

The Directors whose names appear on page 5 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 contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **GLOBAL X ETFS II ICAV**

**an umbrella fund with segregated liability between sub-funds**

*(an open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with variable capital and segregated liability between its sub-funds and registered in Ireland with registration number C453081 and authorised by the Central Bank of Ireland as a UCITS)*

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## **CONSOLIDATED PROSPECTUS FOR SWITZERLAND**

**Dated 10 February 2023**

This document constitutes a consolidated version of the Prospectus dated 15 December 2022, together with the supplements, and the Additional Information for Investors in Switzerland dated 10 February 2023. It is solely intended for the offer and the distribution of the Shares in the ICAV in or from Switzerland. It does not constitute a prospectus under Irish law. This consolidated prospectus refers to the offering of the Funds listed in the table of contents.

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE ICAV AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR BROKER, INTERMEDIARY, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.**

*Certain terms used in this Prospectus are defined in the section of this document entitled "Definitions".*

#### **Central Bank Authorisation**

**The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the ICAV by the Central Bank does not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV or of any Fund. The ICAV is an umbrella fund with segregated liability between Funds.**

#### **Investment Risks**

**There can be no assurance that a Fund will achieve its investment objective. It should be appreciated that the value of the Shares and any income from them is not guaranteed and may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the amount invested. Where a Subscription Fee and/or Redemption Fee is provided for in a Supplement the difference at any one time between the sale and repurchase price of Shares in the Fund means that the investment in the Fund should be viewed as medium to long term. An investment in the ICAV should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The capital return and income of the Funds are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Fluctuations in the rate of exchange between the currency in which the Shares are denominated and the currency of investment may also have the effect of causing the value of an investment in the Shares to diminish or increase. Investors' attention is drawn to the specific risk factors set out in the section entitled "Risk Factors".**

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

#### **Listing on a Stock Exchange**

*The intention of the ICAV is for each of the Funds to qualify as exchange-traded funds through listing and trading ETF Shares on one or more Relevant Stock Exchange(s).*

*The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the ETF Shares for investment or for any other purpose.*

*Neither the admission of the ETF Shares to the Relevant Stock Exchange(s) nor the approval of any relevant listing particulars pursuant to the listing requirements of the Relevant Stock Exchange(s) shall constitute a warranty or representation by the Relevant Stock Exchange(s) as to the competence of the service providers or any other party connected with the ICAV, the adequacy of information contained in the relevant listing particulars or the Prospectus or the suitability of the ICAV or any of its Funds (or Classes thereof) for investment purposes. Neither the delivery of the listing particulars, nor the offer, issue or sale of ETF Shares shall, under any circumstances, constitute a*

representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus.

*It is possible that in certain jurisdictions, parties entirely unaffiliated with the ICAV or the Manager, may make the Shares of any Fund available for investment by investors in those jurisdictions through off market (or over the counter) trading mechanisms. Neither the ICAV, nor the Manager, endorse or promote such activities and are not in any way connected to such parties or these activities and do not accept any liability in relation to their operation and trading.*

For details of where the Funds are listed or admitted for trading, please refer to <https://globalxetfs.eu>.

### **Distribution and Selling Restrictions**

*The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to purchase or subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and subscribing, holding or disposing of such Shares and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile, including any requisite government or other consents and the observing of any other formalities.*

### **United States**

*The Shares have not been, and will not be, registered under the 1933 Act or the securities laws of any of the states of the US and the ICAV has not been, and will not be, registered under the 1940 Act or the laws of any of the states of the US. Accordingly, the Shares may not be offered or sold directly or indirectly in the US or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the US or to US Persons may constitute a violation of US law. In the absence of such exemption or transaction, each applicant for Shares will be required to certify that it is not a US Person. The ICAV will not be registered under the 1940 Act, but will be exempt from such registration pursuant to Section 3(c)(7) thereunder. Section 3(c)(7) exempts non-US issuers who are not making or proposing to make a public offering of their securities in the US.*

*Applicants for Shares will be required to certify that they are not US Persons.*

*Under general Irish tax principles, the ICAV must hold a Relevant Declaration in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and, in respect of those Shareholders who are Irish Residents or Irish Ordinary Residents, to the extent that those Shareholders are not exempted Irish investors. In the absence of a Relevant Declaration, the ICAV will be under an obligation to deduct tax on the happening of a chargeable event.*

*It should be noted that a Relevant Declaration or approval in relation to appropriate equivalent measures under the Finance Act 2010 provisions are not required to be made where the Shares, the subject of the application for subscription or registration of transfer, are held in a Recognised Clearing System so designated by the Revenue Commissioners. In this regard, the Directors and the Administrator have determined that the ICAV will require a completed Relevant Declaration from each Investor that has purchased Shares directly from the ICAV. It is the intention of the Directors*

*that all of the ETF Shares will be held in a Recognised Clearing System unless otherwise stated in a Supplement.*

*Where Shares are held in certificated form outside a Recognised Clearing System, prospective Investors for Shares on subscription and proposed transferees of Shares will be required to complete a Relevant Declaration as a pre-requisite to being issued Shares in the ICAV or being registered as a transferee of the Shares (as the case may be). Furthermore, the existing Investors will also be required to make a Relevant Declaration (prior to the Shares ceasing to be held in a Recognised Clearing System) as a pre-requisite to being permitted to remain as holders of Shares. A Relevant Declaration will not be required to be completed in this regard where the ICAV has received approval under the Finance Act 2010 provisions where appropriate equivalent measures have been put in place.*

### **Marketing Rules**

*Distribution of this Prospectus is not authorised unless it is accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly report. However, potential Investors should note that the auditors do not accept or assume responsibility to any person other than the ICAV, the ICAV's Shareholders as a body and any other person as may be agreed in writing by the auditors, for their audit work, their report or the opinions they have formed. Shares are offered only on the basis of the information contained in the current Prospectus and, as appropriate, the latest annual report or half-yearly report of the ICAV.*

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

*This Prospectus may be translated into other languages provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland. This Prospectus should be read in its entirety before making an application for Shares.*

## GLOBAL X ETFS II ICAV

### **Directors**

Jungho Rhee  
Feargal Dempsey  
Mary Canning

### **Depositary**

Brown Brothers Harriman Trustee Services  
(Ireland) Limited  
30 Herbert Street,  
Dublin 2,  
Ireland

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

Second Floor  
Block E Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### **Administrator and Transfer Agent**

Brown Brothers Harriman Fund Administration  
Services (Ireland) Limited  
30 Herbert Street,  
Dublin 2,  
Ireland

### **The Manager**

Carne Global Fund Managers (Ireland) Limited  
Second Floor  
Block E Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### **Auditors**

PricewaterhouseCooper  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### **Distributor**

Mirae Asset Global Investments (Hong Kong)  
Limited  
Unit 1101, 11/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

### **Listing Sponsor**

Arthur Cox Listing Services Limited  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### **Secretary to the ICAV**

Carne Global Financial Services Limited  
Second Floor  
Block E Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### **Legal Advisers**

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

### **Investment Manager**

See the relevant Supplement

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## DEFINITIONS

In this Prospectus the following words and phrases shall have the meanings indicated below:

<b>“1933 Act”</b>	means the US Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the US Investment Company Act of 1940, as amended;
<b>“Administration Agreement”</b>	means the agreement dated 5 November 2021 between the ICAV, the Manager and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as Administrator of the ICAV;
<b>“Administrator”</b>	means Brown Brothers Harriman Fund Administration Services (Ireland) Limited or any successor administrator appointed by the Manager in accordance with the requirements of the Central Bank;
<b>“Authorised Participant”</b>	means a market maker, broker entity or institutional investor which is registered with the ICAV as an authorised participant and therefore able to instruct subscriptions and redemptions directly from, the ICAV for ETF Shares in a Fund (i.e. in the Primary Market), a list of which is available on <a href="https://globalxetfs.eu">https://globalxetfs.eu</a> ;
<b>“Authorised Participant Agreement”</b>	means the agreement entered into by the ICAV with each Authorised Participant in respect of subscription for and redemption of ETF Shares;
<b>“Base Currency”</b>	means the base currency of each Fund as specified in the section entitled “Investment Policy” of the relevant Supplement;
<b>“Benchmark Regulation”</b>	means the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no 596/2014;
<b>“Business Day”</b>	means such day or days as the Directors may from time to time determine and as set out in the relevant Supplement and / or such other day or days as the Directors may from time to time determine and notify in advance to Shareholders;
<b>“Cash Component”</b>	Means, in relation to a Fund, the cash component of the Portfolio Composition File which is made up of four elements, namely, (i) the accrued dividend attributable to Shareholders of the Fund (generally dividends and interest earned less fees and expenses incurred since the previous distribution), (ii) cash amounts representing amounts arising as a result of rounding the number of Shares to be delivered, cash held by the Fund or amounts representing differences between the weightings of the Portfolio Composition File and the Fund, (iii) cash in lieu of any Investments set out in the Portfolio Composition File, and (iv) any Duties and Charges which may occur in relation to the issue and/or redemption of Shares;
<b>“Central Bank”</b>	means the Central Bank of Ireland;

<b>“Central Bank Regulations”</b>	means the S.I. No. 230 of 2019, Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, (as amended, consolidated or substituted from time to time) and any regulations or guidelines issued by the Central Bank pursuant thereto for the time being in force;
<b>“Central Securities Depository” or “CSD”</b>	means local central securities depositories (which may include, but are not limited to, the CREST system, Euroclear Netherlands, Clearstream Banking AG, Frankfurt/Main, SIS Segma Intersecttle AG and Monte Titoli SPA) and Euroclear Bank S.A. / N.V. and Clearstream Banking S.A. which both operate as ICSDs;
<b>“CHF”</b>	means Swiss francs, the lawful currency of Switzerland;
<b>“Clearing Agent”</b>	means any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the ICAV's ETF Shares;
<b>“Class Currency”</b>	means the currency of denomination of each Class in a Fund as specified in the relevant Supplement;
<b>“Class”</b>	means any class of Shares from time to time issued by the ICAV;
<b>“Clearstream”</b>	means Clearstream Banking Société anonyme, Luxembourg and any such successor in business thereto. A recognised Securities Settlement System (SSS) which provides securities services to the ICAV;
<b>“Clearstream Participant”</b>	means an accountholder in Clearstream (which may include Authorised Participants, their nominees, agents, CSDs or ICSDs) and who hold their interest in Shares of the Funds settled and/or cleared through Clearstream;
<b>“Common Depository”</b>	means an entity appointed as a depository for the ICSD and nominated by the ICSD to hold the Global Share Certificate, currently The Bank of New York Depository (Nominees) Limited;
<b>“Common Depository’s Nominee”</b>	means the entity appointed as nominee for the Common Depository and being the registered holder of the ETF Shares of the Funds;
<b>“Creation Units”</b>	means the minimum number of Shares for subscription in kind or the minimum number of Shares for redemption in kind, which shall be set out in the Supplement for the relevant Fund and as may be lowered by the Directors either generally or in any particular case;
<b>“Dealing Cut-Off Time”</b>	means the relevant cut-off time for subscriptions or redemptions in respect of the relevant Dealing Day as specified in the Supplement for the relevant Fund;
<b>“Dealing Day”</b>	means, in respect of each Fund such day or days as specified in the relevant Supplement or such Business Day(s) as the Directors may from time to time determine for dealings in a Fund (and notify in advance to Shareholders) provided always that there shall be at least one Dealing Day each fortnight. The Investment Manager maintains an online “Dealing Day Calendar” at: <a href="https://globalxetfs.eu">https://globalxetfs.eu</a> , where advance notice of all expected

Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager and the Distributor;

<b>“Dealing Day Calendar”</b>	means the timetable where advance notice of all expected Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager and the Distributor;
<b>“Delegated Regulation”</b>	the Commission Delegated Regulation of 17 December 2015 supplementing Directive 2009/65/EU of the European Parliament and of the Council of 23 July 2014 with regard to obligations of depositaries, once it has entered into force and is directly effective in Ireland;
<b>“Dematerialised Form”</b>	in relation to Shares, means Shares the title to which is permitted to be transferred by means of a relevant system operated by an operator approved or recognised under the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996 (S.I. No. 68 of 1996) and that is a participating security for the purpose of such regulations;
<b>“Depositary”</b>	means Brown Brothers Harriman Trustee Services (Ireland) Limited or any successor depositary appointed by the ICAV in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	means the agreement dated 5 November 2021 between the ICAV, the Manager and the Depositary as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as depositary of the ICAV;
<b>“Depositary Receipt”</b>	means an equity-related security which evidences ownership of underlying securities. Depositary Receipts may include American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”);
<b>“Directors”</b>	means the directors of the ICAV for the time being and any duly constituted committee thereof;
<b>“Distribution Agreement”</b>	means the agreement dated 5 November 2021 between the ICAV, the Manager and the Distributor as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as distributor of the ICAV;
<b>“Distribution Date”</b>	for any distributing Shares, a date on which distributions are to be declared, the frequency of which shall be disclosed in the relevant Supplement;
<b>“Distributor”</b>	means Mirae Asset Global Investments (Hong Kong) Limited or any or any successor distributor appointed by the Manager in accordance with the requirements of the Central Bank;
<b>“Duties and Charges”</b>	means in relation to subscriptions and/or redemptions of Shares of any Fund on the Primary Market, the costs which may be charged to applicants in connection with the subscription or redemption of Shares, such as part or all of any of Transaction Costs; stamp and

other duties; taxes; governmental charges; valuation fees; property management fees; agents fees; brokerage fees; bank charges; foreign exchange spreads; interest; depositary charges (relating to subscriptions and redemptions); transfer fees; registration fees; and all other duties and charges which, for the avoidance of doubt, includes, any provision for spreads (to take into account the difference between the price at which Investments were valued for the purpose of calculating the Net Asset Value and the actual or estimated price at which such Investments are or shall be bought as a result of a subscription or sold as a result of a redemption), whether in connection with the original acquisition or increase of the Investments of the relevant Fund or the subscription, issue, sale, purchase, transfer, conversion or redemption of Shares, or the purchase or proposed purchase of Investments or otherwise which may have become or will be payable in respect of or prior to or in connection with or arising out of or upon the occasion of any transaction or dealing in respect of which such duties and charges are payable on the issue and/or redemption of Shares, any charges associated with payments of cash in lieu of securities delivery as part of the Cash Component of a Portfolio Composition File, and any costs associated with the acquisition or disposition of Investments while the relevant Regulated Market for the securities is closed, and costs associated with short settlement, long settlement, or any other non-standard settlement of subscriptions, redemptions, conversions or transfers of Shares;

**“EEA”**

means the European Economic Area;

**“Eligible Collective Investment Scheme”**

means UCITS established in Member States which are authorised under the UCITS Directive and which may be listed on a Regulated Market in the EU and/or any of the following open-ended collective investment schemes:

**“UCITS established in Member States which are authorised under the Schemes”**

- (a) schemes established in Guernsey and authorised as Class A schemes;
- (b) schemes established in Jersey as recognised funds;
- (c) schemes established in the Isle of Man as authorised schemes;
- (d) retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; and
- (e) alternative investment funds authorised in the EU, the EEA, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations;

**“EMIR”**

means the European Market Infrastructure Regulation (Regulation (EU No. 648/2012/195 amended));

**“ESMA Register”**

means the register of administrators and benchmarks maintained by the European Securities and Markets Authority under the Benchmark Regulation;

