assets of the Fund out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund, as set out below under “Investment Research Costs” under the heading “Fees, Charges and Expenses”.

## **Meetings**

- (i) Shareholders in the ICAV will be entitled to attend and vote at general meetings of the ICAV.
- (ii) Any general meeting (called for the passing of a Special Resolution or Ordinary Resolution) shall be called by not less than fourteen Clear Days’ notice which, in each case, shall specify the place, the day and the hour of the meeting, and in the case of special business the general nature of such business and shall be given in the manner hereinafter provided to such persons as are under the provisions of this Instrument or the conditions of issue of the shares held by them entitled to receive notices from the ICAV. The Directors and the Auditors shall be entitled to receive notice of and attend and speak at any General Meeting of the ICAV. The Directors may in their discretion consider requests from other parties.
- (iii) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (iv) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

## **Accounts and Information**

The ICAV's accounting period ends on 30 June in each year.

The ICAV will prepare an annual report and audited accounts as of the Accounting Date in each year and a half-yearly report and unaudited accounts as of 31 December in each year.

The audited annual report and accounts will be published within four months of the Accounting Date and its semi-annual report will be published within two months of the end of the half year period and, in each case, will be made available to Shareholders (including inter alia by use of electronic communication or access to the Manager's website (<https://www.prescient.ie>) and a paper copy shall be supplied to Shareholders free of charge upon request from the office of the Manager. Copies of these reports will be sent to the Central Bank and Euronext Dublin (if applicable for a Fund or Class whose Shares are listed) within the same time period.

The ICAV may determine to prepare a separate annual report and set of audited accounts in respect of an individual Fund or a group of Funds from time to time, where appropriate.

Copies of this Prospectus, the Instrument, annual and half-yearly reports of the ICAV or Fund, as appropriate, may be obtained from the Manager at the addresses given under "Directors and Advisers".

## VALUATION, SUBSCRIPTIONS AND REDEMPTIONS

### Calculation of Net Asset Value

The Net Asset Value of the Shares of each Fund is expressed in the denominated currency for each Fund and as a per Share figure. The calculation of the Net Asset Value of each Fund will be carried out by the Manager in accordance with the requirements of the Instrument and details are set out under the heading "Statutory and General Information" below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" below, the calculation of the Net Asset Value of each Fund and of the Net Asset Value per Share in a Fund will be prepared as at each Valuation Point and will be available to Shareholders on request.

### Publication of Net Asset Value Per Share

The Net Asset Value per Share shall be made available on [www.prescient.ie](http://www.prescient.ie) and shall be updated following each calculation of the Net Asset Value. In addition, the Net Asset Value per Share may be obtained from the Manager during normal business hours. The Net Asset Value of any Fund or attributable to a Class whose Shares are listed will also be notified to Euronext Dublin by the Manager without delay. The Net Asset Value per Share may also be published in such other publications as the Directors may determine in the jurisdictions in which the Shares are offered for sale.

### Operation of Cash Accounts in the name of the ICAV

The ICAV has established one or more Umbrella Cash Accounts, which may be designated in a particular currency, opened in the name of the ICAV on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders. All subscriptions, redemptions and dividends payable to or from the relevant Fund will be channeled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Fund. However the ICAV will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

Further information relating to such accounts is set out in the sections of the Prospectus entitled (i) "Valuation, Subscription and Redemptions" – "*Operation of Subscription Cash Accounts in the name of the ICAV*"; (ii) "Valuation, Subscription and Redemptions" - "*Operation of Redemption Cash Accounts in the name of the ICAV*"; and (iii) "Dividend Policy" respectively. In addition, your attention is drawn to the section of the Prospectus entitled "*Risk Factors*" – "*Operation of Umbrella Cash Accounts*" above.

## Subscription

### *Applications*

All applicants must complete an Application Form. Investor's attention is also drawn to the sub-section below entitled "*Anti-Money Laundering and Countering Terrorist Financing Measures*" and to the sub-section "*Data Protection*" under the heading "*Statutory and General Information*". The Application Forms for the Funds accompany this Prospectus and set out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Directors) be irrevocable.

Subject to the requirement for original documentation for initial subscriptions (as set out below), the Application Form must be submitted to the Manager (i) by fax (ii) via a scanned copy sent by e-mail or (iii) by electronic notification, if approved by the Manager, provided that such electronic means are in accordance with the requirements of the Central Bank and that an investor will not be obliged to deal by electronic means.

For initial subscriptions, the original signed Application Form must be completed and sent promptly with all relevant documentation, including anti-money laundering documentation, to the Manager. The signed originals of the initial Application Forms should be sent to arrive within ten Business Days after the time for receipt of such Application Form (or by such other time as shall be specified in the relevant Supplement). Failure to provide the original initial Application Form by such time may, at the discretion of the Manager result in the cancellation of the relevant Shares. Applicants will be unable to redeem Shares on request until the original initial Application Form together with any documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) has been received by the Manager and until the anti-money laundering procedures have been completed.

Under the Instrument, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not qualified holders or expose the ICAV to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (but without interest, costs or compensation) as soon as possible by post or telegraphic transfer.

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

All new Shares will rank *pari passu* with existing Shares in the relevant Fund.

No Shares of any Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended.

Amendments to an investor's registration details and payment instructions will only be effected upon receipt of original documentation or electronic instruction, at the discretion of the Manager.

#### *Fractions*

Fractional Shares up to 3 decimal places will be issued in respect of subscription monies insufficient to purchase whole shares.

#### *Offer*

Newly established Classes of Shares and Shares in any newly established Fund will be available for subscription during an Initial Offer Period as set out in the relevant Supplement for the Fund, and as determined by the Directors. The Initial Offer Period may be extended or shortened by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received during the initial offer period and otherwise on a quarterly basis.

Applications for Shares in the Funds must be received before the Dealing Deadline. Confirmed cleared funds must be received within three Business Days after the relevant Dealing Day, or as set out in the relevant Supplement. All such subscriptions will be dealt with on a forward pricing basis i.e. by reference to the Subscription Price for Shares calculated as at the Valuation Point. Any applications therefor received after the relevant Dealing Deadline will be held over until the next Dealing Day.

If payment in cleared funds in respect of a subscription has not been received by the relevant time, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) cancel the subscription and subject to the requirements of the Act, an alteration may be made in the Register of Members. The Manager reserves the right to cancel without notice any contract for which payment has not been received by the settlement date and to recover any losses incurred. The ICAV may charge the applicant or, if the applicant is a Shareholder, redeem or sell all or part of his holding of Shares and use the proceeds thereof to satisfy and make good any loss, cost, expense or fees. In cases where the ICAV or the Manager is unable to obtain payment or reimbursement from the defaulting applicant, the relevant Fund will bear the loss, cost or expense associated with or related to the cancellation of the subscription application. In addition, settlement is conditional upon all the appropriate documentation being received by the Manager prior to the Dealing Deadline in the required format with all details correct and with valid authorization.

#### *Registrations and Confirmations*

All Shares will be registered. Shares will be issued in inscribed form only. Ownership will be evidenced by the written confirmation of entry on the ICAV's register of Members and ownership confirmations will be issued to Shareholders.

### *Operation of Subscription Cash Accounts in the name of the ICAV*

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in an Umbrella Cash Account. Such monies will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the amount subscribed and held by the ICAV until such Shares are issued as of the relevant Dealing Day.

In the event of an insolvency of the Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Shares.

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

### **Anti-Money Laundering and Countering Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. 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 members, or persons known to be close associates of such persons, must also be identified. By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address (such as two original copies of utility bills or bank statements), date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and resident and business address of all directors and beneficial owners together with documents to verify the identity of two or more directors or authorised representatives of the corporate investor.

Depending on the circumstances of each application and at the discretion of the ICAV or Manager, a detailed verification might not be required where for example, the application is made through a recognised intermediary investing in a nominee capacity on behalf of an underlying investor. This exception will only apply if the nominee satisfies certain conditions including, without limitation, being subject to anti-money laundering and counter-financing of terrorism obligations equivalent to those applicable in the EU and providing a letter of undertaking confirming the nominee has carried out the



appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Manager or ICAV.

The ICAV and the Manager are also obliged to verify the identity of any person acting on behalf of an investor and must verify that such person is authorised to act on behalf of the investor.

The Manager and the ICAV each reserves the right to request such information as is necessary to verify the identity of an investor and where applicable the beneficial owner of an investor. In particular, the Manager and the ICAV each reserve the right to carry out additional procedures in relation to an investor that is classed as a PEP. Verification of the investor's identity is required to take place before the establishment of the business relationship. In any event, evidence of identity is required for all investors as soon as is reasonably practicable after the initial contact. Applicants should refer to the Application Form for a more detailed list of requirements for anti-money laundering/counter-terrorist financing purposes.

The Directors may decline to accept any application for Shares where they cannot adequately verify the identity of the applicant or beneficial owner. In such circumstances, amounts paid to the ICAV in respect of subscription applications which are rejected will be returned to the applicant (to the same bank account from which they were received), subject to applicable law, at his/her own risk and expense without interest.

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes (including but not limited to, for anti-money laundering and terrorist financing procedures), the ICAV or the Manager may refuse to accept the application and subscription monies and return all subscription monies or compulsorily repurchase such Shareholder's Shares and/or payment of repurchase or dividend proceeds may be delayed (no repurchase or dividend proceeds will be paid if the Shareholder fails to produce such information). In circumstances where a redemption request is received, the ICAV will process any redemption request received by a Shareholder, however the proceeds of that redemption will be held in an Umbrella Cash Account and therefore shall remain an asset of the relevant Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the ICAV is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released.

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

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

None of the ICAV, the Directors, the Investment Manager or the Manager shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of repurchase proceeds is delayed in such circumstances. If an application is rejected, the Manager will return or arrange the return of the application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Manager may refuse to pay or delay payment of repurchase proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

The Manager, the Distributor and the ICAV reserve the right to obtain any additional information from investors so that it can monitor the ongoing business relationship with such investors. The Manager, the Distributor and the ICAV cannot rely on third parties to meet this obligation, which remains their ultimate responsibility.

### **Abusive Trading Practices/Market Timing**

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

The Directors seek to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Fund’s portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as “stale price arbitrage”, by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in its judgement, the transaction may adversely affect the interest of a Fund or its Shareholders. The Directors may also monitor Shareholder account activities for

any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities including, if it so determines, levying a redemption fee of up to 3% of the Net Asset Value of Shares the subject of a redemption request.

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

### **Subscription Price**

The Subscription Price per Share shall be ascertained by:-

- (a) determining the Net Asset Value of the relevant class of Shares calculated in respect of the Valuation Point on the Dealing Day on which the subscription is to be made and adding thereto such sum as the Directors may consider represents an appropriate figure for Duties and Charges and any other amounts necessary to account for actual expenditure on the purchase of underlying investments;
- (b) dividing the amount calculated under (a) above by the number of Shares of the Class in issue at the relevant Valuation Point;
- (c) in the event of subscription applications exceeding redemption requests for the relevant Fund on any Dealing Day and if the Directors so determine, adding thereto such provision representing an anti-dilution levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors may determine in accordance with the section entitled "Anti-Dilution Levy" below; and
- (d) adjusting such amount as may be necessary to round the resulting amount to the nearest three decimal places (or such other number of decimal places as may be set out in the relevant Supplement), as the Directors deem appropriate, of the currency in which such Shares are designated.

A preliminary fee of up to 5% of the Subscription Price may be imposed at the discretion of the Directors or the Manager subject to the Directors' or the Manager's discretion to waive such fee or to differentiate between shareholders. Save as provided for in the relevant Supplement, the current preliminary fee is 5% of the Subscription Price.