<b>“ESG”</b>	means environmental, societal or governance;
<b>“ETF Shares”</b>	means a Class issued by the ICAV in respect of a Fund which are exchange-traded;
<b>“EU”</b>	means the European Union;
<b>“EU Money Market Fund Regulation”</b>	means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds and any delegated regulation published pursuant to it;
<b>“Euroclear”</b>	means Euroclear Bank S.A. N.V. Belgium and any such successor in business thereto, as operator of the Euroclear clearing system, a Recognised Clearing System which provides securities services to the ICAV;
<b>“Euroclear Participant”</b>	means an accountholder in the Euroclear (which may include Authorised Participants, their nominees, agents, CSDs or ICSDs) and who hold their interest in Shares of the Funds settled and/or cleared through Euroclear;
<b>“Euro” or “euro” or “eur”</b>	means the currency unit referred to in the Second Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro;
<b>“Euronext Dublin”</b>	means the Irish Stock Exchange plc trading as Euronext Dublin;
<b>“FDI”</b>	means a financial derivative instrument (including an OTC derivative) permitted by the UCITS Regulations;
<b>“Funds”</b>	means the sub-funds of the ICAV listed in the Fund Schedule Supplement and “Fund” shall mean any one of them;
<b>“Fund Schedule Supplement”</b>	means a supplement to this Prospectus containing a list of the Funds established by the ICAV;
<b>“GBP”</b>	means British Pounds, the lawful currency of the United Kingdom;
<b>“Global Share Certificate”</b>	means the certificate evidencing entitlement to the Shares issued pursuant to the Instrument of Incorporation and the Prospectus, described in further detail under the section titled “Global Clearing and Settlement”;
<b>“Hedged Class”</b>	means a currency-hedged Class;
<b>“ICAV”</b>	means Global X ETFs II ICAV;
<b>“ICAV Act”</b>	means the Irish Collective Asset-management Vehicles Act 2015, as may be amended, supplemented or replaced from time to time, including any regulations made by ministerial order thereunder;
<b>“ICSD”</b>	means an International Central Securities Depository;
<b>“Index”</b>	means the index which a Fund may aim to track or replicate, pursuant to its investment objective and in accordance with its investment policies, as described in the relevant Supplement for the relevant Fund;

<b>“Index Fund”</b>	means each Fund that aims to track or replicate an index;
<b>“Index Provider”</b>	means the entity or person who by itself or through a designated agent compiles, calculates or publishes information on the relevant Index;
<b>“Initial Offer Period”</b>	means the period set out by Directors in each relevant Supplement in relation to any Fund or Class as the period during which such Shares are initially on offer unless such period is shortened or extended and notified to the Central Bank;
<b>“Instrument of Incorporation”</b>	means the instrument of incorporation of the ICAV;
<b>“Intermediary”</b>	means a person who: (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (ii) holds shares in an investment undertaking on behalf of other persons;
<b>“International Central Securities Depositories”</b>	means such Recognised Clearing Systems used by the Fund issuing their Shares through the International Central Securities Depository settlement system, which is an international settlement system connected to multiple national markets;
<b>“Investment”</b>	means any investment which is permitted by the UCITS Regulations and the Instrument of Incorporation;
<b>“Investment Grade”</b>	in reference to a security, means the security has a rating of BBB- or higher from S&P or Baa3 or higher from Moody’s or the equivalent or higher from another NRSRO or that the security is not rated but is considered by the Investment Manager to be of similar quality;
<b>“Investment Manager”</b>	means any investment manager(s) appointed by the Manager or any successor investment manager appointed by the Manager in respect of any or all of the Funds in accordance with the requirements of the Central Bank as specified in each Supplement;
<b>“Investment Management Agreement”</b>	Means an agreement between the ICAV, the Manager and the Investment Manager for each Fund as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter is appointed as investment manager of any or all of the Funds;
<b>“Investor”</b>	means a Shareholder and/or a beneficial holder of Shares who is not a Shareholder;
<b>“Manager”</b>	means Carne Global Fund Managers (Ireland) Limited or any successor appointed by the ICAV in accordance with the requirements of the Central Bank;
<b>“Management Agreement”</b>	means the agreement dated 5 November 2021 between the ICAV and the Manager as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank, pursuant to which the latter acts as manager of the ICAV;
<b>“Member State”</b>	means a member state of the EU;

<b>“Minimum Redemption Amount”</b>	means the minimum amount which may be redeemed in a Class of a Fund at any one time. For each Class, the Minimum Redemption Amount shall be specified in the relevant Supplement and shall be specified as either (i) a number of Shares or (ii) a cash amount in respect of which the applicable number of Shares shall at least equate in value to the cash amount specified. The Minimum Redemption Amount may be reduced by the ICAV in any case at its discretion;
<b>“Minimum Subscription Amount”</b>	means the minimum amount which may be subscribed for in a Class of a Fund, at any one time. For each Class, the Minimum Subscription Amount shall be specified in the relevant Supplement and shall be specified as either (i) a number of Shares or (ii) a cash amount in respect of which the applicable number of Shares shall at least equate in value to the cash amount specified. The Minimum Subscription Amount may be reduced by the ICAV in any case at its discretion;
<b>“Money Market Fund”</b>	means an Eligible Collective Investment Scheme that invests in money market instruments and authorised under the EU Money Market Fund Regulation;
<b>“Moody’s”</b>	means Moody’s Investors Service, Inc.;
<b>“NASDAQ”</b>	means NASDAQ, Inc.;
<b>“Net Asset Value” or “NAV”</b>	means the net asset value of a Fund or Class, as appropriate, calculated as described herein;
<b>“Net Asset Value per Share”</b>	means, in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of that Fund or Class;
<b>“Non-ETF Shares”</b>	means a Class issued by the ICAV in respect of a Fund which are not exchange-traded;
<b>“NRSRO”</b>	means a Nationally Recognised Statistical Rating Agency, including Moody’s, and S&P;
<b>“NYSE”</b>	means the New York Stock Exchange;
<b>“OECD”</b>	means the Organisation for Economic Co-operation and Development;
<b>“OTC Swap”</b> ,	means over-the-counter derivative contracts, entered into by a Fund and a counterparty for the purpose of gaining economic exposure to an Index or other actual or notional portfolio of assets, as specified in the Prospectus;
<b>“Paying Agent”</b>	means the entity appointed to act as paying agent to the Fund;
<b>“Paying Agency Agreement”</b>	means an agreement between the Manager, the ICAV and a Paying Agent as may be amended from time to time in accordance with the requirements of the Central Bank.
<b>“Portfolio Composition File”</b>	means the file setting out the Investments and Cash Component which the ICAV is willing to accept on a subscription for Shares in satisfaction of the price of Shares thereof or which the ICAV will

	provide in respect of a properly submitted redemption request in satisfaction of the payment of redemption proceeds;
<b>“Primary Market”</b>	means a market on which the ETF Shares of a Fund are subscribed for or redeemed (off exchange) directly with the ICAV;
<b>“Qualified Holder”</b>	means any person, corporation or entity other than a person, corporation or entity whose holding might result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the ICAV or the Investors as a whole specifically (i) a US Person; (ii) an ERISA Plan; or (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above;
<b>“Recognised Clearing System”</b>	means any clearing system for the settlement of transactions in relation to the securities designated by the Revenue Commissioners as a recognised clearing system for the purposes of Chapter 1(a) of Part 27 of the Taxes Consolidation Act, 1997 (as amended) which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, Crest UK, National Securities Clearing System, Sicovam SA, SIS Sega Intersettle AG and NECIGEF (Nederlands Centraal Instituut voor Giroverkeer Effecten B.V.-the Dutch central institute for giro transferred securities), BNY Mellon Central Securities Depository SA/NV, Central Moneymarkets Office, Depository Trust Company of New York, Deutsche Bank AG, Depository and Clearing System, Japan Securities Depository Centre, Monti Titoli SPA, National Securities Clearing System, The Canadian Depository for Securities Ltd. and VPC AB;
<b>“Redemption Fee”</b>	means the charge, if any, payable to the Manager on a redemption for Shares as specified in the relevant Supplement;
<b>“Register”</b>	means the Shareholder register of the ICAV;
<b>“Regulated Market”</b>	means a stock exchange or regulated market which is provided for in the Instrument of Incorporation, details of which are set out in Schedule I;
<b>“Relevant Declaration”</b>	means a declaration in the prescribed form confirming that the Investor or prospective Investor is not an Irish resident and not a person ordinarily resident in Ireland in respect of whom it is necessary to deduct tax;
<b>“Relevant Stock Exchange(s)”</b>	means in respect of a Fund, the stock exchange(s) on which ETF Shares of such Fund will be listed and/or admitted to trading;
<b>“Revenue Commissioners”</b>	means the Revenue Commissioners of Ireland;
<b>“S&amp;P”</b>	means Standard & Poor’s Financial Services LLC;
<b>“Secondary Market”</b>	means a market on which Shares of the Funds are traded between investors rather than with the ICAV itself, which may either take place on a Relevant Stock Exchange or over the counter;
<b>“Securities Financing Transaction” or “SFT”</b>	means (i) a repurchase transaction; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; or (iv) a margin lending transaction, each as defined in the SFTR;

<b>"Securities Financing Transaction Regulation" or "SFTR"</b>	means Regulation (EU) 2015/2365 of the securities financing transactions and of reuse and amending Regulation (EU) No 648/2012;
<b>"Settlement Time"</b>	means the relevant time specified for the settlement of subscription or redemption applications in the relevant Supplement;
<b>"Shares"</b>	means participating shares in the ICAV (both ETF Shares and Non-ETF Shares) and includes, where the context so permits or requires, the Shares in a Fund which may be divided into different Classes;
<b>"Shareholder"</b>	means a registered holder of Shares;
<b>"Subscriber Shares"</b>	means the subscriber shares issued by the ICAV;
<b>"Subscription Fee"</b>	means the charge, if any, payable to the Manager on subscription for Shares as specified in the relevant Supplement;
<b>"Supplement"</b>	means the Supplements to this Prospectus (each a " <b>Supplement</b> ") and any Supplement issued by the ICAV in relation to the creation of new Funds and/or Classes;
<b>"Sustainability Risk"</b>	means an ESG event or condition that the ICAV considers could have a material negative impact on the financial value of one or more investments in a Fund;
<b>"Transfer Agent"</b>	means Brown Brothers Harriman Fund Administration Services (Ireland) Limited ("BBH") or any successor transfer agent appointed by the Manager in accordance with the requirements of the Central Bank;
<b>"Transaction Costs"</b>	Means any costs and expenses incurred in respect of the buying and selling of portfolio securities and financial instruments as Investments, including but not limited to brokerage fees and commissions, interest and taxes payable in respect of such purchase and sale transactions;
<b>"UCITS"</b>	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations;
<b>"UCITS Directive"</b>	means Directive No. 2009/65/EC of the European Parliament and of the Council of 13 July 2009 as amended by Directive No. 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as may be amended or replaced;
<b>"UCITS Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be amended or replaced;
<b>"UCITS Rules"</b>	means the UCITS Regulations and the Central Bank Regulations, as such may be amended, supplemented or replaced;
<b>"UK"</b>	means the United Kingdom of Great Britain and Northern Ireland;

<b>“Umbrella Cash Account”</b>	means a single subscription and redemption account in the name of the ICAV operated at umbrella level through which subscription, redemption and dividend monies and Fund liquidation proceeds are paid;
<b>“US”</b>	means the United States of America, its territories, possessions and all other areas subject to its jurisdiction;
<b>“USD”</b>	means US dollar, the lawful currency of the US;
<b>“US Government Securities”</b>	means any security or securities issued or guaranteed by the US government, its agencies or instrumentalities;
<b>“US Person”</b>	means (i) a citizen or resident of the US; (ii) a partnership organised or existing in or under the laws of the US; (iii) a corporation organised under the laws of the US; (iv) any estate or trust which is subject to US federal income tax on its income regardless of its source;
<b>“Valuation Point”</b>	means the day and times at which the assets and liabilities of a Fund will be valued for the purposes of calculating the Net Asset Value which is specified in the Supplement for the relevant Fund; which will always occur after the Dealing Cut-Off Time of the relevant Fund.

## INTRODUCTION

The ICAV is an open-ended investment vehicle with variable capital organised under the laws of Ireland as an ICAV. The ICAV has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations on 5 November 2021. It was registered on 22 April 2021 under registration number C453081. Its sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the principle of risk spreading.

The ICAV is structured as an umbrella fund with segregated liability between Funds. The Instrument of Incorporation provides that the ICAV may offer separate Classes of Shares, each representing interests in a Fund with each Fund comprising of a distinct portfolio of Investments. In addition, each Fund may be further divided into a number of different Classes within the Fund.

The Funds are exchange-traded funds. At least one Class of ETF Shares in each Fund will be listed on one or more stock exchanges. Application will be made for certain Classes of ETF Shares to be admitted to trading on the Euronext Dublin's market for listed securities. Application will from time to time also be made for certain Classes of ETF Shares to be admitted to trading on stock exchanges that may include but will not be limited to the London Stock Exchange, Euronext Dublin, Euronext Amsterdam, the Frankfurt Stock Exchange, the Deutsche Börse Xetra, the Nasdaq Stockholm AB, the Nasdaq Copenhagen, the Oslo Stock Exchange, the Borsa Italiana, the SIX Swiss Exchange and Bolsa Mexicana De Valores. Details of any current listing will be available on <https://globalxetfs.eu>.

Applications for Shares will only be considered on the basis of this Prospectus and the latest published annual report and audited financial statements (if any) and, if published after such report, a copy of the latest semi-annual report and unaudited financial statements. These reports will form part of this Prospectus and will be available for inspection free of charge, at the offices of the Manager in Dublin at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays in Ireland respectively).

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. Any subscription for Shares is made on the basis of this Prospectus and prospective Investors should not rely on marketing materials issued by any third party.

With the prior approval of the Central Bank, the ICAV from time to time may create an additional Fund or Funds. The creation of further Classes shall be notified to the Central Bank.

### 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, the English language Prospectus will prevail, except to the extent (but only to the extent) that it is required by law of any jurisdiction where the Shares are sold by the ICAV, 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.

### Qualified Holders

Investors are required to notify the Administrator immediately in the event that they cease to be a Qualified Holder.

## INVESTMENT OBJECTIVE AND POLICIES

### General

The investment objective and policy for each Fund will be set out in the relevant Supplement.

Subject to Schedule II, the Investment Manager may also invest in a portfolio of assets which may comprise money market or short-term instruments such as Investment Grade fixed or floating government securities, bankers' acceptances, certificates of deposit and Eligible Collective Investment Schemes which are money market funds. No Fund will invest more than 10% in aggregate in eligible collective schemes unless otherwise stated in the Supplement for the relevant Fund.

The ICAV has been authorised by the Central Bank with the flexibility to invest up to 100% of a Fund's assets in transferable securities and money market instruments issued by a Member State, its local authorities, a non-Member State, or public international bodies of which one or more Member States are members.

If the limits on investments contained in Schedule II are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, it shall adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of Investors. Each Fund is also subject to the relevant investment policies as outlined herein and, in the case of a conflict between such policies and Schedule II, the more restrictive limitation shall apply.

Any change in the investment objective and any material change in investment policies will be subject to the prior consent of Shareholders evidenced either by a majority vote at a meeting of Shareholders of the relevant Fund or by the written consent of all of the Shareholders. In the event of a change in the investment objective and/or investment policy of a Fund a reasonable notification period shall be provided by the ICAV to the Shareholders to enable Investors to redeem their Shares prior to the implementation of the change. Please see the section of the Prospectus entitled "**Meetings and Votes of Shareholders**" for details regarding the procedures around meetings of Shareholders.