## **Payment of Subscription Monies**

### *Method of Payment*

Subscription payments net of all bank charges should be paid by telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Directors. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### *Subscriptions in Specie*

In accordance with the requirements of the Central Bank, the ICAV may, at its discretion, from time to time make arrangements for the issue of Shares to any person by way of exchange for investments held by him upon such terms as the ICAV may think fit but subject to and in accordance with the following provisions:

- (a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the ICAV or its duly authorised agent an Application Form and satisfied all the requirements of the Manager, any Distributor and the ICAV or its delegate as to the application;
- (b) the nature of the Investments transferred into the relevant Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- (c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the relevant Fund;
- (d) any exchange shall be effected upon the terms (including provision for paying any expenses of the exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned less such sum as the Manager may consider represents an appropriate provision for any fiscal brokerage, registration or other expenses as aforesaid to be paid out of the assets of the Fund in connection with the vesting of the investments.

### *Currency of Payment*

Subscription monies are payable in the currency of the relevant Class of Shares as set out in the relevant Fund Supplement, however, a request for subscription in a currency other than the currency of the

relevant Class will be considered if made in a freely convertible currency. All costs of the conversion will be borne by the investor.

### **Minimum Subscriptions, Minimum Holdings, Minimum Additional Investment**

The Minimum Subscription, Minimum Holding and Minimum Additional Investment for Shares (if applicable) are set out in the Supplement for each Fund. The Directors or the Manager may waive or reduce the Minimum Holding, Minimum Subscription and Minimum Additional Investment if, in their absolute discretion, they consider that the circumstances so warrant.

### **Redemption of Shares**

#### *Redemption*

Every Shareholder will have the right to require the ICAV to redeem his Shares on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out under the heading "Temporary Suspensions" below) on furnishing to the Manager a redemption request. No redemption proceeds will be paid to redeeming Shareholders unless the Manager is in possession of the completed original Application Form together with any documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) and until the anti-money laundering procedures have been completed. Redemption requests shall only be processed where payment is made to the account of record and in the name of the applicant on the register.

All redemption/purchase requests are dealt with on a forward pricing basis, i.e. by reference to the Redemption Price for Shares calculated at the Valuation Point on the relevant Dealing Day.

#### *Liquidation Request Form*

All applicants must complete such redemption form ("**Liquidation Request Form**") as may be prescribed by the Manager in relation to any Fund. Liquidation Request Forms in respect of the Funds may be obtained from the Manager. The Liquidation Request Form sets out the methods by which and to whom redemption monies may be sent. The Liquidation Request Form should be sent to the Manager (i) by fax (ii) via a scanned copy sent by e-mail or (iii) by electronic notification, if approved by the Manager provided that such electronic means are in accordance with the requirements of the Central Bank and an investor will not be obliged to deal by electronic means.

Unless otherwise specified in the relevant Supplement, each Liquidation Request Form in respect of the relevant Fund must be received by the Manager before the Dealing Deadline. Shares will be redeemed at the Redemption Price calculated at the Valuation Point for that Dealing Day. If the Liquidation Request Form is received after the Dealing Deadline, it shall (save as hereinafter provided) be treated as a request for redemption on the following Dealing Day and Shares will be redeemed at the Redemption Price for that Dealing Day. The Directors will only accept Liquidation Request Forms after the Dealing Deadline in exceptional circumstances, provided always that such request will be prior to the Valuation Point.

Liquidation Request Forms shall (save as determined by the Directors) be irrevocable.

#### *Fractions*

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in a Fund:-

- (a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the Redemption Price for one Share, provided however that fractions shall not be less than 0.001 of a Share; and
- (b) redemption monies, representing less than 0.001 of a Share will not be returned to a Shareholder but will be retained by the ICAV in order to defray administration costs.

#### *Operation of Redemption Cash Accounts in the name of the ICAV*

Redemption monies payable to a redeeming investor will be held in an Umbrella Cash Account pending transfer to the investor's bank account. Such monies will be treated as an asset of the Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the redemption amount held by the ICAV until paid to the investor.

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

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

#### *Compulsory Redemption*

The ICAV shall have the right to redeem compulsorily any Share at the Redemption Price or to require the transfer of any Share to a Qualified Holder if in its opinion (i) such Share is held by a person other than a Qualified Holder; or (ii) the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the ICAV, the relevant Fund or its Shareholders as a whole to adverse tax or regulatory consequences.

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of restrictions imposed by the Directors pursuant to the Instrument, or that any declarations or information is outstanding pursuant to

this Prospectus or the Application Form (including inter alia any declarations or information required pursuant to anti-money laundering or counter terrorist financing requirements), the Directors shall be entitled to give notice (in such form as the Directors deem appropriate) of their intention to compulsorily redeem that person's Shares. The Directors may charge any such Shareholder, any legal, accounting or administration costs associated with such compulsory redemption. In the event of a compulsory redemption, the Redemption Price will be determined as of the Valuation Point in respect of the relevant Dealing Day specified by the Directors in their notice to the Shareholder. The proceeds of a compulsory redemption shall be paid in accordance with the Instrument.

### **Redemption Price**

The Redemption Price per Share shall be ascertained by:-

- (a) determining the Net Asset Value of the Shares in the relevant Class calculated in respect of the Valuation Point on the Dealing Day and deducting therefrom such sums as the Directors may consider represents an appropriate provision for Duties and Charges and any other amounts necessary to account for the actual price of underlying investments;
- (b) dividing the amount calculated under (a) above by the number of Shares of the relevant Class then in issue at the relevant Valuation Point;
- (c) in the event of requests for redemption exceeding subscription applications for the relevant Fund on any Dealing Day and if the Directors so determine, deducting therefrom such provision representing an anti-dilution levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors may determine in accordance with the section entitled "Anti-Dilution Levy" below; and
- (d) adjusting such amount as may be necessary to round the resulting amount to the nearest three decimal places, as the Directors deem appropriate, of the currency in which such Shares are designated.

The Directors have the right to levy a redemption charge of up to 3% of the Net Asset Value per Share.

### *Method of Payment*

Redemption payments will be sent by telegraphic transfer at the expense of the Shareholder to the bank account detailed on the Application Form or as subsequently notified to the Manager in writing.

### *Currency of Payment*

Shareholders will normally be paid in the currency in which the Shares were issued. If, however, a Shareholder requests to be paid in any other freely convertible currency, the necessary foreign exchange

transaction may be arranged by the Manager (at its discretion) on behalf of and for the account and at the risk and expense of the Shareholder.

#### *Timing*

Unless otherwise specified in the relevant Supplement, redemption proceeds in respect of Shares will typically be paid within five Business Days after the relevant Dealing Day and in any event will be paid within ten Business Days of the dealing deadline for the relevant Dealing Day provided that all the required documentation has been furnished to and received by the Manager.

In the case of a partial redemption of a Shareholder's holding, the Manager will advise the Shareholder of the remaining Shares held by him.

#### *Minimum Redemptions*

Unless otherwise specified in the relevant Supplement, the minimum amount of Shares which may be redeemed by a Shareholder in any one redemption is (subject to the Director's discretion) Shares having an aggregate Redemption Price of \$2,500 or its equivalent in another currency. The remaining balance of Shares must (subject to the Director's discretion) be the Minimum Holding as specified in the relevant Supplement. If the redemption of part only of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding for the relevant Fund, the Manager or its delegate may, if it thinks fit, redeem the whole of that Shareholder's holding.

#### *Redemption Requests Received in Excess of 10%*

Where the ICAV receives in respect of any Dealing Day requests for redemptions which in the aggregate exceed at least 10% of the total number of Shares in issue in any Fund or exceed at least 10% of the Net Asset Value of any Fund on that Dealing Day, the Manager, if in its sole discretion acting in good faith believes it shall be necessary or desirable in order not to prejudice the interests of the Shareholders not making such request, or on the grounds of liquidity or other like reason, may refuse to redeem any Shares in excess of 10% of the total number of Shares in issue in that Fund or in excess of 10% of the Net Asset Value of that Fund in respect of which redemption requests have been received as aforesaid. In this event, each such request for redemption or conversion of Shares of the relevant Fund shall be reduced pro rata so that all such requests cover no more than 10% of the total number of Shares outstanding in that Fund on that Dealing Day and shall treat the outstanding redemption requests as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

#### *Redemption in Specie*

The Fund or its delegate may at its discretion and with the consent of the individual Shareholders, satisfy any request for redemption of Shares by the transfer in specie to those Shareholders of assets having a value equal to the redemption price for the Shares redeemed as if the redemption proceeds were paid in



cash less any redemption charge and other expenses of the transfer provided that asset allocation is subject to the approval of the Depositary. A determination to provide redemption in specie may be solely at the discretion of the Manager where the redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the net asset value of the Fund. In this event, the Fund will, if requested, sell the asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder.

### **Currency of Payment and Foreign Exchange Transactions**

Where payments in respect of purchase or redemption of Shares or dividend payments are tendered or requested in a major currency other than the Base Currency of the relevant Fund, any necessary foreign exchange transactions may be arranged by the Manager (at its discretion) for the account of, and at the risk and expense of, the applicant at the time, in the case of purchases at the time cleared funds are received, in the case of redemptions at the time the request for redemption is received and accepted, and in the case of dividends at the time of payment. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the ICAV's bankers.

### **Total Redemption/Winding Up**

The ICAV may be wound up if:

- (a) at any time the Net Asset Value of the ICAV falls below USD 10,000,000 on each Dealing Day for a period of four consecutive weeks and the Members of the ICAV resolve by Ordinary Resolution to wind up the ICAV and the provisions of the Act relating to a winding up on the occurrence of an event are complied with;
- (b) an event specified at Clause 90(L) of the Instrument has occurred and the Shareholders of the ICAV resolve by Ordinary Resolution to wind up the ICAV and the provisions of the Act relating to a winding up on the occurrence of an event are complied with;
- (c) the Members of the ICAV resolve to wind up the ICAV by Special Resolution provided that any Special Resolution to wind up the ICAV is in accordance with the summary approval procedure as provided for in the Act; and
- (d) the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Members to wind up the ICAV, in which case any such winding up shall be commenced in accordance with the summary approval procedure as provided for in the Act.

Any unclaimed dividends or unapplied balances in existence following the winding up of the ICAV shall be dealt with in accordance with Section 154(1) of the Act.

A Fund may be wound up as if the Fund were a separate ICAV in accordance with the provisions of the Instrument but, in any such case, the appointment of a liquidator or any provisional liquidator and the powers, rights, duties and responsibilities of the liquidator or any provisional liquidator shall be confined to the Fund or Funds which is or are being wound up.

A Fund may also be terminated by the ICAV if, within a period of twelve months from the date of approval of the Fund by the Central Bank, the Fund has not launched.

The ICAV shall have the right at any time to redeem without penalty all the Shares of a particular Fund or Class (as relevant) in the following circumstances:

- (i) if not less than 75% of the holders in value of the Shares of the Fund (carrying voting rights at general meetings of the ICAV) approve of the redemption of all the Shares by the ICAV, at a general meeting of the relevant Fund; or
- (ii) if at the discretion of the Directors, after the first anniversary of the first issue of Shares in any Fund, the Net Asset Value of that Fund falls below USD 10,000,000; or
- (iii) on the giving of not less than four nor more than twelve weeks' notice to the Shareholders of the relevant Fund or Class expiring on a Dealing Day.

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

All of the Shares of the ICAV shall be redeemed and the Directors shall apply for revocation of the authorisation of the ICAV by the Central Bank if the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been formally approved and appointed within 90 days of the date of service of such notice.

In the event of a winding up, the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims and we refer you to the section entitled "Distribution of assets on a liquidation" below.

Any liquidator appointed to wind up the ICAV shall distribute the assets of the ICAV in accordance with the Instrument.

In accordance with the Instrument, the ICAV is entitled to redeem any Share of a Shareholder or any Share to which a person is entitled by transmission where during a period of six years no cheque in respect of any dividend on the Shares has been cashed and no acknowledgment has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder or the persons entitled by transmission and no communication has been received by the ICAV from the Shareholder or the persons entitled by transmission.

## **Transfer of Shares**

Shares are (save as hereinafter specified) fully transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferors shall complete an application form. The Directors may decline to register any transfer of a Share in certain circumstances as disclosed in paragraph 5 under the heading "Statutory and General Information".

## **Temporary Suspensions**

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

- (a) the whole or any part of any period when any of the Recognised Exchanges on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Redemption Price cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or the owner of Shares of the relevant Fund;
- (c) the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Fund or ICAV or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) the whole or any part of any period when the ICAV is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which any transfer of funds involved in the realisation or acquisition of investments or when payments due or redemption cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (e) upon mutual agreement between the ICAV and the Depositary for the purposes of winding up the ICAV or terminating a Fund or Class;

- (f) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments of the ICAV;
- (g) during any other period when the Directors determine that it is in the best interests of the Shareholders (or Shareholders in the relevant Fund or Class) to do so; or
- (h) where so instructed by the Central Bank to do so.

The ICAV, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the ICAV will immediately notify the Central Bank and Euronext Dublin (if applicable for a Fund or Class whose Shares are listed).

### **Switching**

Subject to any Minimum Subscription, Minimum Holding requirements and/or any other restrictions set out in the Supplement for the relevant Fund, Shareholders may request conversion of some or all of their Shares in one Fund (the “**Original Fund**”) to Shares in the same Class of another Fund (the “**New Fund**”) in accordance with the formula and procedures specified below. Switching from one Class to another Class in the same Fund or switching from a Class in the Original Fund to a different Class in the New Fund shall only be allowed solely at the discretion of the Directors.

Shareholders will be able to apply to convert on any Dealing Day such minimum amount in value of their holding of Shares in the Original Fund as may be specified by the Directors, to Shares of the New Fund which are being offered at that time. Switching may be effected in writing as for issues and redemptions. Investors will be required to complete such switching form (“**Switching Form**”) as may be prescribed by the Directors in relation to any Fund. Switching Forms must be signed by all joint Shareholders. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

If the conversion would result in the Shareholder holding a number of Shares of either the Original Fund or the New Fund of a value which is less than the Minimum Holding, the Directors may, if they think fit, convert the whole of the applicant's holding of Shares of the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund. No conversion will be made during any period when the right of Shareholders in either relevant Fund to require the redemption of their Shares is suspended. The general provisions on procedures and deadlines relating to redemption as set out above under “Redemption of Shares” and/or in the relevant Supplement will apply equally to conversion.

Conversion requests received after a Valuation Point will be held over until the next Dealing Day in the relevant Funds.

Fractions of Shares which shall not be less than 0.001 of a Share may be issued by the ICAV on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.001 of a Share will be retained by the ICAV in order to defray administration costs.

The number of Shares in any New Fund to be issued will be calculated in accordance with the following formula:-

$$A = B \times \frac{(C \times D \times F)}{E}$$

where:

A = the number of Shares of the New Fund to be allotted;

B = the number of Shares of the Original Fund to be converted;

C = the Redemption Price per Share of the Original Fund in respect of the Valuation Point on the relevant Dealing Day;

D = the currency conversion factor determined by the Manager as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the base currencies of the relevant Funds are different) or where the base currencies of the relevant Funds are the same, D = 1;

E = the Subscription Price per Share of the New Fund in respect of the Valuation Point on the relevant Dealing Day; and

F = the switching factor to be applied to switching between Funds with different settlement dates. This factor will be determined by the Manager as being derived from the borrowing rate of interest (which may be retail or business depending on the volume of switching) where the settlement date for Shares in the New Fund is earlier than the settlement date for Shares in the Original Fund. In such circumstances, this factor shall operate to compensate the New Fund for late settlement. In all other cases, including where the settlement dates of the relevant Funds are the same, F=1.

Where there is a conversion of Shares, Shares of the New Fund will be allotted and issued in respect of and in proportion to the Shares of the Original Fund in the proportion A to B.

Shareholders may be charged a switching fee as disclosed under Fees and Expenses.

### *Withdrawal of Conversion Requests*

Conversion requests may not be withdrawn save with the written consent of the ICAV or its authorised agent, including the Manager, or in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

## **FEES AND EXPENSES**

### **General**

All fees and expenses relating to the conversion to and establishment of the ICAV will be borne by the ICAV and are estimated not to exceed EUR 50,000 and may be amortised over the first five Accounting Periods of the ICAV or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine.

The fees and expenses relating to the establishment of any additional Funds will be set out in the relevant Supplement.

### **Operating Expenses and Fees**

The ICAV will pay all its operating expenses and the fees hereinafter described as being payable by the ICAV. Expenses paid by the ICAV throughout the duration of the ICAV, in addition to fees and expenses payable to the Manager, the Depositary, the Investment Manager, any distributor and the Paying Agent appointed by or on behalf of the ICAV include but are not limited to brokerage and banking commissions and charges, investment research costs, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the ICAV costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic updates of the Prospectus, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the ICAV and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the ICAV in accordance with standard accounting practice, at the discretion of the Directors. While this is not in accordance with Accounting Standards issued by the Accounting Standards Board, and may result in the audit opinion on the annual report being qualified in this regard, the Directors believe that such amortisation would be fair and equitable to investors. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund.

### **Management Fees**

Save as provided otherwise in the relevant Supplement, the Manager shall be entitled to receive from the ICAV a fee in relation to each Class as specified in the relevant Supplement subject to a maximum fee of 2.5% of the Net Asset Value attributable to each Class together with Value Added Tax, if any on such fee. The Manager shall also be entitled to be repaid out of the assets of the ICAV all of its reasonable out-of-

pocket expenses which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

The ICAV shall bear the cost of any value added tax applicable to any fees or other amounts payable to or by the Manager in the performance of its duties.

The fee shall, accrue at each Valuation Point and be payable monthly in arrears. Each Fund will bear its proportion of the fees and expenses of the Manager.

### **Administration Fees**

Where provided for in the relevant Supplement, the Manager in its capacity as administrator shall be entitled to receive out of the assets of each Fund such annual fee or fees (plus VAT, if any) as specified in the Supplement for the relevant Fund. The Manager in its capacity as administrator shall also be entitled to be repaid out of the assets of each Fund all of its reasonable out-of-pocket expenses which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

### **Remuneration Policy of the Manager**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile or the Instrument nor impair compliance with the Manager's duty to act in the best interests of the ICAV. The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the Manager, the ICAV and the Shareholders of the ICAV and includes measures to avoid conflicts of interest.

The Manager's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the ICAV.

In line with the provisions of the UCITS Directive and ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD (2016/ESMA/411) (the "**ESMA Remuneration Guidelines**") each of which may be amended from time to time, the Manager applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of the ICAV or any Fund of the ICAV, it will ensure that:

- a. the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the



ESMA Remuneration Guidelines; or

- b. appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.

Details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available at [www.prescient.ie](http://www.prescient.ie) and a paper copy will be made available free of charge upon request.

### **Investment Manager and Distributor Fees**

Save as provided otherwise in the relevant Supplement, the fees of each Investment Manager, Distributor or investment advisor shall be paid out of the assets of the relevant Fund. The details of such fees shall be set out in the relevant Supplement.

Save as provided otherwise in the relevant Supplement, the fees of any sub-investment manager or investment advisor shall be paid out of the assets of the relevant Fund. The details of any such fees shall be set out in the relevant Supplement.

Save as provided otherwise in the relevant Supplement, the fees of any sub-distributor shall be paid out of the assets of the relevant Fund and shall be at normal commercial rates.

### **Depositary Fees**

Save as provided otherwise in the relevant Supplement, the Depositary shall be entitled to receive out of the assets of each Fund, an annual fee (plus VAT, if any), accrued and calculated on each Valuation Point and payable monthly in arrears, which shall not exceed 0.03% per annum of the Net Asset Value of each Fund. The minimum annual fee shall be USD 12,000 per Fund (or such lesser amount as may be agreed between the ICAV and the Depositary), exclusive of out of pocket expenses.

The Depositary shall also be entitled to be repaid out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of the Fund. Such custody fees shall accrue and be payable monthly in arrears. Each Fund will bear its proportion of the fees and expenses of the Depositary.

### **Directors Fees**

Pursuant to the Instrument, the Directors are entitled to a fee for remuneration of their services at a rate to be determined from time to time by the Directors. The ICAV shall pay the Directors such annual

remuneration for acting as Directors of the ICAV as the Directors may from time to time agree, provided however that the annual remuneration of the Directors shall not, in the aggregate, exceed €250,000 or such other amount as may from time to time be disclosed in the financial statements of the ICAV.

### **Paying Agents Fees**

Fees and expenses of any Paying Agents appointed by the Manager on behalf of the ICAV or a Fund will be borne by the ICAV or the Fund in respect of which a Paying Agent has been appointed unless otherwise stated and will be at normal commercial rates together with VAT, if any, thereon.

### **Preliminary Fee/Initial Fee**

The Instrument authorises the Directors to impose a preliminary fee/initial fee on the issue of Shares in any Fund up to a maximum of 5% of the Subscription Price, such fee being payable to defray sales and marketing costs. Details of any preliminary fee/initial fee with respect to one or more Funds will be set out in the relevant Supplement.

### **Redemption Fee**

The Instrument authorises the Directors to charge a fee on the redemption of Shares in any Fund up to a maximum of 3% of the Redemption Price subject to the Directors' or the Manager's discretion to waive such fee or to differentiate between shareholder. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.

### **Fund of Funds**

During any period when any Fund is investing on a "fund of funds" basis (see "Investment Objectives and Policies" above) some or all of its investments will be subject to fees and charges of a similar nature to those set out above in respect of the ICAV (i.e. liquidation, management, administration and custodial fees together with subscription fees).

### **Anti-Dilution Levy/Duties and Charges**

Subject to the Instrument, in calculating the Subscription Price or Repurchase Price for the relevant Fund, the Manager may, on any Dealing Day on which there are net subscriptions or redemptions, adjust (as relevant) the relevant Subscription Price or Repurchase Price by adding or deducting an anti-dilution levy to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 1% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 1% of the Net Asset Value of the Fund including the price of Shares issued or redeemed as a result of requests for conversion.

**Switching Fee**

Details of any switching fee with respect to one or more Funds will be set out in the relevant Supplement.

Unless otherwise stated in the Supplement, Shareholders may switch between a Fund or Class, free of charge, on four occasions per annum. Shareholders who switch between a Fund or Class on more than four occasions per annum may be subject to a charge per switching transaction at the discretion of the Directors and as set out in the relevant Supplement.

**Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

**Fee Increases**

The rates of fees for the provision of services to any Fund or Class may be increased within the maximum levels stated above so long as reasonable written notice of the new rate(s) is given to Shareholders of the relevant Fund or Class.