### Passively-Managed Funds

Where a Fund's objective is to deliver a return based on the performance of an Index it may either "track" or "replicate" the Index in question and this will be indicated in the relevant Supplement.

In "tracking" the performance of an Index, the Investment Manager does not necessarily seek to replicate the composition of the Index (i.e. the full list of constituents in the same or substantially the same proportions as they are weighted within the Index). Instead, the Investment Manager is simply aiming to track the performance of the Index. The Investment Manager may use one or more techniques (including a combination thereof) to track the performance of an Index including (i) optimisation/sampling techniques whereby direct investments are made in physical assets and (ii) the use of FDIs such as OTC Swaps whereby a financial counterparty is engaged contractually to provide the return of the relevant Index. Optimising techniques enable a Fund to invest in (or gain exposure to) either a representative sample of Index constituents and/or assets unrelated to the Index constituents in each case where the relevant Investments (when taken together) resemble the risk and return characteristics of constituents of the Index or of the Index as a whole. These techniques will also enable the Investment Manager to reflect anticipated changes in an Index in the Fund's portfolio (resulting in for example, Index constituents and corporate actions being reflected in the Fund's portfolio, Index constituents being sold or purchased in anticipation of those constituents being included or removed from the relevant Index, or weightings of Index constituents (vis-à-vis the actual Index composition) being varied).

In "replicating" the performance of an Index, the Investment Manager will seek to invest in (or gain exposure to) all Index constituents in the same or substantially the same proportions as they are weighted within the Index.

### Unfunded OTC Swap Model

Where specified in the investment policy of the relevant Supplement, a Fund may seek to gain exposure to the performance of an Index (or one or more constituents of an Index) by entering into “unfunded” total return OTC Swaps with one or more counterparties (each, a “**Long Index Swap**”) (the “**Unfunded OTC Swap Model**”). Under the terms of the Long Index Swaps, the Fund will receive the return of the Index (or relevant constituents thereof) from the counterparties in return for periodic payments from the Fund to such counterparties.

As the Long Index Swaps are “unfunded”, the cash received by the Fund from Investor subscriptions is retained by the Fund (i.e. it is not transferred to the relevant counterparties as would be the case with a “funded” swap) and invested and managed in accordance with the arrangements described under the heading below entitled “Portfolio management arrangements used in conjunction with the Unfunded OTC Swap Model”.

As the value of the Index (or relevant constituents thereof) increases or decreases on a daily basis, the Long Index Swaps entered into with a counterparty will record either a profit or loss for the Fund. The profit or loss arising on the Long Index Swaps is settled between the Fund and each counterparty on a periodic basis (which may be as frequently as daily but can also be monthly or quarterly). Where the Fund and a counterparty do not choose to settle the profit or loss arising on the Long Index Swaps on a daily basis, in order to keep counterparty exposure to a minimum and to comply with the daily margining requirements imposed by EMIR, the Fund and each relevant counterparty will transfer collateral (in the form of cash only) back and forth in amounts matching the relevant profit or loss on the Long Index Swaps to the extent that the relevant profit or loss exceeds an agreed de-minimis amount.

Any cash collateral transferred to the Fund by a counterparty pursuant to the Long Index Swap arrangements will be invested by the Fund in short-term money market collective investment schemes in accordance with the section entitled “Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management” in Schedule III of this Prospectus. Conversely, where the Fund is required to transfer cash collateral to a counterparty pursuant to the Long Index Swap arrangements, it will liquidate a proportion of its investments in short-term money market collective investment schemes and, in some cases, reverse repurchase agreements or Basket Portfolio, to cover the relevant amount.

### *Portfolio management arrangements used in conjunction with the Unfunded OTC Swap Model*

Under the Unfunded OTC Swap Model, cash received by a Fund from Investor subscriptions and any cash paid to the Fund by one or more counterparties as profit on the Long Index Swaps is invested and managed in accordance with either the “Reverse Repurchase Agreement” model or the “Short Basket Swap” model, each of which is described below.

At any given time, the Fund may invest in a combination of the “Reverse Repurchase Agreement” and “Short Basket Swap” models or may be fully invested in only one of these models. In either case, the performance of the Fund will be dependent on the performance of the Long Index Swaps and the TER (as defined below) and other expenses associated with operating the Fund as well as any ancillary income arising pursuant to the portfolio management arrangements described below.

Investments made by the Fund in units of short-term money market collective investment schemes pursuant to the “Reverse Repurchase Agreement” and “Short Basket Swap” models shall not exceed, in aggregate, 10% of the Fund’s Net Asset Value.

Under both the “Reverse Repurchase Agreement” model and the “Short Basket Swap” model, the Fund receives a low risk return (equivalent to an interest rate) which it uses to finance the Long Index Swaps.

#### “Reverse Repurchase Agreement” model

Under the “Reverse Repurchase Agreement” model, any cash received by the Fund from Investor subscriptions and any cash paid to the Fund by one or more counterparties as profit on the Long Index Swaps is managed in accordance with the Fund’s efficient portfolio management policy, further details of which can be found in Schedule III of this Prospectus, and is accordingly invested as follows:

##### *Reverse repurchase arrangements*

The majority of the cash is invested into reverse repurchase agreements entered into with one or more counterparties in accordance with the section entitled “*Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management*” in Schedule III of this Prospectus. Under the terms of such arrangements, the Fund transfers its cash to one or more counterparties in exchange for collateral, in the form of securities, which are transferred to it by each relevant counterparty by way of full legal title transfer.

The collateral securities transferred to the Fund must satisfy certain eligibility criteria, including that they must be either equity securities or fixed rate or floating rate government and supranational bonds and are subject to haircuts of between 0% and 10%. Government and supranational bonds must have a minimum long-term credit rating of AA and AAA (Standard & Poor’s) respectively. The maturity of a government or supranational bond is not a criterion for selection, however, it is relevant to the determination of the applicable haircut. Further details can be found under the heading entitled “*Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management*” in Schedule III of this Prospectus.

On a daily basis, the collateral securities held by the Fund are valued and, to the extent that their value is less than the value of the cash held by the relevant counterparty, the counterparty is required to transfer additional collateral securities to the Fund to match the notional value of the reverse repurchase agreement. Conversely, to the extent that the value of the collateral securities held by the Fund is higher than the value of the cash held by the relevant counterparty, the Fund is required to transfer a proportion of the excess collateral back to the counterparty.

Under the terms of the reverse repurchase agreements and other than in the event of the default of the counterparty, the Fund has no market exposure to the collateral securities transferred to it by the counterparty (i.e. the Fund’s Net Asset Value shall not be impacted by the performance of the collateral securities).

##### *Short-term Money Market Funds*

A small proportion of the Fund’s cash is typically invested into short-term money market collective investment schemes in accordance with the section entitled “*Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management*” in Schedule III of the Prospectus.

#### “Short Basket Swap” model

Under the “Short Basket Swap” model, any cash received by the Fund from Investor subscriptions and any cash paid to the Fund by one or more counterparties as profit on the Long Index Swaps is largely invested in a portfolio of Investments comprised of equity securities and fixed rate and floating rate government and supranational bonds which do not necessarily correspond with the constituents of the Index (the “**Basket Portfolio**”). A small proportion of such cash may be invested in short-term money market collective investment schemes in accordance with the section entitled “*Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management*” in Schedule III of this Prospectus.

The constituents of the Basket Portfolio shall generally be selected by reference to the “*liquidity*”, “*valuation*”, “*issuer credit quality*” and “*correlation*” criteria set out under the heading

*“Repurchase/reverse repurchase agreements and securities lending”* in Schedule III of this Prospectus. To be eligible for investment, government and supranational bonds must have a minimum long-term credit rating of AA and AAA (Standard & Poor’s) respectively. The maturity of a government or supranational bond is not a criterion for selection. The constituents of the Basket Portfolio shall also comply with the criteria described in Schedule III of this Prospectus.

In order to achieve its investment objective and remain fully exposed to the performance of the Index pursuant to the Long Index Swaps, the Fund will seek to neutralise its market exposure to the Basket Portfolio by entering into so-called “offsetting transactions” with one or more counterparties. Accordingly, the Fund enters into “unfunded” total return OTC Swaps (as described under the heading “Unfunded OTC Swap Model” above) with one or more counterparties pursuant to which the Fund receives a return from each counterparty equivalent to the inverse performance of the Basket Portfolio (each, a **“Short Basket Swap”**) which effectively offsets any market exposure arising by way of the Basket Portfolio.

As the value of the Basket Portfolio increases or decreases on a daily basis, the Short Basket Swaps entered into with a swap counterparty will record either a profit or loss for the Fund. The profit or loss arising on the Short Basket Swaps is settled between the Fund and each counterparty on a periodic basis (which may be as frequently as daily but can also be monthly or quarterly). Where the Fund and a relevant counterparty do not choose to settle the profit or loss arising on the Short Basket Swaps on a daily basis, in order to keep counterparty exposure to a minimum and to comply with the daily margining requirements imposed by EMIR, the Fund and each relevant counterparty will transfer collateral (in the form of cash only) back and forth in amounts matching the relevant profit or loss on the Short Basket Swaps to the extent that the relevant profit or loss exceeds an agreed deminimis amount.

Any cash collateral transferred to the Fund by a counterparty pursuant to the Short Basket Swap arrangements will be invested by the Fund in short-term money market collective investment schemes in accordance with the section entitled *“Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management”* in Schedule III of this Prospectus. Conversely, where the Fund is required to transfer cash collateral to a counterparty pursuant to the Short Basket Swap arrangements, it will liquidate a proportion of its investments in short-term money market collective investment schemes and, in some cases, the Basket Portfolio to cover the relevant amount.

As described above, the Fund will seek to neutralise its market exposure to the Basket Portfolio by entering into the Short Basket Swaps. Accordingly, the Fund shall not have any incremental market exposure as a result of the Short Basket Swap model (i.e. the Fund’s Net Asset Value shall not be impacted by the performance of either the Basket Portfolio or the Short Basket Swap).

Where, as specified in the investment policy of the relevant Supplement, the Fund seeks to be fully exposed to the performance of an Index using the Unfunded OTC Swap Model:

- both the expected and maximum proportion of the Fund’s Net Asset Value that will be invested in the Long Index Swaps will, at the time of investment, be 100% of the Fund’s Net Asset Value;
- where the Fund utilises the *“Reverse Repurchase Agreement”* model as the sole method of cash management, the proportion of the Fund’s Net Asset Value that will be invested in reverse repurchase agreements will, at the time of investment, be between 90% and a maximum of 100% of the Fund’s Net Asset Value; and
- where the Fund utilises the *“Short Basket Swap”* model as the sole method of cash management, the proportion of the Fund’s Net Asset Value that will be invested in the Short Basket Swaps will, at the time of investment, be between 90% and a maximum of 100% of the Fund’s Net Asset Value.

## **Actively-Managed Funds**

Where a Fund's objective is other than to deliver an Index-based return, it may be structured with an active management strategy. This may result in a Fund seeking to out-perform an index or a basket of reference assets or to engage in a discretionary asset management strategy (i.e. one not linked to the constituents of an index).

## **Constraints on the Investment Objectives and Policies of the Funds**

There are a limited number of circumstances in which achieving the investment objective and policy of a Fund may be prohibited by regulation, may not be in the interests of Investors or may require the use of strategies which are ancillary to those set out in the Funds' investment objective and policies. These circumstances include, but are not limited to the following:

- (a) Each Fund is subject to the UCITS Regulations which include, inter alia, certain restrictions on the proportion of that Fund's value which may be held in individual securities. Depending on the concentration of the Index, a Fund may be restricted from investing to the full concentration level of the Index.
- (b) The constituent securities of the Index may change from time to time including as a result of the Index being rebalanced. The Investment Manager may adopt a variety of strategies when trading an Index Fund to bring it in line with the changed Index which may incur costs for the relevant Index Fund. For example, (a) for equity funds, where an equity security which forms part of the Index is not available or a market for such security does not exist, a Fund may instead hold Depositary Receipts relating to such securities (e.g. ADRs and GDRs); (b) for fixed income funds, where a fixed income security which forms part of the Index is not available or a market for such security does not exist, a Fund may hold some fixed income securities which provide similar performance (with matching risk profile) even if such fixed income securities are not themselves constituents of the Index.
- (c) From time to time, equity securities in the Index may be subject to corporate actions. The Investment Manager has discretion to manage these events in the most efficient manner.
- (d) A Fund may hold ancillary liquid assets and will normally have dividend/income receivables.
- (e) Equity securities held by a Fund and included in the Index may, from time to time, become illiquid or otherwise unobtainable at fair value. In these circumstances, the Investment Manager may use a number of techniques, including purchasing securities whose returns, individually or collectively, are seen to be well-correlated to desired constituents of the Index.
- (f) The Investment Manager will have regard to the costs of any proposed portfolio transaction. It may not necessarily be efficient to execute transactions which bring a Fund perfectly in line with the Index at all times.

## **Fund Investments**

The Investment Manager may, on behalf of any Fund and where consistent with its investment policy, acquire unlisted Investments, invest in open-ended collective investment undertakings (whether listed or unlisted, including other Funds of the ICAV), equity and equity-related securities (such as shares of companies and Depositary Receipts), fixed income securities (such as government bonds and / or corporate bonds) and money market instruments (including certificates of deposit and commercial paper). Investment in unlisted securities is limited to 10% of Net Asset Value.

## **Efficient Portfolio Management Techniques**

The Investment Manager may also, on behalf of each Fund and subject to the provisions of Schedule II and the conditions and limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities, money market instruments and money market collective investment schemes for the purposes of efficient portfolio management. Such transactions may achieve a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund with a level of risk which is consistent with the risk profile of the Fund. The techniques and instruments which may be used are investments in futures (which may be used to manage cash

flows on a short term basis by holding the future to gain exposure to an asset class pending direct investment), options (which may be used to achieve cost efficiencies or to manage currency risk or interest rate risk), swaps and forward currency exchange contracts (both of which may be used to manage currency risk, interest rate risk or to achieve cost efficiencies). In circumstances where a Fund may use further techniques and instruments, these will be disclosed in the relevant Supplement. Any financial derivative instruments not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. Where such techniques and instruments are used, they will be utilised in accordance with the requirements of the Central Bank, the UCITS Directive and the eligible assets Directive 2007/16/EC.

#### **Currency Hedging Policy – Hedging at a Portfolio Level**

Where disclosed in the relevant Supplement, a Fund may enter into transactions for the purposes of hedging the currency exposure of the Funds' Investments into the Base Currency where different. If undertaken, the aim of this hedging will be to reduce a Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of a Fund's Investments. The FDIs which may be used by the Funds are forward currency contracts, options on currencies, futures and OTC Swaps may be utilised if a Fund engages in such hedging. In circumstances where a Fund may use further techniques and instruments these will be disclosed in the relevant Supplement. Any financial derivative instruments not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank. The currency exposure generated as a result of a Fund investing in Investments which are denominated in a currency other than its Base Currency will not be allocated to separate Classes.