## ALLOCATION OF ASSETS AND LIABILITIES

The Instrument requires the establishment of a separate Fund for different classes of Shares in the following manner:-

- (a) the records and accounts of each Fund shall be maintained separately in the Base Currency of the relevant Fund with the assets and liabilities being allocated to the relevant Fund;
- (b) for each Fund, the ICAV shall keep separate records in which all transactions relating to the relevant Fund shall be recorded and to which the proceeds from the issue of Shares in each Fund and the assets and liabilities and income and expenditure attributable to each Fund shall be applied subject to the provisions of this section and the Instrument;
- (c) subject to paragraph (f) & (i), the assets of each Fund shall belong exclusively to that Fund, shall be segregated, in the records of the Depositary, from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;
- (d) the proceeds from the issue of each Class of Share shall be applied to the relevant Fund established for that Class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of this section and the Instrument;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (f) in the case of any asset which the Directors do not consider as attributable to a particular Fund or Funds, the Directors shall have discretion, subject to the approval of the Depositary and the Auditors, to determine the basis upon which any asset shall be allocated between relevant Funds from time to time and to vary such basis provided that the approval of the Depositary and of the Auditors shall not be required in any case where the asset is allocated between all Funds pro rata to their Net Asset Values at the time when the allocation is made;
- (g) 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 liability shall be allocated to that Fund;
- (h) the Directors shall have discretion, subject to the approval of the Depositary and the Auditors, to determine the basis upon which any liability shall be allocated between Funds or as between Share Classes in the same Fund (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have power at any time and from time to time to vary such basis, provided that the approval of the Depositary and the Auditors shall not be required in any

case where a liability is allocated to the Fund or Funds (or to a Share, Class or Classes in a particular fund) to which in the opinion of the Directors it relates or if in the opinion of the Directors it does not relate to any particular Fund or Funds, between all the Funds pro rata to their Net Asset Values;

- (i) subject to the approval of the Depositary and the Auditors, the Directors may transfer any assets to and from Funds if, as a result of a creditor proceeding against certain of the assets of the ICAV or otherwise, a liability would be borne in a different manner from that in which it would have been borne under paragraph (h) above or in any similar circumstances;
- (j) where hedging strategies are used in relation to a Fund or Class, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Fund as a whole but the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency hedging transaction relating to a hedged currency Share Class shall be valued in accordance with the Instrument of Incorporation and shall be clearly allocated to the relevant hedged currency Share Class;

provided that all liabilities of or attributable to a Fund shall be discharged solely out of the assets of that Fund and the costs of or attributable to a Fund shall not be applied in satisfaction of any liability incurred on behalf of or attributable to any other Fund.

## TAXATION

### General

The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the ICAV or its current or future Funds or to all categories of investors, some of whom may be subject to special rules.

Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

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

Dividends, interest and capital gains (if any) which the ICAV receives with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. It is anticipated that the ICAV may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the ICAV the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### Irish Taxation

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

### Definitions

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

**“Irish Resident”** in the case of:-

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

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

time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

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

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

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

or

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

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

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

**“Ordinarily Resident in Ireland”** in the case of:-

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2019 to 31 December 2019 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2022 to 31 December 2022.

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

**“Exempt Irish Investor” means:**

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV; or,
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.



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

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

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

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

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

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

### **Taxation of the ICAV**

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

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

- An exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;
- Any transactions (which might otherwise be a chargeable event) in relation to shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;

- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another investment undertaking.

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

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

### ***Stamp Duty***

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

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

### **Shareholders Tax**

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

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

Shareholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Shareholder has made a Relevant Declaration. However, Shareholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Shares are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Shares.

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

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

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

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

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

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

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

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

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

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

#### 10% Threshold

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

made the election to report once it has advised the Affected Shareholders in writing that it will make the required report.

#### 15 % Threshold

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

#### *Other*

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

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

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

#### *Equivalent Measures*

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

equivalent measures are put in place by the investment undertaking to ensure that such shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking*

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

### **Reporting**

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

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

### **Capital Acquisitions Tax**

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

the Shares is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

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

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

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

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

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

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

generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

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

### **Common Reporting Standards**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information ("**the Standard**") which therein contains the Common Reporting Standard ("**CRS**"). This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**DAC2**") which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the CRS and DAC2 is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU member states.

The CRS and DAC2 draw extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS and DAC2 have significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, the CRS and DAC2 will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU member states and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the ICAV will be considered an Irish Financial Institution for the purposes of the CRS and DAC2.

For further information on the CRS and DAC2 requirements of the ICAV, please refer to the below "CRS/DAC2 Data Protection Information Notice".

#### *CRS/DAC2 Data Protection Information Notice*

The ICAV hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the CRS therein, as applied in Ireland by means of the



relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with the CRS and the DAC2 from 1 January 2016.

In this regard, the ICAV is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Shareholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

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

In particular, information that may be reported in respect of a Shareholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

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

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

### **Mandatory Disclosure Rules – (DAC6)**

The DAC6 Directive, which is effective from 25 June 2018, requires EU member states to introduce a common mandatory disclosure regime by 1 January 2020 and to share all reports received with each other. DAC6 imposes mandatory reporting requirements on EU-based tax advisors, accountants, lawyers, banks, financial advisors and other intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report passes to the taxpayer.

The transactions contemplated under the prospectus may fall within the scope of mandatory disclosure rules under EU Directive 2018/822 or an equivalent provision under Irish law and thus may qualify as reportable (cross-border) arrangement within the meaning of such provisions. If that were the case Dillon Eustace, the Investment Manager, the Distributor, the Manager or any other person that falls within the definition of an “intermediary” may have to report the transactions to fiscal authorities under these provisions. As the EU Directive 2018/822 still needs to be implemented in the domestic laws of the respective EU member states the actual scope of the mandatory disclosure rules remains currently unclear.

## STATUTORY AND GENERAL INFORMATION

### 1. Registration, Registered Office and Share Capital

- (a) The ICAV was registered in Ireland by way of continuation on 13th November, 2019 as an umbrella type Irish collective asset-management vehicle with segregated liability between funds and is registered with and authorised by the Central Bank with registration number C72212 pursuant to Part 2 of the Act. The ICAV has no subsidiaries.
- (b) The registered office of the ICAV is as stated in the section headed “Directors and Advisers” above.
- (c) The Instrument provides that the share capital of the ICAV shall be equal to the value for the time being of the issued share capital of the ICAV. The actual value of the paid up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities. The share capital of the ICAV is to be divided into a specified number of shares without assigning any nominal value to them.
- (d) The Instrument provides that Shares of the ICAV shall be divided into Shares of no nominal value and Subscriber Shares of no nominal value. The authorised share capital of the ICAV is 60,000 redeemable Subscriber Shares of no par value and 500,000,000,000 Shares of no par value provided however that any shares that have been redeemed shall be deemed never to have been issued for the purpose of calculating the maximum amount of shares to be issued. The ICAV shall issue shares as fully paid up in accordance with the Instrument, the requirements of the Central Bank and the Act. The liability of Members in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them. As more specifically described in Clause 19 of the Instrument, Shares shall at the request of any of the Shareholders, be purchased by the ICAV directly or indirectly out of the Investments of the ICAV unless and to the extent as may be provided for in the Instrument, approved by the Central Bank and subject to such requirements as may be imposed by the Central Bank under the Act or any other enactment.
- (e) No capital of the ICAV is under option or agreed conditionally or unconditionally to be put under option. The unclassified shares do not carry pre-emption rights.
- (f) The Directors are authorised to exercise all the powers of the ICAV to issue shares in the ICAV on such terms and in such manner as they may think fit.

## **2. Share Rights**

The holders of Shares shall:-

- (a) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;
- (b) be entitled to such dividends as the Directors may from time to time declare; and
- (c) in the event of a winding up or dissolution of the ICAV, have the entitlements referred to under the heading "Distribution of assets on a liquidation" below.

## **3. Voting Rights**

This is dealt with under the rights attaching to the Shares respectively referred to above.

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of Subscriber Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (c) Subject to the provisions of the Act, a poll may be demanded by (i) the chairman of a general meeting of a Fund or Class; or (ii) by at least three Members present (in person or by proxy) having the right to vote at the meeting; or (iii) any Members holding shares conferring the right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on the Shares conferring that right. The right to demand a poll may be withdrawn by the person or persons who have made the demand. If a poll is duly demanded it is to be taken in such a manner as the chairman directs (however a poll demanded with regard to the election of a chairman or on a question of adjournment must be taken forthwith). On a poll a Member, whether present in person or by proxy, who is entitled to more than one vote need not, if he or she votes, use all of his or her votes or cast them in the same way.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Subscriber Shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

- (f) Every Shareholder entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a Shareholder.
- (g) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice convening the meeting.
- (h) To be passed, Ordinary Resolutions of the Members or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Members or Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special Resolutions of the Members or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Members Shareholders present in person or by proxy and voting in general meeting in order to pass a Special Resolution including a resolution to amend the Instrument.
- (i) The Directors have elected to dispense with the holding of the annual general meeting of the ICAV in accordance with the provisions of the Instrument.
- (j) One or more Members of the ICAV holding, or together holding, at any time not less than 50% of the voting rights in the ICAV may convene an extraordinary general meeting of the ICAV. The Directors of the ICAV shall, at the request of one or more Members holding, or together holding, at the date of the making of the request, not less than 10% of the voting rights in the ICAV, proceed to convene an extraordinary general meeting of the ICAV. The request shall state the objects of the meeting and shall be signed by those making the request and deposited at the registered office of the ICAV and may consist of several documents in like form each signed by one or more of those making the request. If the Directors do not within 21 days after the date of the deposit of the request proceed to convene a meeting to be held within 2 months after that date, those making the request, or any of them representing more than 50% of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held more than 3 months after the date the request was first made. Any reasonable expenses incurred by those making the request by reason of the failure of the Directors duly to convene a meeting shall be repaid to those making the request by the ICAV and any sum so repaid shall be retained by the ICAV out of any sums due or to become due from the ICAV by way of fees or other remuneration in respect of their services to such of the Directors as were in default. In the case of a meeting at which a Special Resolution is to be proposed, the Directors shall be deemed not to have duly convened any such meeting if they do not give such due notice of it;

#### **4. Instrument of Incorporation**

The Instrument of Incorporation of the ICAV provides that the ICAV's sole object shall be the collective investment of its funds in property and giving members the benefit of the results of the management of its funds. The objects of the ICAV are set out in full in Clause 2.2 of the Instrument which is available for inspection at the registered office of the ICAV.

## 5. Instrument Provisions

The following Section is a summary of the principal provisions of the Instrument not previously summarised in this Prospectus. (Defined terms in this Section bear the same meanings as defined in the Instrument):-

### *Alteration of Share Capital*

The ICAV may from time to time by Ordinary Resolution increase its capital, consolidate and divide its shares or any of them into shares of a smaller number of shares, sub-divide its shares or any of them into shares or a larger number of shares, or cancel any shares not taken or agreed to be taken by any person. The ICAV may also by Special Resolution from time to time reduce its share capital in any way permitted by law.

### *Issues of Shares*

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Act), allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the ICAV.

### *Variation of Rights*

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding shares of that class, or with the sanction of a Special Resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding or representing at least one third of the issued shares of the relevant Fund or Class in question or by his proxy (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking pari passu therewith.

### *Transfers of Shares*

- (a) All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal.
- (b) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of such share.

- (c) The Directors may decline to register a transfer of shares unless the instrument of transfer is deposited at the Registered Office together with such evidence as is required by the Directors to show the right of the transferor to make the transfer and satisfying the Directors as to their requirements to prevent money laundering as they may apply from time to time. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.
- (d) The Directors may at their discretion decline to register any transfer of a Share if:
- i. in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding or the transferee would hold less than the Minimum Subscription;
  - ii. where they are aware or believe that such transfer would or might be likely to result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the relevant Fund or Class or Shareholders as a whole;
  - iii. the instrument of transfer is not deposited at the office or such other place as the Directors may reasonably require, accompanied by such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the ICAV and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer;
  - iv. all applicable taxes and/stamp duties have not been paid in respect of the instrument of transfer;
  - v. in consequence of such transfer, any provisions of the Instrument would be contravened or the transfer would produce a result inconsistent with any provisions of the Prospectus or any provision of law (including any law that is for the time being in force in a country or territory other than Ireland).