#### **Currency Hedging Policy – Hedging at a Class Level**

Where disclosed in a Supplement, the Investment Manager may employ strategies aimed at hedging against currency risk at a Class level. It may employ currency-related transactions such as forward currency contracts, options on currencies, futures and OTC Swaps, in order to hedge against certain currency risks, for example, where the Class Currency (i.e. the currency in which the Class is denominated) differs from the Base Currency (i.e. the currency in which the Fund is denominated) or from the currencies in which the Investments of the Fund are denominated. To the extent that hedging is successful, the performance of the Class is likely to move in line with the performance of the Fund's Investments. Therefore, Investors in a currency hedged Class will not benefit if the Class Currency falls against the Base Currency and/or the currency in which the Fund's Investments are denominated.

There can however be no assurance that currency hedging transactions will be effective. Although a Fund may utilise currency hedging transactions in respect of Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Classes, there can be no assurance that such strategies will be effective. The costs and related liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular Class of a Fund shall be attributable exclusively to the relevant Class.

Exposure resulting from currency hedging transactions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class and will not be permitted to fall below 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. All transactions will be clearly attributable to the relevant Class and currency exposures of different Classes will not be combined or offset. The ICAV does not intend to have under-hedged or over-hedged positions, however, due to market movements and factors outside the control of the ICAV, under-hedged and over-hedged positions may arise from time to time. Hedged positions will be kept under review to seek to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Class and that under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk, such reviews which will seek to ensure that under-hedged positions and hedged positions materially in excess of 100% of the Net Asset Value of the relevant Class are not to be carried forward from month to month. In the event that the hedging in respect of a Class exceeds 105% of the Net Asset Value of the relevant Class or falls short of 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged

against currency risk due to market movements or subscriptions/redemptions, the Investment Manager shall adjust such hedging appropriately as soon as possible thereafter.

### **Sustainable Finance Disclosures Regulation**

Pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“**SFDR**”), the Manager is required to disclose the manner in which Sustainability Risks are integrated into the investment process and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Funds. A Sustainability Risk is defined in the SFDR as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The ICAV’s approach to integrating a consideration of Sustainability Risks into its investment decision-making process will vary depending on the strategy adopted by the Funds as disclosed in the relevant Supplement under the heading “Investment Policy”. Unless otherwise specified in the Supplement for a Fund, the Funds do not actively promote ESG characteristics and do not maximise portfolio alignment with sustainability factors, however the Funds remain exposed to Sustainability Risks.

Index Funds are index tracking or replicating and, as such, generally hold securities included in the Index which they track. Each Index is created by a third-party index provider (the “**Index Provider**”) and as the strategy for certain Index Funds is to track or replicate the Index, changes to the portfolios of those Funds are driven by changes to the Index in accordance with its published methodology rather than by an active selection of stocks by the Investment Manager. Accordingly, in such circumstances, the Investment Manager does not exercise discretion to actively select/deselect stocks. Therefore, for passively managed Index Funds integration of Sustainability Risk is in the consideration of the Index Provider/Index. Even where the Fund is utilising a sampling strategy to replicate the index, ESG considerations may not be incorporated into the sampling approach as the Fund’s objective is to achieve the performance of the relevant Index and decisions driven by ESG factors could be less effective in achieving this goal.

To the extent that a passively managed Fund is promoting ESG characteristics or has sustainable investment as an objective, the relevant Index Provider’s methodology may include an assessment of individual companies/issuers against an ESG criteria, including consideration of Sustainability Risks. For further information on how Sustainability Risks are incorporated into the methodology and information on the Index Provider’s methodology, please refer to the relevant Supplement.

The impact of a Sustainability Risk on a Fund’s return may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk is realised in respect of an asset, there may be a negative impact on, or entire loss of, its value. The assessment of the likely impact of Sustainability Risks are conducted at portfolio level in respect of the relevant Fund.

Principal adverse impacts of investment decisions on sustainability factors are not currently considered due to the lack of available and reliable data. The situation will however be reviewed going forward.

### **Proxy Voting Policy**

The Investment Manager adheres to its proxy voting policy meaning the policy it adheres to when voting on behalf of clients such as the Funds. The Investment Manager views proxy voting as an integral part of its investment management responsibilities. The proxy voting process at the Investment Manager focuses on protecting clients’ rights and interest and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders.

The Investment Manager's good governance principles outline the Investment Manager's views on best practice in corporate governance. These principles have been developed by the Investment Manager's global investment teams with a consideration for ESG factors. By adhering to its proxy voting policy, the Investment Manager intends to enhance the long-term investment value of its clients and uphold its responsibility to fulfil its management duties. These principles are not intended to be exhaustive or prescriptive.

Voting decisions lie with the relevant investment teams and analysts and is coordinated by the investment committee who may consult proxy advisory firms (where applicable). The Investment Manager's proprietary proxy voting policy guides the investment committee on voting decisions and rationales across global investment teams. The Investment Manager's good governance principles, governance structure and processes are designed to ensure that proxy votes are cast in accordance with clients' best interests. The Investment Manager is not required to vote every client proxy. At no time will it ignore a proxy vote, but there may be times where it feels it is not in the best interest of its clients to vote the proxy. In particular, the Investment Manager votes in favour of resolutions imperative for business continuity and shareholder interests like adoption of financial statements, declaration of dividend, repurchase of shares or appointment of auditors. In cases of resolutions which are not in the best interests of minority shareholders, the investment committee will coordinate with relevant portfolio manager and analyst to seek an adequate explanation or ensure remedial action from the investee company.

## INDICES

### General

The Index Funds intend to track or replicate the performance of an Index. The securities that an Index Fund will gain exposure to are generally defined by the relevant Index Fund's Index. The constituents of an Index Fund's Index may change over time. Potential investors in an Index Fund may obtain a breakdown of the constituents of an Index Fund from the relevant Index Provider's website, as disclosed in the relevant Supplement attributable to the Index Fund.

There is no assurance that an Index Fund's Index will continue to be calculated and published on the basis described in this Prospectus or that it will not be amended significantly. The past performance of each Index is not necessarily a guide to future performance.

### Substitution or Replacement of an Index

The Index Funds intend to track or replicate the performance of an Index. The companies invested in by an Index Fund are defined by the relevant Index Fund's Index. The constituents of an Index Fund's Index may change over time, but the exact composition of the Index is published daily on the website of the Index and is referred to in the relevant Supplement. Potential investors in an Index Fund may obtain a breakdown of the constituents of the Index Fund's Index and held by the Index Fund itself from <https://globalxetfs.eu> or from the Investment Manager, subject to any applicable restrictions under the licence which the Investment Manager has in place with the relevant Index Providers.

The ICAV maintains robust written plans setting out the actions that it would take in the event that an Index materially changes or ceases to be provided. The Directors reserve the right, if they consider it in the interests of the ICAV or any Index Fund to do so, to substitute the Index used by an Index Fund with another Index (which new index will be in compliance with the requirements of the Central Bank) if:

- (i) the weightings of constituent securities of the particular Index would cause the Index Fund (if it were to follow the Index closely) to be in breach of the UCITS Regulations;
- (ii) the particular Index (or Index series) ceases to be compliant with the UCITS Regulations (for reasons including those related to rebalancing);
- (iii) the particular Index (or Index series) requires to be capped in order to remain compliant with the UCITS Regulations;
- (iv) the particular Index (or Index series) ceases to exist or the methodology or constituents of the Index or Index series are materially changed;
- (v) a new index becomes available which supersedes the existing Index;
- (vi) a new index becomes available which is, in the opinion of the Directors, more cost effective for an Index Fund and/or is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to Investors (for reasons including a reduction on Transaction Costs including OTC Swap costs) than the existing Index;
- (vii) it becomes difficult to invest in securities comprised within the particular Index or it becomes difficult or inefficient to enter into FDIs or OTC Swaps relating to the particular Index;
- (viii) the Index Provider increases its charges to a level which the Directors consider too high or if any Index licence provided by an Index Provider in connection with the use of the Index is terminated;
- (ix) the quality of a particular Index (including, but not limited to, the accuracy of published Index data, the availability of published index methodologies and other supporting materials and

matters relating to the management and calculation of the Index by the Index Provider) has, in the opinion of the Directors, deteriorated; or

- (x) a liquid futures market in which a particular Index Fund is investing ceases to be available.

Where such a change would result in a material difference between the constituents of the Index and the proposed index, advance Shareholder approval will be sought. In circumstances where immediate action is required and it is not possible to obtain Shareholder approval in advance of a change in an Index Fund's Index, Shareholder approval will be sought for either the change in the Index or the winding up of the Index Fund as soon as practicable and reasonable.

The Directors may change the name of an Index Fund, particularly if its Index is changed. Any change to the name of an Index Fund will need to be approved in advance by the Central Bank and documentation pertaining to the relevant Index Fund will be updated to reflect the new name.

Any change in an Index will be notified in advance to the Central Bank, will be reflected in the Supplement within a reasonable period after the change in Index and will be noted in the annual and semi-annual reports of the relevant Index Fund issued after any such change takes place.

### **Index Rebalancing, Reweighting and Associated Costs**

Index Providers will periodically change the composition and/or weighting of the securities constituting an Index, depending on the relevant Index rules. This process is commonly referred to as "rebalancing". Details of the rebalancing frequency for each Index are set out in the relevant Supplement.

Where an Index Fund invests in FDIs in order to track or replicate an Index, changes to the composition and/or weighting of the securities constituting such Index will ordinarily be reflected through the exposure gained by the use of FDIs or OTC Swaps (i.e. the Funds will continue to receive the performance of the Index from the relevant counterparty regardless of the rebalancing of the constituents within the Index).

Where an Index Fund engages in the physical tracking or replication of an Index by investing directly in the constituents of the Index, any rebalancing of the Index by an Index Provider will ordinarily require that Index Fund to make corresponding adjustments or rebalancings to its holdings in order to preserve its ability to closely track the Index. In such cases, the Investment Manager will in a timely manner and as efficiently as possible, but subject to its overall discretion in accordance with the investment policies of the relevant Index Fund, seek to rebalance the composition and/or weighting of the Investments held by an Index Fund from time to time and, to the extent practicable and possible, seek to conform its exposure to the changes in the composition and/or weighting of securities constituting the Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of an Index Fund and the performance of the Index.

In order to realign the exposures or Investments of a physically investing Index Fund to its Index following a rebalancing, Investments must be bought and sold. The rebalancing will therefore incur costs that are not reflected in the theoretical calculation of the Index return and may impact on such an Index Fund's ability to provide returns consistent with those of the Index. Such costs will be borne by an Index Fund, can be direct or indirect and include (but are not limited to) Transaction Costs, custody fees, exchange costs and commissions (including foreign exchange spreads) and stamp duty.

The Investment Manager will rely solely on each Index Provider for information as to the composition and/or weighting of the securities within each Index. If the Investment Manager is unable to obtain or process such information in relation to any Index on any Business Day, then the most recently published composition and/or weighting of that Index will be used for the purpose of all adjustments.

Where an Index Fund invests directly in the constituents of an Index, Investors should note that it may not be possible, practicable or even desirable for an Index Fund to purchase all of the securities comprising such Index in their proportionate weightings or to purchase them at all due to various factors, including costs and expenses involved and the concentration limits described in Schedule III to this Prospectus or the fact that the relevant Index Fund may employ a representative sampling/optimisation strategy (see also the section below entitled “*Circumstances where the weighting of an Index constituent exceeds the applicable concentration limits prescribed by the UCITS Regulations*”).

**Circumstances where the weighting of an Index constituent exceeds the applicable concentration limits prescribed by the UCITS Regulations.**

*Funds which track an Index by investing directly in the constituents of an Index*

Where an Index Fund invests directly in the constituents of an Index and the weighting of an Index constituent exceeds the investment restrictions prescribed by the UCITS Regulations as a result of market movements, the Investment Manager will seek to reduce the Index Fund’s holdings of the relevant security so as to seek to ensure that the Index Fund at all times operates within the permitted limits. In these circumstances, the Investment Manager of an Index Fund may, in such circumstances, decide to hold a representative sample of the securities contained in an Index. To achieve this, the Investment Manager may, in respect of an Index Fund, utilise sampling techniques. Sampling techniques result in the selection of Index constituents in order to obtain a representative sample of Index components. This is generally achieved through the use of quantitative analysis with the level of sampling techniques used by any Index Fund being determined by the nature of the Index components. Where the Investment Manager deems it to be appropriate, there may also be instances where the Index Fund holds securities which are not component securities in the Index. An Index Fund may also invest in FDIs, other collective investment undertakings and hold ancillary liquid assets, in each case subject to the restrictions set out in Schedule III to this Prospectus.

*Funds which track an Index using total return OTC Swaps*

Where an Index Fund tracks an Index by entering into OTC Swaps, changes to the composition and/or weightings of the constituents of the Index will ordinarily be reflected through the exposure gained by the use of the OTC Swaps (i.e. the Index Fund will continue to receive the performance of the Index from the relevant counterparties to the OTC Swaps which, following a rebalancing of the Index, will be reflective of the rebalanced composition and weightings of the constituents within the Index).

Where the weighting of an Index constituent exceeds the investment restrictions prescribed by the Irish Regulations as a result of market movements, an Index Fund will continue to receive the performance of the Index from the relevant counterparties to the OTC Swaps. The weightings of Index constituents will be brought within the limits prescribed by the Irish Regulations at the next Index rebalancing.

**Tracking error**

“Tracking error” can be defined as the volatility of the difference between the return of an Index Fund which tracks/replicates an Index versus the return of the relevant Index which it tracks or replicates, whereas “tracking difference” can be defined as the total return difference between such an Index Fund and the relevant Index which it tracks or replicates over a certain period of time. Unless otherwise stated, an Index Fund is not expected to track the performance of its Index at all times with perfect accuracy and there can be no assurance that any Index Fund will achieve any particular level of accuracy in tracking or replicating an Index. Each Index Fund that seeks to track or replicate an Index is, however, expected to provide investment results that, before fees and expenses are applied, generally correspond to the price and yield performance of its Index.

While a relevant Index Fund will always seek to track or replicate its Index as closely as possible, an Index often does not reflect the operational complexities of buying and holding the components

securities in an Index Fund. The factors that may adversely affect the tracking error and/or tracking difference of such an Index Fund versus its Index include (but are not limited to) the various tracking error and tracking difference related factors described in the section of this Prospectus entitled “Risk Factors”, in addition to the following:

- (a) a relevant Index Fund will be required to pay various fees and expenses which are not reflected in the performance of the Index. Such fees and expenses may include the Manager’s fee, the Investment Manager’s fee and any portfolio Transaction Costs such as brokerage commissions, custody charges, stamp duty and any fees payable to counterparties under the terms of any FDI (including OTC Swaps) or other techniques or instruments used for direct investment or for efficient portfolio management purposes;
- (b) a relevant Index Fund may be required to comply with regulatory constraints that do not affect the performance of its Index;
- (c) a relevant Index Fund may not be able to obtain exposure to the constituent securities of its Index at particular times;
- (d) there may be a difference between the time when an Index reflects the event of any declared dividends and when the relevant Index Fund tracking or replicating that Index reflects the event of such dividends;
- (e) the composition of a relevant Index Fund’s portfolio of Investments (which may include exposure under FDIs) may not be identical to the composition of the Index which it seeks to track/replicate (particularly, where a representative sampling/optimisation strategy is employed) including where the composition of an Index Fund’s portfolio of Investments is underweighted or overweighted with regards to various securities by comparison to its Index; and/or
- (f) an Index Fund may be unable to enter into an FDI transaction which is, in the opinion of the Investment Manager, appropriate for the Index Funds.

It is intended that the return (if any) on any repurchase or reverse repurchase agreement and/or Swap Arrangements entered into in respect of an Index Fund which tracks or replicates its Index primarily through the use of OTC Swaps shall be used to wholly or partially set-off the costs of entering into OTC Swaps. Accordingly, the tracking difference of such an Index Fund shall be decreased where the rate of return on the aforementioned Investments is equal to or close to the costs payable to counterparties under OTC Swaps. The tracking difference of an Index Fund shall increase as the difference between those rates increases.

An estimate of the anticipated level of tracking error that is anticipated by the Investment Manager in normal market conditions will be set out in each relevant Supplement. In normal market conditions, the performance of an Index tracking/replicating Index Fund is intended to provide a total return corresponding with the performance of its Index less the TER and other expenses. The figures set out in each relevant Supplement are based on the average actual tracking error for the relevant Index Fund during the specified observation period unless otherwise specified in respect of a particular Index Fund. Neither the ICAV, the Manager nor the Investment Manager shall be liable for any discrepancies between the anticipated level of tracking error, as estimated for a relevant Index Fund and disclosed in a Supplement, and the actual realised tracking error for that Index Fund at any time.

### **Index Providers**

The Indices used by the Index Funds are each provided by an administrator (as defined in the Benchmark Regulation) which is included on the ESMA Register that is maintained in accordance with Article 36 of the Benchmark Regulation. As of the date hereof, the benchmark administrators of the Index Funds’ Indices that are included on the ESMA Register are:

- (a) Solactive AG.

The ICAV is monitoring the ESMA Register on a continuous basis. Any updates that impact the benchmark administrators of the Index Funds' Indices shall be reflected in the relevant Supplement at the next opportunity.

## **BORROWINGS**

The ICAV on behalf of the Funds may not borrow money, grant loans or act as guarantor on behalf of third parties, except as follows:

- (a) foreign currency may be acquired by means of a back-to-back loan. Foreign currency obtained by means of a back-to-back loan is not classified as borrowing for the purposes of the UCITS Regulations provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. Where foreign currency obtained by means of a back-to-back loan exceeds the value of the offsetting deposit this shall be treated as borrowing for the purpose of the UCITS Regulations; and
- (b) borrowings not exceeding 10% of the total Net Asset Value of a Fund may be made on a temporary basis and the assets of the Fund may be charged as security for such borrowings.

## DISTRIBUTION POLICY

The Directors are empowered by the Instrument of Incorporation to declare and pay dividends in respect of the Shares in any Fund in the ICAV out of the net income of the relevant Fund less accrued expenses of the ICAV. The Directors are also empowered by the Instrument of Incorporation to declare and pay dividends in respect of the Shares in any Fund in the ICAV out of the capital of the relevant Fund. Where a Fund intends to pay dividends out of capital this will be set out in the relevant Supplement for that Fund.

**As distributions may be made out of the capital of a Fund, there is a greater risk that capital will be eroded and “income” will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.**

The dividend arrangements relating to each Fund (or Class thereof) will be decided by the Directors at the time of the creation of the relevant Fund (or Class thereof) and the details thereof shall be set out where applicable in the relevant Supplement. It is not the current intention of the ICAV to pay dividends for accumulating Classes. Prior to a Fund changing its dividend policy from accumulating to distributing or vice versa, the Fund will notify Shareholders in advance and all further details will be provided in an updated Supplement where relevant.

Where dividends are paid, they shall be paid out of the net income of the Fund which is attributable to the relevant Class and shall be paid by way of electronic transfer.

Dividends payable in respect of any particular Class shall be paid in the Class Currency. Where the Class Currency differs from the Base Currency, dividends shall be converted into the Class Currency and any costs associated with such conversion shall be charged to the relevant Class.

### **Income Equalisation**

The ICAV may implement income equalisation arrangements with a view to ensuring that the level of income derived from Investments is not affected by the issue, switching or redemption of Shares during the relevant accounting period. Further information may be found in the Supplement for any Fund that applies income equalisation.

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

The ICAV may (in its sole and absolute discretion) accept requests by Shareholders for payments in respect of dividends to be made in a major currency other than the Class Currency. The foreign exchange conversion will be executed at prevailing exchange rates at the cost and risk of the relevant Shareholder.

### **UK Reporting Fund Status**

Each Fund has been approved (or, unless otherwise indicated, shall be approved within a reasonable period following its approval by the Central Bank) as a reporting fund under the United Kingdom offshore fund rules. As reporting funds, the ICAV might not declare dividends. For each relevant accounting period, the ICAV will report to Investors 100 per cent. of the net income attributable to the relevant Fund, as computed in its accounts, that report being made within six months of the end of the relevant accounting period. United Kingdom resident individual investors will be taxed on such reported income, whether or not such income is actually distributed and whether or not a gain arises or would, in the absence of reporting fund status, have arisen on redemption.

**Unclaimed Distributions**

Distributions which have not been claimed within six years of their payment date shall no longer be payable to the beneficiaries and shall revert to the Fund.

## **INVESTMENT RESTRICTIONS**

The Funds' Investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the ICAV, the investment restrictions may be changed to take account of any such alterations but any such changes shall be in accordance with the Central Bank's requirements, reflected in an updated version of the Prospectus and, to the extent such alterations represent a material change to the investment policy of a Fund or require an alteration to the Instrument, will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the ICAV.

## USE OF DERIVATIVES AND HEDGING

The Funds may employ investment techniques and financial derivative instruments for investment purposes and for the purpose of hedging currency exposure, subject to the conditions and within the limits from time to time set forth in Schedule III. Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors" below. The expected effect of the investment techniques and financial derivative instruments to be used is to gain exposure to different global currencies in order to benefit from the Investment Manager's research into currency movements and/or to hedge currency exposure.

The ICAV employs a risk management process which enables it to accurately measure, monitor and manage the various risks associated with such investment techniques and instruments. Any financial derivative instruments not included in the risk management process will not be used until such time as a revised risk management process has been provided to the Central Bank.

The ICAV shall supply to a Shareholder on request supplementary information relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

A list of the Regulated Markets on which the financial derivative instruments may be quoted or traded is set out in Schedule I. A description of the current conditions and limits laid down by the Central Bank in relation to financial derivative instruments is set out in Schedule III.

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

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

## TYPES AND DESCRIPTIONS OF DERIVATIVES

Below are the types of derivatives that a Fund may purchase.

### **Forward Foreign Exchange Contracts**

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

### **Currency Futures**

Currency future contracts provide for the future sale by one party and purchase by another party of a specified amount of currency at a specified price, date and time. Entering into a contract to buy currency is commonly referred to as buying or holding a long position in the currency. Entering into a contract to sell currency is commonly referred to as selling or holding a short position in the currency. Futures contracts are considered to be commodity contracts. Futures contracts traded OTC are frequently referred to as forward contracts. A Fund may buy or sell currency futures and forward foreign exchange contracts.

### **Options**

The purpose behind the purchase of call options by a Fund is to provide exposure to increases in the market (e.g. with respect to temporary cash positions) or to hedge against an increase in the price of securities or other investments that the Fund intends to purchase. The purpose behind the purchase of put options by the Fund is to hedge against a decrease in the market generally or to hedge against the price of securities or other investments held by a Fund. A Fund may also purchase options as part of its tracking of its Index including where its Index contains options.

A Fund may purchase options on futures contracts in lieu of writing or buying options directly on underlying securities or purchasing and selling underlying futures contracts. In order to hedge against a possible decrease in the value of its portfolio securities, the Fund may purchase put options on futures contracts rather than sell futures contracts. In order to hedge against a possible increase in the price of securities which the Fund expects to purchase, the Fund may purchase call options on futures contracts as a substitute for the purchase of futures contracts. For example, currency options or options on currency futures, may be used to take a positional view on currency volatility whereby the Fund could, for example, sell volatility on a daily basis across a range of currency pairs provided the price of volatility was above a specified level.

### **Swaps**

Swap agreements are bilateral contracts entered into for periods ranging from a few weeks to more than one year. In a standard "swap" transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a "notional amount", e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency. Swap contracts may expose the Fund to substantial risk of loss.

## Currency Transactions

A Fund may hold active currency positions that are denominated in currencies other than the Base Currency and may be exposed to currency exchange risk. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the Fund's Investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can be affected unpredictably by intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments. A Fund may, but is not obliged to, engage in foreign exchange transactions (such as currency futures and forwards, currency exchange contracts) in order to hedge against currency fluctuations between its Investments and the Base Currency. If the currency in which an Investment is denominated appreciates against the Base Currency, the Base Currency value of the Investment will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the Investment expressed in the Base Currency. A Fund's hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

A Fund may comprise of Classes denominated in a currency other than the Base Currency. In such case the Investment Manager may seek to hedge the currency exposure risk between the currency in which an Investment is denominated and the Class Currency. The Supplement for each Fund will indicate whether a particular Class is hedged or unhedged. Although not intended, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class and under-hedged positions will not be permitted to fall below 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. A position shall be over-hedged where the currency forward or other derivative attributable to a specific Class hedges an amount of the Class Currency in excess of the Net Asset Value of the Class. Class-specific currency hedging transactions will be clearly attributable to the relevant Class (therefore currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Classes).

The costs and gains or losses associated with any hedging transactions for hedged currency Classes will accrue solely to the hedged currency Class to which they relate. Whilst these hedging strategies are designed to reduce the losses to an Investor if the Class Currency rises against the currencies in which the Fund's Investments are denominated, the use of Class hedging strategies may substantially limit Investors in the relevant Class from benefiting if the Class Currency falls against the currencies in which the Fund's Investments are denominated.

## Securities Financing Transactions Regulation Disclosure

Where disclosed in the relevant investment policy, a Fund may enter into the following transactions:

- (a) total return swaps;
- (b) repurchase agreements;
- (c) reverse repurchase agreements; and
- (d) securities lending arrangements.

Unless otherwise disclosed in the relevant Supplement, the maximum proportion of the Net Asset Value of the Fund that may be subject to Securities Financing Transactions is 100%. Unless otherwise disclosed in the relevant Supplement, the proportion of the Net Asset Value of a Fund that will be subject to Securities Financing Transactions is expected to be 0%.

The proportion of a Fund's Net Asset Value expected to be invested in OTC Swaps and Securities Financing Transactions will be set out in the relevant Supplement.

Where disclosed in the relevant Supplement, a Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes and enter into other types of Securities Financing Transactions for efficient portfolio management purposes only.

If the Fund invests in OTC Swaps or Securities Financing Transactions, the reference asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Any investment in OTC Swaps and Securities Financing Transactions will be subject to the investment restrictions in Schedule II or any limitations in the relevant Supplement.

A Fund may only enter into OTC Swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in paragraph 4 and 22 of Schedule III.

The categories of collateral which may be received by the Fund are set out in Schedule III and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will be held by the Depositary or its sub-custodian and valued in accordance with the valuation methodology set out under the section entitled "Determination of the Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where the Fund receives collateral as a result of entering into OTC Swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty's obligations under an OTC Swap or Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty.

The Investment Manager will be able to recall the securities lent out at any time. All securities lending transactions will only be carried out in the best interest of the Fund and as set out in the relevant securities lending agreement. Such transactions may be terminated at any time by the Investment Manager in its absolute discretion.

Where the Fund provides collateral as a result of entering into OTC Swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to OTC Swaps and Securities Financing Transactions, see the section entitled "Risk Factors".

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

Non-cash collateral received may not be sold, re-invested or pledged. In the case of non-cash collateral received by a Fund, in the event of a default on the part of the counterparty, the Fund is exposed to the risk that the collateral received is illiquid.

Securities lending transactions nonetheless give rise to certain risks including counterparty risk, collateral risk and operational risk. Please refer to the risk factor entitled "Securities Financing Transactions Risks" of the section headed "Risk Factors" of this Prospectus for further details. The criteria for selecting counterparties is set out in paragraph 4 of Schedule III.

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

Subject to the restrictions laid down by the Central Bank as set out in paragraphs 28 to 31 of Schedule III, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from OTC Swaps or Securities Financing Transactions may be deducted from the revenue delivered to the Fund. These costs and fees do not and should not include hidden revenue. All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising.

The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

Where a Fund undertakes Securities Financing Transactions the relevant Supplement will disclose the proportion of the revenue generated which will remain with the Fund and the proportion of the revenue generated (representing the attendant direct and indirect operational costs and fees of any securities lending) which will be retained by the securities lending agent. Such direct and indirect operational costs and fees shall not include hidden revenue.

## RISK FACTORS

Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to an investment in the ICAV and Investors' attention is drawn to the description of the instruments set out in the section entitled "Investment Objective and Policies" for the relevant Fund.

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 Fund Supplement. Potential investors should also pay attention to the applicable fees, charges and expenses of a Fund. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their own financial, tax, accounting, legal and other appropriate 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 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 financial 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.

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

### *Investment Objective Risk*

There is no assurance that the investment objective of a Fund will be achieved. Whilst it is the intention of the Investment Manager to implement strategies which are designed to achieve the investment objective and, for an index tracking Fund, to minimise tracking error, there can be no assurance that these strategies will be successful. In addition, trading errors are an intrinsic factor in any investment process, and will occur, notwithstanding the execution of due care and special procedures designed to prevent such errors. It is possible that Shareholders may lose a substantial proportion or all of your investment in a Fund, including (for an index tracking Fund), where the relevant value of the Index declines. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the relevant Fund.

### *New Fund Risk*

A Fund is a new fund, with no operating history, which may result in additional risks for investors in a Fund. There can be no assurance that a Fund will grow to or maintain an economically viable size, in which case the Directors may determine to liquidate a Fund. While Shareholder interests will be the paramount consideration, the timing of any liquidation may not be favourable to certain individual Shareholders. From time to time an Authorised Participant, a third-party investor, the Investment Manager or another affiliate of the Investment Manager or a Fund may invest in a Fund and hold its investment for a specific period of time in order to facilitate commencement of a Fund's operations or for a Fund to achieve size or scale. There can be no assurance that any such entity would not redeem its investment or that the size of a Fund would be maintained at such levels which could negatively impact a Fund.

### *Umbrella Structure of the ICAV and Cross-Liability Risk*

The ICAV is an umbrella fund with segregated liability between sub-funds and under Irish law the ICAV generally will not be liable as a whole to third parties and there generally will not be the potential

for cross-liability between sub-funds of the ICAV. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the sub-funds would necessarily be upheld.

#### *Market Risk*

The Net Asset Value of each Fund will change with changes in the market value of the securities it holds. The price of Shares and the income from them may go down as well as up. There can be no assurance that a Shareholder will achieve profits or avoid losses, significant or otherwise. The capital return and income of each Fund are based on the capital appreciation and income on the securities it holds, less expenses incurred. A Fund's return may fluctuate in response to changes in such capital appreciation or income. Furthermore, an index tracking Fund may experience volatility and decline in a manner that broadly corresponds with the relevant Index. Investors in each Fund are exposed to the same risks that investors who invest directly in the underlying securities would face.

#### *Asset Class Risk*

Although the Investment Manager is responsible for the continuous supervision of the investment portfolio of each Fund, the returns from the types of securities in which the Fund invests may underperform or outperform returns from other securities markets or from investment in other assets. Different types of securities tend to go through cycles of out-performance and underperformance when compared with other general securities markets.

#### *Possible Business Failure Risk*

Global markets may experience very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of the companies in which a Fund invests or, for an index tracking Fund only, a constituent of the relevant Index may have an adverse effect on the Index's (if any) and therefore the relevant Fund's performance. A Shareholder may lose money by investing in any Fund.