#### *Directors*

Unless and until otherwise determined no person shall be appointed a Director at any general meeting unless he is recommended by the Directors or, not less than six nor more than thirty clear days before the date appointed for the meeting, notice executed by a member qualified to vote at the meeting has been

given to the ICAV of the intention to propose that person for appointment stating the particulars which would be required, if he were so appointed, to be included in the ICAV's register of Directors together with notice executed by that person of his willingness to be appointed and not less than three quarters of all Members entitled to attend and vote at general meetings of the ICAV vote in favour of the appointment of the person referred to in such notice.

- (a) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- (b) Unless and until otherwise determined from time to time by the ICAV in general meeting, each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the ICAV. Any Director who devotes special attention to the business of the ICAV may be paid such extra remuneration as the Directors may determine.
- (c) A Director may hold any other office or place of profit under the ICAV (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the ICAV on such terms as the Directors may determine.
- (d) Subject to the provisions of the Regulations, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the ICAV or any subsidiary or associated company thereof;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the ICAV or in which the ICAV is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the ICAV for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (e) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the ICAV. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued shares



of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

- (f) There is no provision in the Instrument requiring a Director to retire by reason of any age limit and no share qualification for Directors.
- (g) The number of Directors shall not be less than two (2).
- (h) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (i) The office of a Director shall be vacated in any of the following circumstances i.e. if:-
  - (i) he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
  - (ii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (iv) he resigns from his office by notice to the ICAV;
  - (v) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
  - (vi) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office;
  - (vii) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office.

The ICAV may also, as a separate power, in accordance with and subject to the provisions of the Act, by Ordinary Resolution of the shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Instrument or in any agreement between the ICAV and any such Director.

### **Dividends**

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Act, the ICAV may by Ordinary Resolution declare dividends on a class or classes of Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the ICAV or on the total redemption of Shares, any dividend which has remained unclaimed for six years shall be escheated for the benefit of the relevant Fund.

#### **Distribution of Assets on a Liquidation**

- (a) In the event of a winding up the liquidator shall firstly apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (b) The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.
- (c) The assets available for distribution among the Members shall then be applied in the following priority:-
  - (i) firstly, in the payment to the holders of the Shares of each Class of the Fund a sum in the Base Currency in which that Fund is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares held by such holders of the relevant Class respectively as at the date of commencement to wind up;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the ICAV not comprised within any Funds provided that if there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds; and
  - (iii) thirdly, in the payment to the holders of each Classes of a Fund of any balance there remaining in the relevant Fund in proportion to the number of Shares held in the relevant Class; and
  - (iv) fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds or Classes such payment being made in proportion to the value of each Fund and within each Fund to the value of each Class and in proportion to the number of Shares held in each Class.

The liquidator may, with the authority of an Ordinary Resolution of the ICAV, divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV) in specie the whole or any part of the assets of the ICAV and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of

any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the ICAV may be closed and the ICAV dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability.

### **Indemnities**

Subject to the provisions of and insofar as may be permitted by the Act and the Regulations, every person who is or has been a Director or alternate Director or secretary or servant of the ICAV and such person's heirs, administrators and executors, shall be indemnified and secured harmless out of the assets and profits of the ICAV from and against all actions, costs, debts, claims, demands, suits, proceedings, judgements, decrees, charges, losses, damages, expenses, liabilities or obligations of any kind which he or his heirs, administrators or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted to be done by virtue of his being or having been a Director, Secretary or servant, provided that as permitted by the Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any fraud, negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the ICAV and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the ICAV and have priority as between the Shareholders over all other claims.

### **The Assets of the ICAV and the Calculation of the Net Asset Value of the Shares**

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

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to three decimal places (or such other number of decimal places as may be set out in the "Subscription Price" section of the relevant Supplement).

In determining the Net Asset Value of the ICAV and each Fund:-

- (i) Securities which are quoted, listed or traded on a Recognised Exchange will be valued as at the relevant Valuation Point at last traded price on the principal exchange or market for such investment (or if the last traded price is not available, at the mid market price). Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may at the discretion of the Directors or their delegate, be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (ii) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other means chosen by the Directors or their delegate provided that the method of valuation is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Directors whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (iii) Cash in hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (iv) Exchange traded futures and option contracts (including futures) traded on a regulated market shall be valued at the settlement price as determined by the market. If the settlement price is not available, the value of such investments shall be the probable realisation value as determined with care and in good faith by (i) the Directors or (ii) a competent person firm or corporation (including the Investment Manager) selected by the Directors and approved for the purpose by the Depositary or (iii) any other valuation method chosen by the Directors or their delegate provided that the valuation method is approved by the Depositary.

OTC derivative contracts must be subject to reliable and verifiable valuation on a daily basis.

Subject to the provisions of EMIR which requires OTC derivative contracts which are not cleared with a clearing counterparty to be valued on the basis of a mark to market value of the derivative

contract (or if market conditions prevent marking to market, a reliable and prudent marking to model), OTC derivative contracts may be valued either using the counterparty valuation or an alternative valuation.

- (v) Notwithstanding paragraph (i) above shares in collective investment schemes shall be valued at the latest available net asset value per share or bid price as published by the relevant collective investment scheme or, where consistent with the valuation policy relating to a particular Fund, on a mid-price or offer price basis. Alternatively, if the relevant collective investment scheme is listed or traded on a Recognised Exchange, in accordance with (i) above.
- (vi) Where it is not the intention or the objective of the Directors to value the portfolio of the relevant Fund as a whole using the amortised cost method of valuation, Money Market Instruments may be valued using the amortised cost method of valuation in accordance with the Central Bank's Requirements.
- (vii) The Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof. The Directors shall document clearly the rationale for adjusting the value of any such Investment.
- (viii) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the Directors shall determine to be appropriate.
- (ix) Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Directors with care and in good faith or by a competent person appointed by the Directors and approved for the purpose by the Depositary.
- (x) If the Directors deem it necessary a specific investment may be valued under an alternative method of valuation approved by the Depositary provided the rationale and methodologies used are clearly documented.

In calculating the value of assets of the ICAV and each Fund the following principles will apply:

- (a) in determining the value of investments of a Fund (a) the Directors may value the Investments of a Fund (i) at lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders; (ii) at bid and offer prices where a bid and offer value is used to determine the price at which Shares are issued and redeemed; or (iii) at mid prices; provided in

each case that the valuation policy selected by the Directors shall be applied consistently with respect to the ICAV and, as appropriate, individual Funds for so long as the ICAV or Funds, as the case may be, are operated on a going concern basis. For the purposes of calculating the net asset value of a Fund or Class only, every Share agreed to be issued by the Directors with respect to each Dealing Day shall not be deemed to be in issue at the Valuation Point for the relevant Dealing Day and the assets of the relevant Fund or Class shall be deemed to include only cash and property in the hands of the Depositary;

- (b) where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed;
- (c) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the ICAV which is attributable to that Fund;
- (d) there shall be added to the assets of each relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses unless the Directors are of the opinion that such interest, dividends or other income are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (e) there shall be added to the assets of each relevant Fund the total amount (whether actual or estimated by the Directors or their delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
- (f) where notice of the redemption of Shares has been received by the ICAV with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed to be in issue at the Valuation Point and the value of the assets of the relevant Fund shall not be deemed to be reduced by the amount payable upon such redemption;
- (g) there shall be deducted from the assets of the relevant Fund:
  - (i) the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the ICAV in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;

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

Every decision taken by the Directors or any committee of the Directors or by any duly authorised person on behalf of the ICAV in determining the value of any investment or calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the ICAV and on present, past or future Shareholders.

## **6. Data Protection**

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 GDPR. This data will be used by or on behalf of the ICAV for the purposes of client identification and the subscription process, management and administration of your holding in the ICAV, to comply with any applicable legal, taxation or regulatory requirements and for the purpose of recording, maintaining, storing and using recordings of telephone calls and electronic communications that you make to and receive from the ICAV and its service providers or for otherwise pursuing the legitimate interests of the ICAV.

Such data may be disclosed and / or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the ICAV and their or the ICAV's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including

to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

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.

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

A copy of the data privacy statement of the ICAV is available upon request from the Manager.

## **7. 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, as defined in the Beneficial Ownership Regulations (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).

Applicants should note 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 certain circumstances or in purporting to comply, provide materially false information

## **8. Commissions**

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the ICAV in connection with the issue or sale of any capital of the ICAV.

## **9. Directors' Interests**

- (a) None of the Directors has or has had any direct interest in any transaction effected by the ICAV which is unusual in its nature or conditions or is significant to the business of the ICAV up to the date of this Prospectus or in any contracts or arrangements of the ICAV subsisting at the date hereof other than:



- (i) Mr. Steyn and Mr. Millerd are directors of Prescient Fund Services (Ireland) Limited which acts as the Manager to the ICAV. The Directors are therefore deemed to be interested in fees paid to the Manager.
  - (ii) Mr. Steyn and Mr. Millerd shall be deemed to be interested in any contract entered into by the ICAV with any member of the Prescient Group.
- (b) No shareholding qualification for Directors is required under Irish law. The Directors or companies of which they are officers or employees may, however, subscribe for Shares in the Fund. Their applications will rank pari passu with all other applications.
- (c) There are no existing or proposed service contracts between any of the Directors and the ICAV.
- (d) No Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the promotion or business of the ICAV.
- (e) A list setting out the current and past directorships of each Director of the ICAV as well as other directorships and partnerships of each Director shall be available upon request from the secretary of the ICAV.
- (f) No Director has:-
  - (i) any unspent convictions in relation to indictable offences;
  - (ii) become bankrupt or entered into any voluntary arrangement;
  - (iii) been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or gone into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
  - (iv) owned an asset or been a partner of a partnership owning an asset over which a receiver has been appointed at that time or within twelve months after his ceasing to be a partner;  
or
  - (v) had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a court from acting as a director or acting in the management or conduct of the affairs of any company.

## **10. Litigation**

The ICAV has not, since its incorporation, been engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the ICAV.

## **11. Material Contracts**

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

- (a) The Amended and Restated Management Agreement dated 18th December, 2018 between the ICAV and the Manager as may be further amended, supplemented or replaced from time to time.

Under the terms of the Management Agreement, the Manager will be responsible for the management of each Fund. The Manager will be entitled to receive a fee as described in the section entitled "Fees and Expenses" above.

The Management Agreement may be terminated by either party on giving not less than 3 months prior written notice to the other party. The Management Agreement may also be terminated by either party giving notice in writing to the other party upon certain breaches or upon the insolvency of a party (or from the happening of a like event).

The Management Agreement provides that the ICAV shall indemnify and hold harmless the Manager, its employees, delegates and agents against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis which may be brought against, suffered or incurred by the Manager, its employees, delegates or agents in the performance of its duties under the terms of the Management Agreement other than due to the wilful default, fraud, bad faith or negligence of the Manager, its employees, delegates or agents in the performance of its obligations under the Management Agreement or failure by the Manager, its employees, delegates or agents to comply with its obligations as set out the Management Agreement, the UCITS Regulations or the Central Bank UCITS Regulations.

- (b) Pursuant to the Depositary Agreement between the ICAV, the Manager and the Depositary dated 31st October, 2017, as may be supplemented, amended and replaced from time to time, the Depositary was appointed as depositary of the ICAV's assets subject to the overall supervision of the Directors. The Depositary Agreement may be terminated by either party on 120 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Depositary shall continue to act as depositary until a successor depositary approved by the Central Bank is appointed by the ICAV or the ICAV's authorisation by the Central Bank is revoked. The Depositary has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Agreement provides that the ICAV shall

indemnify the Depositary and each of its directors, officers and employees, out of the assets of the relevant Fund against and hold them harmless from any third party actions, proceedings, claims, costs, demands and expenses brought against or suffered or incurred by the Depositary in the performance of its duties other than due to: (i) the loss of financial instruments held in custody by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated; and (ii) the negligent or intentional failure of the Depositary to properly fulfil its obligations under the UCITS Regulations.