#### *Management Risk*

Each Fund is subject to management risk. This is the risk that the Investment Manager's strategy, the implementation of which is subject to a number of constraints, may not produce the intended results. In addition, the Investment Manager has absolute discretion to exercise Shareholders' rights with respect to securities held by a Fund. There can be no guarantee that the exercise of such discretion will result in the investment objective of a Fund being achieved. For an index tracking Fund, because there can be no guarantee that such a Fund will fully replicate the relevant Index, it is also subject to the above management risk.

#### *Single Region / Single Industry Sector / Concentration Risk*

A Fund may be subject to concentration risk as a result of having a strategy of concentrating in a single region or industry sector or, for an index tracking Fund, tracking the performance of a single geographical region or country (such as mainland China) or industry sector. For an index tracking Fund, the Index may be comprised of a limited number of securities. A Fund may therefore likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index or securities resulting from adverse conditions in the particular geographical region, country or industry sector. Where an index tracking Fund's Index tracks a particular region or country or industry sector or where the Index has a small number of constituents, or where the active strategy of a Fund is concentrated in a single region or industry sector risk factors specific to the relevant Fund are set out in the relevant Supplement. Please refer to each Fund's Supplement for details.

#### *Securities Risk*

The investments of each Fund are subject to risks inherent in all securities (including settlement and counterparty risks). The value of holdings may fall as well as rise. The global markets may experience very high levels of volatility and instability, resulting in higher levels of risk than is customary (including settlement and counterparty risks).

#### *Counterparty Risk*

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Fund and settle a transaction in accordance with market practice. A Fund may be exposed to the risk of a counterparty through investments.

A Fund may be exposed to the counterparty risk of the Depositary with which the assets of a Fund are held. The Depositary may be unable to perform their obligations due to credit-related and other events like insolvency of or default of them. In these circumstances the relevant Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the relevant Fund's assets.

#### *Equity Risk*

Investment in equity securities by a Fund (where permitted) may offer a higher rate of return than a fund investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

#### *Trading Risk*

Even though the Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in the Shares on any Relevant Stock Exchange or that the market price at which the Shares may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the Net Asset Value per Share. As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a Relevant Stock Exchange may be halted or suspended due to market conditions or for the reason that, in the Relevant Stock Exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the ICAV to redeem Shares in accordance with the provisions set out below.

#### *Trading Error Risk*

Trading errors are an intrinsic factor in any investment process, and may occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

#### *No Trading Market in the Shares Risk*

Although the Shares are listed on an exchange and one or more market makers have been appointed, there may be no liquid trading market for the Shares or that such market maker(s) may cease to fulfil that role. Further, there can be no assurance that Shares will experience trading or pricing patterns similar to those of exchange traded funds which are issued by investment companies in other jurisdictions.

### *Valuation Risk*

The sales price a Fund could receive for a security may differ from a Fund's valuation of the security and may differ from the value used by the Index, particularly for securities that trade in low value or volatile markets or that are valued using a fair value methodology (such as during trading halts). Using a fair value methodology means assigning the price to the asset that would be received if the asset was sold in the market. Because certain exchanges may be open on days when a Fund does not price its Shares, the value of the securities in a Fund's portfolio may change on days when Shareholders will not be able to purchase or sell a Fund's Shares.

### *Indemnity Risk*

Under the Depositary Agreement, the Management Agreement, the Investment Management Agreement and the Administration Agreement, the Depositary, the Manager, the Investment Manager and the Administrator (and their respective directors, officers and employees) shall be entitled, except to the extent of any fraud, bad faith, negligence, or wilful default (or equivalent standard as set out in the relevant agreement) on its (or their) part, to be indemnified and held harmless out of the assets of the relevant Fund in respect of any (in addition to any right of indemnity given by law) action, costs, claims, damages, expenses or liabilities to which it (or they) may be put or which it (or they) may incur by virtue of the proper performance of their respective duties. Any reliance by the Depositary, the Manager, the Investment Manager or the Administrator on the right of indemnity would reduce the assets of a Fund and the value of the Shares.

### *Dividends May Not be Paid Risk*

Whether a Fund will pay distributions on its Shares is subject to the Fund's distribution policy (as described in the relevant Supplement) and also mainly depends on dividends declared and paid in respect of the securities comprising the Index or in the Fund's portfolio. In addition, dividends received by a Fund may be applied towards meeting the costs and expenses of that Fund. Dividend payment rates in respect of such Funds will depend on factors beyond the control of the Investment Manager including, general economic conditions, and the financial position and dividend policies of the relevant underlying entities. There can be no assurance that such entities will declare or pay dividends or distributions.

### *Early Termination Risk*

A Fund may be terminated early under certain circumstances as set out in the Instrument of Incorporation and as further described in this Prospectus. Upon a Fund being terminated, the ICAV will distribute the net cash proceeds (if any) derived from the realisation of the investments comprised in the relevant Fund to the Shareholders in accordance with the Instrument. Investors may suffer a loss where a Fund is terminated because any such amount distributed may be more or less than the capital invested by the Shareholder.

### *Foreign Exchange Risk*

If a Fund's assets are generally invested in securities that are denominated in a currency that is not the base currency of the Fund, and if a substantial portion of the revenue and income of a Fund is received in a currency other than the Base Currency of the Fund, any fluctuation in the exchange rate of the Base Currency relative to the relevant foreign currency will affect the Net Asset Value of a Fund denominated in the Base Currency regardless of the performance of its underlying portfolio. If the relevant Fund's Net Asset Value is determined on the basis of the Base Currency as described in the relevant Supplement, a Shareholder may lose money if it invests in any Fund if the local currency of a foreign market depreciates against the Base Currency of the Fund, even if the local currency value of an investment fund's holdings goes up.

### *Securities Financing Transactions Risks*

A Fund which enters into Securities Financing Transactions may be subject to legal risk, operational risks, liquidity risk of the counterparty and custody risk of the collateral and the following risks:

- (a) *Securities lending transactions* – Securities lending transactions may involve the risk that the borrower may fail to return the securities lent out in a timely manner and the value of the collateral may fall below the value of the securities lent out.
- (b) *Sale and repurchase transactions* – In the event of the failure of the counterparty with which collateral has been placed, a Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.
- (c) *Reverse repurchase transactions* – In the event of the failure of the counterparty with which cash has been placed, a Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

#### *Collateral and FDI Risks*

The risks associated with the use of FDIs are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. Any Fund investing in FDIs may utilise both exchange-traded and over-the-counter derivatives. Compared to equity securities, FDIs can be more sensitive to changes in market prices of the underlying assets and thus market prices of FDIs may fall in value as rapidly as they may rise. Investors investing in such Funds are exposed to a higher degree of fluctuation in value than a Fund which does not invest in FDIs. Transactions in over-the-counter FDIs may involve additional risk such as the risk that a counterparty defaults as there is no regulated market for such FDIs. Investing in FDIs also involves other types of risks including, but not limited to, the risk of adopting different valuation methodologies and imperfect correlation between the FDI and its underlying securities, rates and indices. Risks associated with FDIs also include counterparty/credit risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risk and conflicts of interest. Leverage involves an increased degree of financial risk and may increase the exposure of a Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. The leverage element/component of a FDI can therefore result in a loss significantly greater than the amount invested in the FDI by a Fund. Exposure to FDIs may lead to a high risk of significant loss by a Fund. There is no assurance that any derivative strategy used by a Fund will succeed.

There are also risks associated with management of collateral and re-investment of collateral. The value of any collateral received in respect of FDI transactions (if any) may be affected by market events. In the case of collateral assets which are listed securities, the listing of such securities may be suspended or revoked or the trading of such securities on the stock exchanges may be suspended, and during the period of suspension or upon revocation, it may take longer to realise the relevant collateral assets. In the case of collateral assets which are debt securities, the value of such securities will be dependent on the creditworthiness of the issuers or obligors in respect of the relevant collateral assets. In the event any issuer or obligor of such collateral assets is insolvent, the value of the collateral assets will be reduced substantially and may cause the relevant Fund's exposure to such counterparty to be under-collateralised. If the Fund reinvests cash collateral, it is subject to investment risk including the potential loss of principal.

#### *Risk Associated with Small-capitalisation/Mid-capitalisation Companies*

A Fund may invest in small-capitalisation/mid-capitalisation companies, the stock of which may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

## **Risks Associated with Investment in an index tracking Fund**

### *Passive Investment Risk*

A passively managed Fund will seek to achieve its objective by pursuing a policy which seeks to track the performance of an Index or reference asset and will generally use either a replication strategy or sampling strategy. The following is a summary description of each of a replication strategy and sampling strategy. More detailed information on each strategy is set forth in the Supplement for the relevant Fund, as appropriate.

**Replication Strategy** – this strategy seeks to hold all of the securities of a particular Index or reference asset regardless of their investment merit with the approximate weightings of that Index or reference asset, so that the portfolio of such Fund is a near mirror-image of the components of the relevant Index or reference asset.

**Sampling Strategy** – this strategy seeks to build a representative portfolio that provides a return comparable to that of an Index or reference asset. This strategy may be used for tracking certain Indices which are too broad to replicate (i.e. the Index or reference asset contains too many securities for the Fund to be able to purchase them all efficiently) or may contain securities which are currently unavailable or difficult to purchase in the open markets or an announcement has been made that certain securities will shortly be included as components of the Index or reference asset. Consequently, a Fund using a sampling strategy will typically hold only a subset of the securities which comprise the relevant Index or reference asset.

Shareholders in passively managed Funds may lose a significant part of their respective investments if the value of an Index falls. Investors in passively managed Funds particularly those adopting a replication strategy should note that the lack of discretion on the part of the Investment Manager to adapt to market changes due to the inherent investment nature of an index tracking Fund which may mean a decline in the Index or Indices which will result in corresponding falls in the Net Asset Values of the Fund, and Shareholders may lose substantially all of their investment.

### *Representative Sampling Risk*

With a representative sampling strategy, an index tracking Fund does not hold all of the securities in the relevant Index and may invest in securities not included in its Index, provided that the sample closely reflects the overall characteristics of the Index which the Investment Manager believes will help the Fund achieve its investment objective. The securities held by an index tracking Fund may also be over or underweight relative to the securities in its Index. It is therefore possible that such a Fund may be subject to larger tracking error.

### *Tracking Error Risk*

Trading errors are an intrinsic factor in any investment process, and may occur, notwithstanding the execution of due care and special procedures designed to prevent such errors.

An index tracking's Fund's returns may deviate from the Index due to a number of factors. For example, the fees and expenses of an index tracking Fund, any adoption of a representative sampling strategy, liquidity of the market, imperfect correlation of returns between an index tracking Fund's assets and the securities constituting its Index, rounding of share prices, foreign exchange costs, changes to the Indices and regulatory policies may affect the Manager's ability to achieve close correlation with the Index of each index tracking Fund. Further, an index tracking Fund may receive income (such as interests and dividends) from its assets while the Index does not have such sources of income. There can be no guarantee or assurance of exact or identical replication at any

time of the performance of the Index or that an index tracking will achieve its investment objective at any time of corresponding to the performance of the relevant Index.

Although the Investment Manager regularly monitors the tracking error of each index tracking Fund, there can be no guarantee or assurance that any index tracking Fund will achieve any particular level of tracking error relative to the performance of its Index.

#### *Payments Risk*

With the authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, the Paying Agent) to the applicable ICSD. Shareholders, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Shareholders shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

#### *Inaction by Clearstream or Euroclear*

An Investor in ETF Shares will not be a registered Shareholder in the ICAV. Rather, they will hold an indirect beneficial interest in such ETF Shares. The rights of such Investor, where such person is a Clearstream Participant or Euroclear Participant, shall be governed by the terms and conditions applicable to the arrangement between such Clearstream Participant and Clearstream or the or Euroclear Participant and Euroclear and where the holder of the indirect beneficial interests in the Shares is not a Clearstream Participant or Euroclear Participant, shall be governed by the terms and conditions applicable to their arrangement with their respective nominee, broker, CSD or ICSD (as appropriate, which may be a Clearstream Participant or Euroclear Participant or have an arrangement with a Clearstream Participant or Euroclear Participant). The ICAV will issue any notices and associated documentation to the registered holder of the Shares and to Clearstream or Euroclear (as applicable), with such notice as is given by the ICAV in the ordinary course when convening general meetings. Clearstream or Euroclear will in turn relay such notices received from the ICAV to Clearstream Participants or Euroclear Participants in accordance with its rules and procedures. Clearstream and Euroclear are contractually bound to collate all votes received from Clearstream Participants and Euroclear Participants and is obligated to vote in accordance with such instructions. The ICAV has no power to ensure that Clearstream or Euroclear relays notices of votes in accordance with the instructions of Clearstream Participants or Euroclear Participants. The ICAV cannot accept voting instructions from any persons other than Clearstream or Euroclear.

#### *Risk to Payments made through Clearstream*

Any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent to Clearstream or Euroclear (as the holder of Shares). Investors, where they are Clearstream Participants or Euroclear Participants, must look solely to Clearstream or Euroclear for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Clearstream Participants or Euroclear Participants, they must look to their respective nominee, broker, CSD or ICSD (as appropriate, which may be a Clearstream Participant or Euroclear Participant or have an arrangement with a Clearstream Participant or Euroclear Participant) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares that are paid to Clearstream or Euroclear and the obligations of the ICAV will be discharged by payment to Clearstream or Euroclear.

#### **Risk Associated with mainland China**

##### *Economic, Political and Social Risks of mainland China*

The economy of mainland China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in mainland China are still owned by the mainland Chinese government at various levels, in recent years, the mainland Chinese government has implemented economic reform measures emphasising utilisation of market forces in the development of the economy of mainland China and a high level of management autonomy. The economy of mainland China has experienced significant growth in the past 25 years, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The mainland Chinese government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For more than 25 years, the mainland Chinese government has carried out economic reforms to achieve decentralisation and utilisation of market forces to develop the economy of mainland China. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the mainland Chinese government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities market in mainland China as well as the underlying securities of a Fund. Further, the mainland Chinese government may from time to time adopt corrective measures to control the growth of mainland China economy which may also have an adverse impact on the capital growth and performance of a Fund.

Political changes, social instability and adverse diplomatic developments in mainland China could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the property held by the underlying issuers of the securities in a Fund's portfolio.

##### *mainland China Laws and Regulations Risk*

The regulatory and legal framework for capital markets and joint stock companies in mainland China may not be as well developed as those of developed countries. mainland China laws and regulations affecting securities markets are relatively new and evolving, and because of the limited volume of published cases and judicial interpretation and their non-binding nature, interpretation and enforcement of these regulations involve significant uncertainties. In addition, as mainland China legal system develops, no assurance can be given that changes in such laws and regulations, their interpretation or their enforcement will not have a material adverse effect on their business operations.

##### *Restricted Markets Risk*

A Fund may invest in Securities in respect of which mainland China imposes limitations or restrictions on foreign ownership or holdings. Such legal and regulatory restrictions or limitations may have adverse effects on the liquidity and performance of such Fund holdings as compared to the performance of the Index. For an index tracking Fund, such restrictions or limitations may have adverse effects on the index tracking Fund as compared to the performance of the Index and hence may increase the risk of tracking error. At the worst, a Fund may not be able to achieve its investment objective.

### *Accounting and Reporting Standards Risk*

Accounting, auditing and financial reporting standards and practices applicable to Mainland Chinese companies may be different to those standards and practices applicable to countries that have more developed financial markets. For example, there are differences in the valuation methods of properties and assets and in the requirements for disclosure of information to investors.