- (c) Details of the relevant Investment Management Agreement are set out in the relevant Supplement.

## **12. Miscellaneous**

- (a) The ICAV does not have as at the date of this Prospectus any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.
- (b) The ICAV does not have, nor has it had since its incorporation, any employees.
- (c) Save as disclosed in paragraph 9 above, no Director has any interest direct or indirect in the promotion of the ICAV or in any assets which have been acquired or disposed of by or leased to the ICAV or are proposed to be acquired by, disposed of or leased to the ICAV out of the proceeds of the issue of Shares (through any partnership, company syndicate or other association), nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the ICAV.
- (d) The ICAV has not and does not intend to purchase or acquire nor agree to purchase or acquire any property.

## **13. Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and Public Holidays) free of charge at the offices of the ICAV in Dublin:-

- the Instrument;
- the Management Agreement;
- the Depositary Agreement;

- the relevant Central Bank UCITS Regulations;
- the Act; and
- the latest annual and semi-annual reports of the ICAV.

Copies of the Prospectus, the Instrument and the latest annual and semi-annual reports of the ICAV may be obtained free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the registered offices of the ICAV in Dublin.

#### **14. Communications and Notices to Shareholders**

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

##### **MEANS OF DISPATCH**

##### **DEEMED RECEIVED**

Delivery by Hand

The day of delivery or next following working day if delivered outside usual business hours.

Post

48 hours after posting.

Fax

The day on which a positive transmission receipt is received.

Electronically

The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.

Publication of Notice or  
Advertisement of Notice

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

<b>APPENDIX I PERMITTED INVESTMENTS</b>	
<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	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.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFS.
<b>1.6</b>	Deposits with credit institutions
<b>1.7</b>	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets 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%.
<b>2.4</b>	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 UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
<b>2.5</b>	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.
<b>2.6</b>	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.
<b>2.7</b>	Cash held as deposits and/or booked in accounts and held as ancillary liquidity with any one credit institution shall not, in aggregate, exceed 20% of the net assets of the UCITS.
<b>2.8</b>	<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 in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.</p>
<b>2.9</b>	<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 assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	A UCITS may invest up to 100% of net assets in different transferable securities and money

	<p>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), Government of the People’s Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export - Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS 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 UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same

	body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, 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.
<b>5.2</b>	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <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>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 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.</li> <li>(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.</li> </ul>
<b>5.4</b>	UCITS 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.



<b>5.5</b>	The Central Bank may allow recently authorised UCITS 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.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	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"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

\* Any short selling of money market instruments by UCITS is prohibited

## APPENDIX II

### RECOGNISED EXCHANGES

The following exchanges and markets are listed or referred to below in accordance with the requirements of the Central Bank which does not issue a list of approved markets. The exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. With the exception of permitted investments in unlisted securities, off-exchange derivative instruments and units of open-ended collective investment schemes investment in securities or financial derivative instruments will be restricted to the following stock exchanges and markets. This list may be supplemented or modified by the Directors from time to time and the approval of the Shareholders shall not be required for any such modification or supplement.

(A) Any stock exchange or market which is:

located in any Member State of the European Union; or

located in any Member State of the European Economic Area (European Union, Norway and Iceland), or

located in any of the following countries:-

Australia

Canada

Japan

Hong Kong

New Zealand

Switzerland

United States of America

United Kingdom

(B) Any of the following stock exchanges:

Argentina	Buenos Aires Stock Exchange Cordoba Stock Exchange La Plata Stock Exchange Mendoza Stock Exchange Rosario Stock Exchange
Bangladesh	Dhaka Stock Exchange Chittagong Stock Exchange
Botswana	Botswana Stock Exchange
Bermuda	Bermuda Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange Extremo Sul Stock Exchange, Porto Allegre Minas Esperito Santo Brasilia Stock Exchange Parana Stock Exchange, Curitiba

	Pernambuco e Paraiba Stock Exchange
	Regional Stock Exchange, Fortaleza
	Rio de Janeiro Stock Exchange
	Santos Stock Exchange
Bulgaria	First Bulgarian Stock Exchange
	Sao Paulo Stock Exchange
Chile	Santiago Stock Exchange
	Valparaiso Stock Exchange
China	Shanghai Securities Exchange
	Shenzhen Stock Exchange
Colombia	Bogota Stock Exchange
	Medellin Stock Exchange
	Occidente Stock Exchange
Costa Rica	Costa Rica Stock Exchange
Bolsa	Nacional De Valores
Croatia	Zagreb Stock Exchange
Egypt	Cairo and Alexandria Stock Exchange
England	London Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	The National Stock Exchange of India
	Bombay Stock Exchange
	Madras Stock Exchange
	Delhi Stock Exchange
	Ahmedabad Stock Exchange
	Bangalore Stock Exchange
	Cochin Stock Exchange
	Gauhati Stock Exchange
	Magadh Stock Exchange
	Mumbai Stock Exchange
	Pune Stock Exchange
	Hyderabad Stock Exchange
	Ludhiana Stock Exchange
	Uttar Pradesh Stock Exchange
	Calcutta Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan	Central Asian Stock Exchange
(Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange

Kuwait	Kuwait Stock Exchange
Malaysia	Malaysia Exchange
Mexico	Mexico Stock Exchange
Mauritius	Stock Exchange of Mauritius
Morocco	Casablanca Stock Exchange
Namibia	Namibian Stock Exchange
Nigeria	Nigerian Stock Exchange
New Zealand	New Zealand Stock Exchange
Oman	Muscat Stock Exchange
Pakistan	Karachi Stock Exchange
	Lahore Stock Exchange
	Islamabad Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Romania	Bucharest Stock Exchange
Russia Moscow	International Currency Exchange
Saudi Arabia	Riyadh Stock Exchange
Singapore	Singapore Stock Exchange
	SESDAQ
South Africa	JSE Securities Exchange South Africa
South Korea	Korea Stock Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange Corporation, Taipei
Thailand	Stock Exchange of Thailand
	Bangkok Stock Exchange
Tunisia	Bower des Valeurs Motilieres de Tunis
Turkey	Istanbul Stock Exchange
Uganda	Kampala Stock Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
Vietnam	Ho Chi Minh City Securities Trading Center
	The Hanoi Stock Exchange
	The Unlisted Public Company Market
Zambia	Zambia Stock Exchange
	Lusaka Stock Exchange

(C) The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Bank of England publication “The Regulations of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion” dated April, 1988, (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-

- counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA) and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
  - the alternative investment market in the United Kingdom regulated and operated by the London Stock Exchange;
  - the French market for Titres de Créances Négotiables (OTC market in negotiable debt instruments);
  - the OTC market in Canadian Government Bonds, regulated by the Investment Industry Regulatory Organisation of Canada;
  - SESDAQ (the second tier of the Singapore Stock Exchange); and
  - the following Russian markets:
  - Moscow Exchange.

### **Derivatives Markets**

All stock exchanges listed in (A) and (B) above on which permitted financial derivative instruments may be listed or traded and the following derivatives exchanges;

derivative markets approved in a member state of the European Economic Area and the following exchanges or markets: American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Stock Exchange, Chicago Board of Trade, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Board of Trade and New York Mercantile Exchange, New York Futures Exchange, New York Stock Exchange, Pacific Exchange, Philadelphia Stock Exchange, USFE (U.S. Futures Exchange) and SWX Swiss Exchange US.

- in Canada, the Montreal Exchange and the Toronto Stock Exchange;
- in China, the Shanghai Futures Exchange;
- in Hong Kong, the Hong Kong Futures Exchange;
- in Japan, the Osaka Securities Exchange;
- Tokyo Financial Exchange;
- Tokyo Stock Exchange;
- in Singapore, on the Singapore Exchange;
- Singapore Commodity Exchange;
- in Switzerland, on the Swiss Options & Financial Futures Exchange;
- EUREX;
- the Taiwan Futures Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Osaka Mercantile Exchange;
- Tokyo International Financial Futures Exchange;

- Australian Stock Exchange;
- Sydney Futures Exchange;
- the Bolsa de Mercadorias & Futuros, Brazil;
- the Mexican Derivatives Exchange (MEXDER);
- the South African Futures Exchange;
- the London Stock Exchange Derivatives Market.

### **Future Markets**

For the purposes only of valuing the assets of a Fund in accordance with the Instrument, the term “Recognised Market” also includes, in relation to any futures contract invested in by the Fund for the purposes of efficient portfolio management and/or other investment purposes, any organised exchange or market on which such futures contract is regularly traded.

## APPENDIX III

### **FINANCIAL DERIVATIVE INSTRUMENTS FOR THE PURPOSE OF INVESTMENT AND/OR EFFICIENT PORTFOLIO MANAGEMENT AND SECURITIES FINANCING TRANSACTIONS**

The Investment Manager shall, in respect of and for the benefit of each Fund, have the power to employ financial derivative techniques and instruments for investment and/or efficient portfolio management purposes in each case subject to the limits laid down by the Central Bank and subject to the terms of the Supplement for the relevant Fund. These financial derivative techniques and instruments may include, but are not limited to, warrants, exchange traded futures and options, forward currency contracts and swap agreements. Where a Fund intends to employ financial derivative techniques and instruments, it will be disclosed in the investment policies of the relevant Fund.

The underlying reference items or indices to financial derivative instruments in each case may relate to transferable securities, collective investment schemes (including ETFs), deposits, money market instruments, stock and financial indices, interest rates, foreign exchange rates and currencies.

The Manager may decide not to use any of these instruments or strategies. In addition, the Manager may decide to use instruments other than those listed below and in such case shall submit and obtain clearance of a revised risk management process outlining how these instruments or strategies shall be used. In the event that a Fund changes its investment policy in a manner which alters how it may utilise financial derivative techniques and instruments, the Manager will submit to and obtain clearance from the Central Bank of a revised risk management process. The Manager or its delegate will, on request, provide supplementary information to Shareholders 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.

#### **OUTLINED BELOW IS A DESCRIPTION OF THE VARIOUS INSTRUMENTS WHICH MAY BE USED:**

##### **Futures**

A Fund may sell futures on securities, currencies or interest rates to provide an efficient, liquid and effective method for the management of risks by “locking in” gains and/or protecting against future declines in value. A Fund may also buy futures on securities, currencies or interest rates to take a position in securities. A Fund may also buy or sell stock index futures as a method to equalise significant cash positions in the Fund or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis or simply where it is more efficient or less costly to use futures for this purpose. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund, or to maintain exposure to the market while managing the cash flows from subscriptions and redemptions into and out of the Fund more efficiently than buying and selling transferable securities. The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held

by the Fund or markets to which the Fund is exposed. The Investment Manager may also use futures contracts to take a directional view, either long or short, on particular securities or markets within the Fund's investment universe where, in the Investment Manager's view, those securities or markets are undervalued and likely to go up or vice versa, overpriced or likely to enter into a downward phase of the investment cycle.

## **Options**

A Fund may utilise options (including equity or bond index options, single stock, bond or currency options, options on futures and options on swaps) to increase its current return by writing covered call options and put options on securities it owns or in which it may invest. A Fund receives a premium from writing a call or put option, which increases the return if the option expires unexercised or is closed out at a net profit. If the Fund writes a call option, it gives up the opportunity to profit from any increase in the price of a security above the exercise price of the option; when it writes a put option, the Fund takes the risk that it will be required to purchase a security from the option holder at a price above the current market price of the security. A Fund may terminate an option that it has written prior to its expiration by entering into a closing purchase transaction in which it purchases an option having the same terms as the option written. A Fund may also write put-options on currencies to protect against exchange risks. Options may also be purchased to hedge interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options

A Fund may purchase put options (including equity or bond index options, single stock, bond or currency options, options on futures and options on swaps) to provide an efficient, liquid and effective mechanism for "locking in" gains and/or protecting against future declines in value on securities that it owns. This allows the Fund to benefit from future gains in the value of a security without the risk of the fall in value of the security. A Fund may also purchase call options (including equity or bond index options, single stock, bond or currency options, options on futures and options on swaps) to provide an efficient, liquid and effective mechanism for taking position in securities. This allows the Fund to benefit from future gains in the value of a security without the need to purchase and hold the security.