### *Changes in mainland China taxation risk*

The Mainland Chinese government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of Mainland Chinese companies and foreign investors in such companies.

## **Risks Associated with A-Shares**

### *A-Shares Market Suspension and Volatility Risk*

A-Shares may be bought from, or sold to, a Fund from time to time where the relevant A-Shares may be sold or purchased on the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, as appropriate. Given that the A-Shares market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), the creation and redemption of Shares may be disrupted. A participating sealer is unlikely to create or redeem Shares if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Shares market may also result in significant fluctuations in the prices of the securities traded on the A-Shares market and thereby may adversely affect the value of the relevant Fund.

### *Mainland China Taxation Risk*

Pursuant to the “Notice for the tax policies in relation to the Pilot Program for Shanghai-Hong Kong Stock Connect” (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) Caishui 2014 No.81 (“Circular 81”) and “Notice about the tax policies related to Shenzhen-Hong Kong Stock Connect” (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui 2016 No. 127) (“Circular 127”) jointly promulgated by the Ministry of Finance of the PRC (“MOF”), the State Taxation Administration of the Peoples Republic of China (“STA”) and the China Securities Regulatory Commission on 14 November 2014 and 5 November 2016 respectively, Corporate Income Tax (“CIT”) will be temporarily exempted on capital gains derived by Hong Kong market investors (including each Fund) on the trading of A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. Based on Circular 81 and Circular 127 and having consulted independent professional tax adviser, no provision for gross realised or unrealised capital gains derived from trading of A-Shares via Stock Connect is made by the Investment Manager on behalf of any Fund.

It should be noted that the tax exemptions granted under Circular 81 and Circular 127 are temporary. As such, as and when the mainland Chinese tax authorities announce the expiry date of the tax exemption, a Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value of such Fund.

The Investment Manager reserves the right to provide for mainland China withholding income tax (“WIT”) or other taxes on capital gains or income and withhold the tax for the account of a Fund if there is any future change in mainland China tax rules. The Investment Manager will closely monitor any further guidance by the relevant mainland Chinese tax authorities and change its tax provision policy and the tax provision amount in respect of the Fund accordingly. Any change to the tax provision policy or the amount of tax provision in respect of a Fund will be notified to the Shareholders.

If actual tax is collected by the STA and a Fund is required to make payments reflecting tax liabilities for which no provision has been made, the Net Asset Value of the Fund may be adversely affected, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Fund.

### **Risks Associated with N-Shares**

N-Shares are securities of companies with business operations in mainland China and listed on a US stock exchange, such as NYSE, NASDAQ or the American Stock Exchange. Because companies issuing N-Shares often have business operations in mainland China, they are subject to certain political and economic risks in mainland China. The American stock market may behave very differently from the mainland China stock market, and there may be little to no correlation between the performance of the two.

### **Risks Associated with P-Chip Companies**

P-Chip companies are often run by the private sector and have a majority of their business operations in mainland China. P-Chip shares are traded in HKD on the Stock Exchange of Hong Kong Limited (the "SEHK"), and may also be traded by foreigners. Because they are traded on the SEHK, P-Chips are also subject to risks similar to those associated with investments in H-Shares. They are also subject to risks affecting their jurisdiction of incorporation, including any legal or tax changes.

### **Risks Associated with Red Chip Companies**

Red Chip companies are controlled, either directly or indirectly, by the central, provincial or municipal governments of mainland China. Red Chip shares are traded in HKD on the SEHK and may also be traded by foreigners. Because Red Chip companies are controlled by various mainland Chinese governmental authorities, investing in Red Chips involves risks that political changes, social instability, regulatory uncertainty, adverse diplomatic developments, asset expropriation or nationalisation, or confiscatory taxation could adversely affect the performance of Red Chip companies. Red Chip companies may be less efficiently run and less profitable than other companies.

### **Risks Associated with the Stock Connect**

A Fund's investments through the Stock Connect may be subject to the following risks.

#### *Quota Limitations*

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the northbound daily quota drops to zero or the northbound daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). The Fund's ability to invest in A-Shares through the Stock Connect may be affected.

#### *Suspension Risk*

It is contemplated that both the SEHK and the Shanghai Stock Exchange (the "SSE") would reserve the right to suspend northbound and/or southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the northbound trading is effected, the Fund's ability to access the mainland China market through the Stock Connect will be adversely affected.

#### *Differences in Trading Day*

The Stock Connect will only operate on days when both mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the mainland China market but Hong Kong investors (such as the Funds) cannot carry out any A-Shares trading. Due to the differences in trading days, a Fund may be subject to a risk of price fluctuation in A-Shares on a day that mainland China markets are open for trading but the Hong Kong stock market is closed.

#### *Operational Risk*

The Stock Connect provides a new channel for investors from Hong Kong and overseas to access the mainland China stock market directly. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Market participants may need to address issues arising from the differences on an on-going basis.

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading A-Shares for example through the Stock Connect. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the programme to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted.

#### *Restrictions on selling imposed by front end monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise SSE or SZSE will reject the sell order concerned. SEHK will carry out pre trade checking on A Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over selling.

Generally, if a Fund desires to sell certain A Shares it holds, it must transfer those A Shares to the respective accounts of its brokers before the market opens on the day of selling (“Trading Day”). If it fails to meet this deadline, it will not be able to sell those shares on the Trading Day. Because of this requirement, the relevant Fund may not be able to dispose of holdings of A Shares in a timely manner.

However, the relevant Fund will request a custodian to open a special segregated account (“SPSA”) in CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK) to maintain its holdings in A Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating China Stock Connect System to verify the holdings of an investor. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Fund’s sell order, the Fund will be able to dispose of its holdings of A Shares (as opposed to the practice of transferring A Shares to the broker’s account under the current pre-trade checking model for non-SPSA accounts). Opening of the SPSA accounts for a Fund will enable it to dispose of its holdings of A-Shares in a timely manner.

#### *Recalling of Eligible Stocks*

If a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold and cannot be bought. This may affect the Investment Manager’s ability to select a

stock with the aim of achieving the investment objective of a Fund and, in the case of an index tracking Fund, affect the index tracking Fund's tracking of the Index if, for example, a constituent of the Index is recalled from the scope of eligible stocks.

#### *Clearing and Settlement Risk*

The Hong Kong Securities Clearing Company Limited (the "HKSCC") and the China Securities Depository and Clearing co. Ltd (the "CSDCC") establish clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. Should the remote event of CSDCC default occur and the CSDCC be declared as a defaulter, HKSCC's liabilities in northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. HKSCC will in good faith seek recovery of the outstanding stocks and monies from the CSDCC through available legal channels or through the CSDCC's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from the CSDCC.

#### *Regulatory Risk*

The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in mainland China and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect. The regulations are untested and there is no certainty as to how they will be applied, and are subject to change. There can be no assurance that the Stock Connect will not be abolished. The Fund may be adversely affected as a result of such changes.

#### *Participation in Corporate Actions and Shareholders' Meetings*

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and will keep the Central Clearing and Settlement System (the "CCASS") participants informed of corporate actions of SSE Securities and SZSE securities. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the PRC regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements. Hong Kong and overseas investors (including the Funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, a Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Funds) are holding SSE securities and SZSE securities traded via Stock Connect program through their brokers or custodians. According to existing practice in mainland China, multiple proxies are not available. Therefore, the Fund may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of the SSE Securities and SZSE Securities.

#### **Risks Associated with the RMB currency**

*RMB is not Freely Convertible and subject to Exchange Controls and Restrictions Risk*

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and repatriation restrictions imposed by the mainland Chinese government. Since 1994, the conversion of RMB into USD has been based on rates set by the People's Bank of China, which are set daily based on the previous day's mainland China interbank foreign exchange market rate. On 21 July 2005, the mainland Chinese government introduced a managed floating exchange rate system to allow the value of RMB to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In addition, a market maker system was introduced to the interbank spot foreign exchange market. In July 2008, mainland China announced that its exchange rate regime was further transformed into a managed floating mechanism based on market supply and demand. Given the domestic and overseas economic developments, the People's Bank of China (the "PBOC") decided to further improve the RMB exchange rate regime in June 2010 to enhance the flexibility of the RMB exchange rate. However it should be noted that the mainland Chinese government's policies on exchange control and repatriation restrictions are subject to change, and any such change may adversely impact the Fund. There can be no assurance that the RMB exchange rate will not fluctuate widely against the USD or any other foreign currency in the future. Any depreciation of the RMB will decrease the value of RMB-denominated assets the Fund may hold and of any dividends that the Fund may receive from such investments, which may have a detrimental impact on the Net Asset Value of the Fund, and vice versa.

Foreign exchange transactions under the capital account, including principal payments in respect of foreign currency-denominated obligations, currently continue to be subject to significant foreign exchange controls and require the approval of the State Administration of Foreign Exchange of the PRC ("SAFE"). On the other hand, the existing mainland China foreign exchange regulations have significantly reduced government foreign exchange controls for transactions under the current account, including trade and service related foreign exchange transactions and payment of dividends. Nevertheless, the Investment Manager cannot predict whether the mainland Chinese government will continue its existing foreign exchange policy or when the mainland Chinese government will allow free conversion of the RMB to foreign currency.

#### *RMB Trading and Settlement of Shares Risk*

The trading and settlement of RMB-denominated securities are recent developments in Hong Kong and there is no assurance that there will not be problem with the systems or that other logistical problems will not arise. Although end-to-end simulation trading and clearing of listed RMB products testing sessions and payment pilot runs for participants of the SEHK were held by the SEHK in March, September and October 2011, some brokers may not have participated in such testing sessions and pilot runs and for those who have, not all of them may be able to successfully complete such testing sessions and pilot runs, and there is no assurance of their readiness for dealing in RMB denominated securities. Investors should note that not all brokers may be ready and able to carry out trading and settlement of RMB traded shares and thus they may not be able to deal in the RMB traded shares through some brokers. Investors should check with their brokers in advance if they intend to engage Multi-Counter trading or in inter-counter transfers and should fully understand the services which the relevant broker is able to provide (as well as any associated fees). Some exchange participants may not provide inter-counter transfer or Multi-Counter trading services. "Multi-Counter" means the facility by which the Shares of a Fund traded in more than one currency (HKD, RMB and/or USD) are each assigned separate stock codes on the SEHK and are accepted for deposit, clearance and settlement in CCASS in more than one eligible currency (HKD, RMB and/or USD) as described in the relevant Supplement of this Prospectus.

#### *Exchange Rates Movement Between the RMB and Other Currencies Risk*

Investors in RMB traded shares whose assets and liabilities are predominantly in HKD or in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and RMB. There is no guarantee that RMB will appreciate or depreciate in value against HKD or any other currency. If RMB appreciates in value, an investor may enjoy a gain in RMB terms but suffer a loss when converting funds from RMB back into HKD (or any other currency), and vice versa if RMB depreciates.

### *Future Movements in RMB Exchange Rates Risk*

The exchange rate of RMB ceased to be pegged to USD on 21 July 2005, resulting in a more flexible RMB exchange rate system. The China Foreign Exchange Trading System, authorised by the PBOC, promulgates the central parity rate of RMB against USD, Euro, Yen, British Pound and Hong Kong dollar at 9:15 a.m. on each Business Day, which will be the daily central parity rate for transactions on the Inter-bank Spot Foreign Exchange Market and OTC transactions of banks. The exchange rate of RMB against the above-mentioned currencies fluctuates within a range above or below such central parity rate. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including USD and Hong Kong dollar, are susceptible to movements based on external factors.

There can be no assurance that such exchange rates will not fluctuate widely against USD, Hong Kong dollar or any other foreign currency in the future. From 1994 to July 2005, the exchange rate for RMB against USD and the Hong Kong dollar was relatively stable. Since July 2005, the RMB has begun to appreciate until August 2015 when the PBOC introduced a one-off devaluation of RMB. There can be no assurance that RMB will not be subject to further devaluation. The future movements in RMB exchange rates are uncertain and the fluctuations may have a positive or negative impact on investors' investment in a Fund.

### *Offshore RMB ("CNH") Market Risk*

The onshore RMB ("CNY") is the only official currency of mainland China and is used in all financial transactions between individuals, state and corporations in mainland China. Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside mainland China. Since June 2010, the offshore RMB ("CNH") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the PBOC. While both CNY and CNH represent RMB, they are traded in different and separated markets. The two RMB markets operate independently where the flow between them is highly restricted. Though the CNH is a proxy's of the CNY, they do not necessarily have the same exchange rate and their movement may not be in the same direction. This is because these currencies act in separate jurisdictions, which leads to separate supply and demand conditions for each, and therefore separate but related currency markets.

However, the current size of RMB-denominated financial assets outside mainland China is limited. As of the end of October 2020, there are 140 authorised institutions in Hong Kong engaging in RMB business, with RMB deposits amounting to about RMB680 billion. In addition, participating authorised institutions are also required by the Hong Kong Monetary Authority to maintain a total amount of RMB (in the form of cash and its settlement account balance with the Renminbi Clearing Bank) of no less than 25% of their RMB deposits, which further limits the availability of RMB that participating authorised institutions can utilise for conversion services for their customers. RMB business participating banks do not have direct RMB liquidity support from PBOC. The Renminbi Clearing Bank only has access to onshore liquidity support from PBOC (subject to annual and quarterly quotas imposed by PBOC) to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source RMB from the offshore market to square such open positions. Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of mainland China laws and regulations on foreign exchange. There is no assurance that new mainland China regulations will not be promulgated or the relevant settlement agreement between Hong Kong banks and the PBOC will not be terminated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside mainland China may affect the ability of investors to acquire Shares or to sell Shares of a Fund affecting the liquidity and therefore the trading price of the Shares on the SEHK. To the extent the Investment Manager is required to source RMB in the offshore market, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all.

## **Risks Associated with Market Trading**

### *Absence of Active Market and Liquidity Risks*

Although Shares of each Fund are listed for trading on a number of stock exchanges, there can be no assurance that an active trading market for such Shares will develop or be maintained. In addition, if the underlying securities which comprise each Fund themselves have limited trading markets, or if the spreads are wide, this may adversely affect the price of the Shares and the ability of a Shareholder to dispose of its Shares at the desired price. If a Shareholder needs to sell his, her or its Shares at a time when no active market for them exists, the price received for the Shares – assuming an investor is able to sell them – is likely to be lower than the price received if an active market did exist.

### *Suspension of Trading Risk*

Investors and potential investors will not be able to buy, nor will investors be able to sell, Shares on an exchange during any period in which trading of the Shares is suspended. An exchange may suspend the trading of Shares whenever it determines that it is appropriate and in the interest of a fair and orderly market to protect investors. The subscription and redemption of Shares may also be suspended if the trading of Shares is suspended.

### *Effect of Redemptions Risk*

If significant redemptions of Shares are requested, it may not be possible to liquidate the relevant Fund's investments at the time such redemptions are requested or the Investment Manager may be able to do so only at prices which the Investment Manager believes does not reflect the true value of such investments, resulting in an adverse effect on the return to Shareholders. Where significant redemptions of Shares are requested, the right of Shareholders to require redemptions in excess of 10% of the total number of Shares in a Fund then in issue (or such higher percentage as the Investment Manager may determine) may be deferred, or the period for the payment of redemption proceeds may be extended.

In addition, the Manager may also in certain circumstances suspend the determination of the Net Asset Value of a Fund for the whole or any part of any period. Please see the section on "Determination of Net Asset Value" for further details.