## **Foreign Exchange Transactions (including Forward Contracts)**

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks or to actively overlay currency views onto the Fund's currency exposure resulting from investing in foreign markets. Such contracts may, at the discretion of the Investment Manager be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Fund and the currencies in which the Fund's investments are denominated or to pursue an active currency overlay strategy.

A Fund may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. FX forwards are used to hedge the currency exposures of securities denominated in a currency other than the base currency of the Fund and to hedge against



changes in interest and currency rates which may have an impact on the Fund. They may also be used to overlay the Investment Manager's currency views on the Fund's currency exposures. 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.

### **Swap Agreements**

A Fund may enter into swap agreements with respect to currencies, interest rates, securities and indices. A Fund may use these techniques to protect against changes in interest rates and currency exchange rates. A Fund may also use these techniques to take positions in or protect against changes in securities indices and specific securities prices.

In respect of currencies, a Fund may utilise currency swap contracts where the Fund may exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or currencies at a floating rate of exchange for currencies at a fixed rate of exchange. These contracts allow a Fund to manage its exposures to currencies in which it holds investment. For these instruments, the Fund's return is based on the movement of currency exchange rates relative to a fixed currency amount agreed by the parties.

In respect of interest rates, a Fund may utilise interest rate swap contracts where the Fund may exchange floating interest rate cash flows for fixed interest rate cash flows or fixed interest rate cash flows for floating interest rate cash flows. These contracts allow a Fund to manage its interest rate exposures. For these instruments, the Fund's return is based on the movement of interest rates relative to a fixed rate agreed by the parties.

In respect of securities and securities indices a Fund may utilise total return swap contracts where the Fund may exchange floating interest rate cash flows for fixed cash flows based on the total return of an equity or fixed income instrument or a securities index or fixed cash flow based on total return of an equity or fixed income instrument or a securities index for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indexes. For these instruments, the Fund's return is based on the movement of interest rates relative to the return on the relevant security or index.

Details in respect of the counterparties to such swap contracts are set out below or otherwise in the Fund Supplement.

### **Total Return Swaps**

Where specified in the relevant Supplement, a Fund may enter into total return swaps for investment purposes in order to generate income or profits in accordance with the investment objective and policies of the relevant Fund and/or for hedging purposes, in order to reduce expenses or hedge against risks faced by the Fund.

A total return swap is a derivative contract under which one counterparty transfers the total economic performance, including income from interests and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. The reference obligation of a total return swap may be any security or other investment in which the relevant Fund is permitted to invest in accordance with its investment objective and policies.

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. The relevant Investment Manager would seek to minimise counterparty performance risk by only selecting counterparty with a good credit rating and by monitoring any changes in those counterparties' ratings. Additionally, these transactions would only be concluded on the basis of standardised framework agreements (ISDAs).

Where the Fund holds total return swaps, the counterparty to any such swaps shall be entities which are subject to an initial and ongoing credit assessment by the Manager and shall satisfy the OTC counterparty criteria set down by the Central Bank in the Central Bank UCITS Regulations and shall specialise in such transactions.

Details in respect of the counterparties to such total return swaps are set out below or will otherwise be set out in the Fund Supplement.

At the date of this Prospectus, no total return swaps are held by any Fund of the ICAV, where such a Fund is permitted to enter into total return swaps. Accordingly it is not possible to list the counterparties to such total return swaps with respect to any Fund. However, the counterparty to any total return swap entered into by a Fund would not assume any discretion over the composition or management of the investment portfolio of the Fund or of the underlying of the total return swap and would meet the criteria set out in the relevant Supplements.

The use of total return swaps may expose a Fund to the risks disclosed under the heading "Risk Factors" - "Risks associated with Securities Financing Transactions".

### **Counterparty Procedures**

Each Investment Manager's investment committee approves the counterparties used for dealing, establishes counterparty credit limits for them and monitors them on an on-going basis. In order to establish a relationship with a counterparty the Investment Manager's investment committee reviews the structure, management, financial strength, and general reputation of the counterparty in question, as well as the legal, regulatory and political environment in the relevant markets. Counterparty exposure is recorded daily and monitored. Any broker counterparty selected must adhere to the following:

- Must be registered with and regulated by the FCA or other appropriate national regulator
- Best Execution;

- Operational efficiency – Investment Managers’ dealers and other operations staff rank brokers according to quality of service.

For each trade, best execution overrides any other consideration. Please refer to the risk factors under the heading “Risk Factors” in the Prospectus for the counterparty risks that apply to the Funds.

The Investment Manager may also use futures, forwards, options and swaps to position a Fund to benefit from anticipated corrections in the overpricing of securities or of market risks or downwards movements in market prices by taking short or negative positions in relation to particular securities, markets or market factors. Any short positions are covered by holding the underlying security or an equivalent amount of cash

### **Warrants**

A warrant is a security which gives the right but not the obligation to purchase stocks at a set price within a specified period.

A Fund may invest up to 10% of its net assets in warrants to provide an efficient, liquid mechanism for taking position in securities without the need to purchase and hold the security.

### **When Issued/Delayed Delivery Securities**

A Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. Securities are considered “delayed delivery” securities when traded in the secondary market, or “when-issued” securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Fund and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Fund until settlement date and when issued or delivered as the case may be such securities will be taken into account when calculating the limits set out in Appendix I under the heading Investment Restrictions.

### **Collateral**

In the context of efficient portfolio management techniques and/or the use of financial derivative instruments for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Where necessary, the Funds will accept collateral from its counterparties in order to reduce counterparty risk exposure generated through the use of over the counter derivative instruments. Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the ICAV’s risk management process.

Any receipt or posting of collateral by a Fund will be conducted in accordance with the requirements of the Central Bank and the provisions below.

The Manager shall ensure that every asset received by the ICAV on behalf of a Fund as a result of engaging in efficient portfolio management techniques and instruments is treated as collateral and meets the requirements of the Central Bank outlined in the Central Bank UCITS Regulations in respect of the following elements:

- I. Liquidity: Collateral received other than cash will 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 pre-sale valuation. Collateral received will also comply with the provisions of Regulation 74 of the UCITS Regulations.
- II. Valuation: Collateral received will be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.
- III. Issuer credit quality. Collateral received will be of high quality. The Manager shall ensure that:
  - (i) 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 Manager in the credit assessment process; and
  - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in paragraph (i) above, this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.
- IV. Correlation: Collateral received will be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- V. Diversification (asset concentration): Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from the above diversification requirement (subject to such derogation being permitted by the Central Bank and any additional requirements imposed by the Central Bank), 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, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Appendix 1 – Permitted Investments of this Prospectus), provided the Fund will receive securities from at least six different issues with

securities from any single issue not accounting for more than 30% of the Fund's Net Asset Value.

- VI. Immediately available: Collateral received will be capable of being fully enforced by the ICAV on behalf of a Fund at any time without reference to or approval from the counterparty.

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

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

#### *Haircut Policies*

The Manager on behalf of each Fund will have in place a clear haircut policy adapted for each class of assets received as collateral. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Funds, taking into account the characteristics of the assets such as the credit standing and price volatility of the relevant counterparty, as well as the outcome of the stress tests performed (as set out above) and, where applicable taking into account the requirements of EMIR. This policy will be documented and will justify and document each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

#### *Valuation of collateral*

Collateral that is received by a Fund will be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place. The non-cash collateral received by the Sub-Fund will be at daily mark to market given the required liquid nature of the collateral and, where appropriate, variation margin requirements in accordance with EMIR.

#### *Safe-keeping of collateral received by a Fund*

Collateral received on a title transfer basis shall be held by the Depositary or a duly appointed sub-depositary of the Depositary. For other types of collateral arrangement, the collateral can be held by the

Depository, a duly appointed sub-depository of the Depository or by a third party custodian which is subject to prudential supervision, and which is unrelated and unconnected to the provider of the collateral.

#### *Eligible Counterparties*

Any counterparty to a total return swap or other OTC derivative contract shall satisfy fall within one of the following categories:

- (i) a credit institution which falls within any of the categories set down in Regulation 7 of the Central Bank UCITS Regulations (an “Approved Credit Institution”);
- (ii) an investment firm authorised in accordance with MiFID;
- (iii) a group company of an entity issued with a bank holding company license 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
- (iv) any other entity authorised by the Central Bank.

Any counterparty to a OTC derivative contract or a Securities Financing Transaction shall be subject to an appropriate internal assessment carried out by the Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, industry sector risk, concentration risk country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant Securities Financing Transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the ICAV without delay.

#### *Types of collateral which may be received by a Fund*

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

In the event that a Fund receives non-cash collateral from a counterparty to an OTC derivative contract or Securities Financing Transaction, such non cash collateral may be comprised of securities or instruments permitted to be held by the relevant Fund. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached.

### *Maturity of collateral and Re-use of collateral by a Fund*

There are no restrictions on the maturity of the collateral received by a Fund.

Non-cash collateral cannot be sold, pledged or re-invested.

Cash collateral received by the ICAV on behalf of a Fund may not be invested other than in one or more of the following:

- (i) deposits with relevant institutions. For the purposes of this section “relevant institutions” refers to those institutions specified in Regulation 7 of the Central Bank UCITS Regulations;
- (ii) high quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions referred to in Regulation 7 of the Central Bank UCITS Regulations and the ICAV, on behalf of the Fund, is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above and as set out in the Central Bank UCITS Regulations. Cash collateral may not be placed on deposit with the relevant counterparty or with any entity that is related or connected to the relevant counterparty. In such circumstances, the Funds shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed and re-investment of cash collateral in accordance with the provisions above can still present additional risk for a Fund. Please refer to the section of this Prospectus entitled “Risk Factors - Reinvestment of Cash Collateral Risk” for more details.

### *Posting of collateral by a Fund*

The level of collateral required to be posted may vary by counterparty with which the Funds trade. Collateral posted to a counterparty by or on behalf of the Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty.

Collateral provided by a Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Sub-Fund in accordance with its investment objective and policies and shall, where applicable, comply with the requirements of EMIR. Collateral may be transferred by a Fund to a counterparty on a title transfer basis where the assets are passed outside of the custody network and are no longer held by the Depositary or its sub-depositary. In such

circumstances, subject to the requirements of Securities Financing Transactions Regulations, the counterparty to the transaction may use those assets in its absolute discretion. Where collateral is posted by a Fund to a counterparty under a security collateral arrangement where title to the relevant securities remains with the Fund, such collateral must be safe-kept by the Depositary or its sub-depositary. Any re-use of such assets by the counterparty must be effected in accordance with the Securities Financing Transactions Regulations and, where relevant, the UCITS Regulations. Risks associated with re-use of collateral are set down in “Risk Factors: Risks Associated with Collateral Management”.

### **Securities Financing Transactions**

In accordance with the requirements of Securities Financing Transactions Regulations and the Central Bank, each Fund may use certain Securities Financing Transactions where provided for in the Prospectus and in the relevant Supplement. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. A general description of the types of Securities Financing Transactions and Total Return Swaps, which a Fund may engage in are set out under the heading “Total Return Swaps” above and “Repurchase/Reverse Repurchase and Stock lending Arrangements for the Purposes of Efficient Portfolio Management” below.

As set out above and where provided for in the relevant Supplement, the Fund may also use Total Return Swaps.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions and Total Return Swaps.

Details of the types of assets that can be subject to Securities Financing Transactions and/or Total Return Swaps, together with the maximum proportion and expected proportion of assets under management that may be subject to such transactions will be set out in the relevant Supplement for the Fund. Securities transferred under stock lending agreements shall not exceed 50% of the Net Asset Value of the relevant Fund, unless otherwise provided for in the relevant Supplement. In any case the most recent semi-annual and annual accounts of the ICAV will express the amount of the Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

### **Repurchase/Reverse Repurchase and Stock lending Arrangements for the Purposes of Efficient Portfolio Management**

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements solely for efficient portfolio management purposes in accordance in accordance with the limits and conditions set down in the Central Bank UCITS Regulations and the Securities Financing Transactions Regulations.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant



Supplement, the Fund may also use Total Return Swaps. Subject to each Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps.

A stock lending arrangement is an arrangement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. If the Manager engages in stock lending arrangements in respect of a Fund, it shall be disclosed in the relevant Supplement. Securities transferred under stock lending agreements shall not exceed 50% of the Net Asset Value of the relevant Fund (unless otherwise provided in the relevant Fund Supplement). Any Fund that seeks to engage in securities lending should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. 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.

A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. Any Fund that enters into a reverse repurchase agreement 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. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

Where a Fund enters into a repurchase agreement under which it sells securities to the counterparty, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty. Cash collateral received by a Fund under a repurchase agreement is typically reinvested in order to generate a return greater than the financing costs incurred by the Fund. In such circumstances, the Fund will be exposed to market risk and to the risk of failure or default of the issuer of the relevant security in which the cash collateral has been invested. Furthermore, the Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore it is exposed to market risk in the event that it repurchases such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

There is no global exposure generated by a Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk unless the additional income which is generated through finance charges imposed by the Fund on the counterparty is reinvested, in which case the Fund will assume market risk in respect of such investments.

Finance charges received by a Fund under a stock-lending agreement may be reinvested in order to generate additional income. Similarly cash collateral received by a Fund may also be reinvested in order to generate additional income. In both circumstances, Fund will be exposed to market risk in respect of any such investments.

Any counterparty to repurchase agreement, reverse repurchase agreement or stock lending agreement shall be subject to an appropriate internal credit assessment carried out by the Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, industry sector risk, concentration risk country of origin of the counterparty and legal status of the counterparty. Save where the relevant counterparty to the relevant Securities Financing Transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

The Manager shall ensure that every asset received by the ICAV on behalf of a Fund as a result of engaging in efficient portfolio management techniques and instruments, including but not limited to through repurchase/reverse repurchase agreements and securities lending shall be considered as collateral and must comply with the requirements of the Central Bank outlined in the Central Bank UCITS Regulations in relation collateral as set out above in the section entitled "Collateral" of this Appendix III.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice.

Repurchase agreements, reverse repurchase agreements, stock borrowing and/or stock lending agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.

The use of the techniques described above may expose a Fund to the risks disclosed under the heading "Risk Factors" - "Risks associated with Securities Financing Transactions".

### **Revenues generated from Securities Financing Transactions and Total Return Swaps**

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

Information on the revenues generated under such transactions shall be disclosed in the annual and semi-annual reports of the ICAV, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the Manager, the Depositary or entities related to the Manager or Depositary.

**APPENDIX IV**

**LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE NORTHERN TRUST COMPANY**

<b>Depository - Subcustodian Delegate Information</b>		
<b>28-Aug-19</b>		
<b>1. Jurisdiction</b>	<b>2. Subcustodian</b>	<b>3. Subcustodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	Deutsche Bank AG	
<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
<b>Bosnia and Herzegovina (Federation of Bosnia- Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")

<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Nordea Bank Abp	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	

<b>Eswatini</b> (formerly Swaziland)	Standard Bank Eswatini Limited	
<b>Finland</b>	Nordea Bank Abp	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)*	
<b>Israel</b>	Bank Leumi Le-Israel B.M.	

<b>Italy</b>	Deutsche Bank SpA	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	

<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank Abp	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	



<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	

<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

\*The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.

# Prescient Global Funds ICAV

---

This Supplement contains specific information relating to Prescient Global Funds ICAV (the "ICAV"), an open-ended umbrella type Irish collective asset-management vehicle with variable capital and limited liability and segregated liability between Funds registered with and authorised by the Central Bank of Ireland to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015 by way of continuation and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended. The ICAV was formerly structured as a variable capital UCITS investment company and converted to an ICAV by way of continuation on 13<sup>th</sup> November, 2019.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 13<sup>th</sup> November, 2019 and any supplements or addenda thereto (the "Prospectus") which immediately precedes this Supplement and is incorporated herein.**

## EXISTING FUND SUPPLEMENT

*9 December 2022*

*Capitalised terms used herein shall have the meanings attributed to them in the Prospectus.*

The Directors of the ICAV, whose names appear under the heading "Management and Administration" in the Prospectus are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. 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 the information.

### Existing Funds of the ICAV

- Prescient Global Positive Return Fund
- Prescient Global Equity Fund
- Prescient Global Income Provider Fund
- Osmosis Resource Efficient European Equities Fund
- Prescient China Balanced Fund
- 27four Global Balanced Fund of Funds
- 27four Global Equity Fund of Funds
- ABAX Global Equity Fund
- Seed Global Fund
- Integrity Global Equity Fund
- High Street Wealth Warriors Fund
- ABAX Global Income Fund
- Methodical Global Equity Fund
- Blue Quadrant USD Capital Growth Fund
- Benguela Global Equity Fund
- Prescient China Equity Fund

- Fairtree Global Flexible Income Plus Fund
  - Global Flexible Fund
  - Prescient Global Balanced Fund
  - Sigma Select Global Leaders Fund
  - PortfolioMetrix Global Equity Fund
  - PortfolioMetrix Global Diversified Fund
  - PortfolioMetrix Balanced Fund
  - PortfolioMetrix Cautious Fund
  - OMBA Moderate Risk Global Allocation Fund
  - Fairtree Global Listed Real Estate Fund
  - PPS Global Equity Fund
  - All Weather Capital Global Emerging Markets Fund
  - BACCI Global Equity Fund
  - Prescient Core Global Equity Fund
  - Laurium Africa USD Bond Fund
  - Peregrine Capital Global Equity Fund
  - Equitile Global Equity Fund
  - Fairtree Global Equity Fund
  - ESG Enhanced Market Neutral Fund
  - Seed Global Equity Fund
  - Sygnia 4th Industrial Revolution Global Equity Fund
  - Sygnia Health Innovation Global Equity Fund
  - Sygnia Global Income Fund
  - Umbra Balanced Fund
  - Aylett Global Equity Fund
  - Prescient Core Global Emerging Markets Equity Fund
  - RisCura China Equity Fund
  - Sygnia China New Economy Global Equity Fund
  - Saffron Global Enhanced Income Fund
  - RisCura Emerging Markets Equity Fund
  - The PCM Global Core Fund
  - TBI Global Multi-Asset Income Fund
  - Vunani Global Equity Fund
-

**PRESCIENT GLOBAL FUNDS ICAV**

**(THE “ICAV”)**

**ADDENDUM TO THE PROSPECTUS**

**DATE: 9 JUNE 2020**

**This First Addendum should be read in conjunction with, and forms part of, the prospectus for the Company dated 13 November 2019 together with the relevant Supplement thereto (together the “Prospectus”). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus, unless otherwise indicated.**

The Directors of the ICAV whose names appear under the heading “Management and Administration” in the Prospectus accept responsibility for the information contained in this document. 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 in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.**

The Directors of the Company wish to update the Prospectus, as further set out below.

**DEALING ARRANGEMENTS FOR SUBSCRIPTIONS, SWITCHING AND REDEMPTIONS**

1. The section entitled “**Subscription**” under the heading “**Valuation, Subscriptions and Redemptions**” shall be deleted and replaced with the following:

*Applications*

All applicants must complete an Application Form. For initial investment in the ICAV, an account opening form, including full anti-money laundering due diligence documentation, must be submitted to the Manager. Applicants must not forward subscription instructions and monies until such time as the account opening confirmation has been issued and any such dealing instructions received prior to the issuance of the account opening confirmation will be rejected. Investor’s attention is drawn to the sub-section below entitled “*Anti-Money Laundering and Countering Terrorist Financing Measures*” and to the sub-section “*Data Protection*” under the heading “*Statutory and General Information*”. The Application Form sets out the methods by which and to whom the subscription monies should be sent. Application Forms shall (save as determined by the Directors) be irrevocable.

The completed Application Form must be submitted to the Manager (i) by fax (ii) via a scanned copy sent by e-mail or (iii) by electronic notification, if approved by the Manager, provided that such electronic means are in accordance with the

requirements of the Central Bank and that an investor will not be obliged to deal by electronic means.

Under the Instrument, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not qualified holders or expose the ICAV to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (but without interest, costs or compensation) as soon as possible by post or telegraphic transfer.

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

All new Shares will rank pari passu with existing Shares in the relevant Fund.

No Shares of any Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended.

Amendments to an investor's registration details and payment instructions will only be effected upon receipt of original documentation or electronic instruction, at the discretion of the Manager.

2. The first paragraph of the section entitled "**Redemption of Shares**" under the heading "**Valuation, Subscriptions and Redemptions**" shall be deleted and replaced with the following:

Every Shareholder will have the right to require the ICAV to redeem his Shares on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out under the heading "Temporary Suspensions" below) on furnishing to the Manager a Liquidation Request Form, as detailed below. No redemption proceeds will be paid to redeeming Shareholders unless the Manager is in possession of all necessary documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) and until the anti-money laundering procedures have been completed. Redemption requests shall only be processed where payment is made to the account of record and in the name of the applicant on the register.

**PRESCIENT GLOBAL FUNDS ICAV**

**(THE "ICAV")**

**SECOND ADDENDUM TO THE PROSPECTUS**

**DATE: 10 MARCH 2021**

**This Second Addendum should be read in conjunction with, and forms part of, the prospectus for the Company dated 13 November 2019, the First Addendum dated 9 June 2020 together with the relevant Supplements thereto (together the "Prospectus"). All capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus, unless otherwise indicated.**

The Directors of the ICAV whose names appear under the heading "Management and Administration" in the Prospectus accept responsibility for the information contained in this document. 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 in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.**

The Directors of the Company wish to update the Prospectus, as further set out below.

1. The section entitled **DEFINITIONS** shall be updated by the addition of the following:

"SFDR"	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as may be amended, supplemented or replaced from time to time.
"Sustainability Factors"	environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
"Sustainability Risk"	an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an Investment.

2. The section entitled **STATUTORY AND GENERAL INFORMATION** shall be updated by the addition of the following paragraph:

**15. Sustainability**

The Manager (in conjunction with the relevant Investment Manager) has determined that Sustainability Risk is relevant for certain Funds of the ICAV. Further information in relation to the manner in which Sustainability Risk is incorporated into the investment decision making process of such Funds and an assessment of the likely impacts of those risks on the returns of the Funds is set out in the relevant Fund Supplement. In the case of those Funds where the Manager (in conjunction with the Investment Manager) has determined that Sustainability Risk is not relevant, an explanation of the reasons for such determination is set out in the relevant Fund Supplement.

The Manager has determined, as it may do under the SFDR, that for the time being it will not consider (in the manner specifically contemplated by the SFDR) the adverse impacts of the investment decisions in respect of the Funds on Sustainability Factors. The Manager has made this determination taking due account of the nature and scale of its activities and the wide and varied range of the Funds under its management. The Manager considers this a pragmatic and economically prudent approach to compliance with its obligations under the SFDR.