### *Shares May Trade at Prices Other than Net Asset Value Risk*

Shares may trade on an exchange at prices above or below the most recent Net Asset Value. The Net Asset Value per Share of each Fund is calculated at the end of each Dealing Day and fluctuates with changes in the market value of the relevant Fund's holdings. The trading prices of the Shares fluctuate continuously throughout the trading hours based on market supply and demand rather than Net Asset Value. The trading price of the Shares may deviate significantly from Net Asset Value particularly during periods of market volatility. Any of these factors may lead to the Shares of the relevant Fund trading at a premium or discount to the Net Asset Value. On the basis that Shares can be created and redeemed at Net Asset Value, the Manager believes that large discounts or premiums to Net Asset Value are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that the Shares will normally trade at prices close to the relevant Fund's next calculated Net Asset Value, trading prices are not expected to correlate exactly with the relevant Fund's Net Asset Value due to reasons relating to timing as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from Net Asset Value. In particular, if an investor purchases Shares at a time when the market price is at a premium to Net Asset Value or sells when the market price is at a discount to Net Asset Value, then the investor may sustain losses.

### *Restrictions on Creation and Redemption of Shares Risk*

Investors should note that a Fund is not like a typical retail investment fund offered to the public (for which units or shares can generally be purchased and redeemed directly from the manager). Shares of a Fund may only be created and redeemed directly by an Authorised Participant.

#### *Borrowing Risks*

The ICAV may borrow for the account of a Fund (up to 10% of the Net Asset Value of each Fund unless such lower amount is specified in the relevant Supplement) for various reasons, such as facilitating redemptions. Borrowing involves an increased degree of financial risk and may increase the exposure of a Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Fund will be able to borrow on favourable terms, or that the relevant Fund's indebtedness will be accessible or be able to be refinanced by the relevant Fund at any time.

#### *Cost of Trading Shares Risk*

As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Shares on an exchange, investors may pay more than the Net Asset Value per Share when buying Shares on the exchange, and may receive less than the Net Asset Value per Share when selling Shares on an exchange. In addition, investors on the secondary market will also incur the cost of the trading spread, being the difference between what investors are willing to pay for the Shares (bid price) and the price at which they are willing to sell Shares (ask price). Frequent trading may detract significantly from investment results and an investment in Shares may not be advisable particularly for investors who anticipate making small investments regularly.

#### *No Right to Control a Fund's Operation Risk*

Shareholders will have no right to control the daily operations, including investment and redemption decisions, of any Fund.

#### *Secondary Market Trading Risk*

Shares in a Fund may trade on an exchange when the relevant Fund does not accept orders to subscribe or redeem Shares. On such days, Shares may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Fund accepts subscription and redemption orders.

#### *Reliance on Market Makers Risk*

Although the ICAV will use its best endeavours to put in place arrangements so that there is at least one market maker to maintain a market for the Shares traded, it should be noted that liquidity in the market for the Shares may be adversely affected if there is no market maker for Shares traded. There can be no assurance that an active trading market for the Shares will develop or maintained.

#### *Authorised Participants Concentration Risk*

A Fund has a limited number of financial institutions that may act as Authorised Participants. Only Authorised Participants who have entered into agreements with a Fund's distributor may engage in subscription or redemption transactions directly with a Fund, and none of those Authorised Participants are obligated to engage in subscription and/or redemption transactions. To the extent that those Authorised Participants exit the business or are unable to process subscription and/or redemption orders, and no other Authorised Participant is able to step forward to subscribe and redeem in either of those cases, Shares may trade at a discount to NAV, and may possibly face trading halts and/or delisting from a Regulated Market.

#### **Risks Associated with the Indices (applicable to index tracking Funds only)**

### *Fluctuations Risk*

The performance of the Shares of an index tracking Fund should, before fees and expenses, correspond closely with the performance of the relevant Index. If the relevant Index experiences volatility or declines, the price of the Shares of the Fund which tracks that Index will vary or decline accordingly.

### *Licence to Use Index may be Terminated Risk*

In respect of each index tracking Fund, the Investment Manager is granted a licence by the Index Provider to use each Index to create the relevant Fund based on the Index and to use certain trade-marks and any copyright in the Index. An index tracking Fund may not be able to fulfil its objective and may be terminated if the licence agreement is terminated. The initial term of the licence agreement may be limited in period and thereafter renewable for only short periods. There can be no guarantee that the relevant licence agreement will be perpetually renewed. For further information on the grounds for terminating the licence agreement, please refer to the relevant section entitled "Disclaimers" in the index tracking Fund's Supplement. Although the Investment Manager will seek to find a replacement Index, an index tracking Fund may also be terminated if the relevant Index ceases to be compiled or published and there is no replacement Index using the same or substantially similar formula for the method of calculation as used in calculating the Index.

### *Compilation of Index Risk*

The securities of each Index are determined and composed by the relevant Index Provider without regard to the performance of the relevant index tracking Fund. Each index tracking Fund is not sponsored, endorsed, sold or promoted by the relevant Index Provider. Each Index Provider makes no representation or warranty, express or implied, to investors in any index tracking Fund or other persons regarding the advisability of investing in securities generally or in any index tracking Fund particularly. Each Index Provider has no obligation to take the needs of the Investment Manager or investors in the relevant index tracking Fund into consideration in determining, composing or calculating the relevant Index. There is no assurance that an Index Provider will compile the relevant Index accurately, or that the Index will be determined, composed or calculated accurately. In addition, the process and the basis of computing and compiling the Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the Index Provider without notice. Consequently there can be no guarantee that the actions of an Index Provider will not prejudice the interests of the relevant index tracking Fund, the Investment Manager or investors.

### *Composition of an Index May Change Risk*

The Securities constituting an Index will change as the securities of the Index are delisted, or as the securities mature or are redeemed or as new securities are included in the Index or where the methodology of the Index is changed by the Index Provider. When this happens the weightings or composition of the securities owned by the relevant index tracking Fund will change as considered appropriate by the Investment Manager to achieve the investment objective. Thus, an investment in Shares of an index tracking Fund will generally reflect the Index as its constituents change and not necessarily the way it is comprised at the time of an investment in Shares. However, there can be no guarantee that an index tracking Fund will, at any given time accurately reflect the composition of the relevant Index (please refer to the section on "Tracking Error Risk").

### *Difficulties in Valuation of Investments Risk*

Securities acquired on behalf of a Fund may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. In cases where no clear indication of the value of a Fund's portfolio securities is available (for example, when the secondary markets on which a security is traded have become illiquid) the Investment Manager may apply valuation methods to ascertain the fair value of such securities, pursuant to the Instrument.

### *Errors and inaccuracies of Index Risk*

There may be inaccuracies, errors, omissions or mistakes in the compilation or calculation of an Index, which may result in significant deviations between the Net Asset Value of the Shares of an index tracking Fund and the relevant Index. The accuracy and completeness of the calculation of an Index may be affected by, without limitation, the availability and accuracy of prices for its constituent securities, market factors and errors in its compilation. The Manager and the Investment Manager are not responsible or involved in the compilation or calculation of any Index, and thus cannot be held responsible or liable for any inaccuracies, errors, omissions or mistakes in such compilation or calculation.

### **Risks Associated with Derivatives**

#### *Liquidity Risk*

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid as is the case with many privately negotiated derivatives, it may not be possible to initiate a transaction or liquidate a position at an advantageous price, or at all.

#### **Credit Risk and Counterparty Risk**

The ICAV on behalf of a Fund may enter into transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties. The ICAV on behalf of the Fund may enter into an OTC transaction, which exposes the Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ICAV seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that such OTCs are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred as such derivative contracts involve credit risk that could result in a loss to the relevant Fund.

In general, there is less government regulation and supervision of transactions in the OTC than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties.

Although a Fund may enter into derivative transactions with one or more counterparties, there is no requirement for the Fund to execute transactions with more than one counterparty and consequently counterparty risk may be concentrated in a single counterparty or a small number of counterparties. Further, there is no agreement between counterparties and the Fund for any counterparty to substitute themselves for a counterparty which defaults under a derivative agreement or to make good any losses which a Fund may incur as a result of a counterparty default.

#### *Legal Risk*

The ICAV must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Fund. The assets of the Funds, the Index or reference asset and the derivative techniques used to link the two may also be subject to changes in law or regulations and/or regulatory action which may affect their value.

#### *Settlement Risk*

Delays in settlement may result from disputes over the terms of the contract (whether or not bona fide) since such markets may lack the established rules and procedures for swift settlement of disputes among market participants found in "exchange-based" markets.

#### *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.

### **Risks Associated with Regulation**

#### *General Legal and Regulatory Risk*

A Fund must comply with regulatory constraints or changes in the laws affecting it or its investment restrictions which might require a change in the investment policy and objectives followed by the Fund. Furthermore, such change in the laws may have an impact on the market sentiment which may in turn affect the performance of an Index or the securities in a Fund's Portfolio and as a result, the performance of the relevant Fund. It is impossible to predict whether such an impact caused by any change of law will be positive or negative for the Fund. In the worst case scenario, a Shareholder may lose a material part of its investments in a Fund.

#### *Political Factors, Emerging Market and Non-OECD Member State Assets*

The performance of the Shares and/or the possibility to purchase, sell, or repurchase the Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member states. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets.

In certain circumstances, a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

#### *Umbrella Cash Subscription and Redemption Accounts ("Umbrella Cash Accounts") Risk*

The ICAV will operate subscription and redemption accounts at umbrella level in the name of the ICAV (the "Umbrella Cash Accounts"). Subscriptions and redemptions accounts will not be established at Fund level. All subscription and redemption monies and dividends or cash distributions payable to or from the Funds will be channelled and managed through the Umbrella Cash Accounts.

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Accounts in the name of the ICAV and will be treated as a general asset of the ICAV. Investors will be unsecured creditors of the ICAV with respect to any cash amount subscribed and held by the ICAV in the Umbrella Cash Accounts until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund in respect of which the subscription request was made or any other investor rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of that Fund or the ICAV, there is no guarantee that the Fund or ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the ICAV or its delegates/agents of all subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to an investor entitled to such amounts

may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the ICAV or its delegates/agents. Redemption and distribution amounts, including blocked redemption or distribution amounts, may, pending payment to the relevant investor, be held in the Umbrella Cash Accounts, or such held redemptions account(s) as may be deemed appropriate, in the name of the ICAV. For as long as such amounts are held in the Umbrella Cash Accounts or in a held redemption account, the investor entitled to such payments from a Fund will be unsecured creditor of the ICAV with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other investor rights (including further dividend entitlement). A redeeming Shareholder will cease to be an investor with regard to the redeemed Shares as and from the relevant redemption date.

In the event of the insolvency of that Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. A redeeming investor and an investor entitled to distributions should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the ICAV or its delegates/agents promptly. Failure to do so is at such investor's own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Accounts, will be subject to the principles of the Irish trust 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 amounts due to other Funds.

The Umbrella Cash Accounts will be operated by the Administrator in accordance with the provisions of the Instrument.

#### *Taxation Risk*

Investing in a Fund may have tax implications for a Shareholder depending on the particular circumstances of each Shareholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the Shares. Such tax consequences may differ in respect of different investors.

#### *FATCA Risk*

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "InterGovernmental Agreement"). Under the Inter-Governmental Agreement, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on an investor. The Inter-Governmental Agreement provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by US Persons, and the reciprocal exchange of information regarding US financial accounts held by Irish residents. The ICAV will be treated as an FFI and provided it complies with the requirements of the Inter-Governmental Agreement and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and should not be subject to withholding on payments which it makes.

Although the ICAV will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the ICAV will be able to satisfy these obligations. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by an investor may be materially affected.

A prospective investor should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the ICAV.

#### *European Market Infrastructure Regulation*

A Fund may enter into OTC derivative contracts. Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (“EMIR”) establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. Although not all the regulatory technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been finalised and it is therefore not possible to be definitive, Investors should be aware that certain provisions of EMIR impose obligations on the Funds in relation to its transaction of OTC derivative contracts.

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

- (a) clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a “CCP”). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
- (b) risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Funds will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Funds pursuing its investment strategy (or hedging risks arising from its investment strategy); and
- (c) reporting obligations: a Fund’s derivative transactions must be reported to a trade depository or the European Securities and Markets Authority. This reporting obligation may increase the costs to the Funds of utilising derivatives.

#### *Cyber Security Risk*

Like other business enterprises, the use of the internet and other electronic media and technology exposes the ICAV, the ICAV’s service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, “cyber-events”). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through “hacking” activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the ICAV and the Investors, and cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the ICAV, a Fund, or the ICAV’s service providers to lose proprietary information, suffer data corruption, lose operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of a Fund or allow subscriptions or redemptions by Investors) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the ICAV and the ICAV’s service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund’s Investments to lose value. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

#### *European Economic Risk*

The economies of Europe are highly dependent on each other, both as key trading partners and as in many cases as fellow members maintaining the euro. Decreasing European imports, new trade regulations, changes in exchange rates, a recession in Europe, or a slowing of economic growth in this region could have an adverse impact on the securities in which a Fund invests. Reduction in trading activity among European countries may cause an adverse impact on each nation's individual economies. The Economic and Monetary Union of the European Union (the "EU") requires compliance with restrictions on inflation rates, deficits, interest rates, debt levels and fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the EU. Decreasing imports or exports, changes in governmental or EU regulations on trade, changes in the exchange rate of the euro, the default or threat of default by an EU member country or its sovereign debt, and recessions in an EU member country may have a significant adverse effect on the economies of EU member countries and their trading partners. The European financial markets have historically experienced volatility and adverse trends due to concerns about economic downturns or rising government debt levels in several European countries, including, but not limited to, Austria, Belgium, Cyprus, France, Greece, Ireland, Italy, Portugal, Spain and Ukraine. These events have adversely affected the exchange rate of the euro and may continue to significantly affect European countries.

Responses to financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest, may limit future growth and economic recovery or may have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the euro and/or withdraw from the EU. In a referendum held on June 23, 2016, the U.K. resolved to leave the EU ("**Brexit**") the UK exited the EU on January 31, 2020, with a transitional period which applied until December 31, 2020, until which time EU law continued to apply in the United Kingdom. Brexit has caused significant uncertainty, in particular, with regards to the functioning of European markets, including the ability and willingness of persons to trade and invest within Europe, the scope and functioning of European legal and regulatory frameworks (including with respect to the regulation of UCITS managers and the distribution and marketing of UCITS funds), the nature and scope of the regulation of the provision of financial services within, and to, persons in Europe and the nature and scope of industrial, trade, immigration, and other governmental policy pursued within Europe. These effects may persist for some time. Following the expiry of the transition period, significant uncertainty remains regarding whether the United Kingdom and the EU will conclude agreements establishing relevant legal bases for the cross-border provision of financial services, and/or whether legal "equivalence" decisions will be issued. Brexit may have other consequences, including a recession of the economy of the United Kingdom, down-grading of the United Kingdom's credit rating. It is not possible to ascertain the precise impact these events may have on the Fund or the Manager from an economic, financial or regulatory perspective but any such impact could have material consequences for the Fund. Any of these effects of Brexit could adversely affect any of the companies to which a Fund has exposure and any other assets that a Fund invests in. In the short term, financial markets may experience heightened volatility, particularly those in the U.K. and Europe, but possibly worldwide. The volatility and uncertainty caused by Brexit may adversely affect the value of the Fund's investments, the net asset value of the Fund, the liquidity and trading of the Fund, and the ability of the Manager to achieve the investment objectives of the Funds. The U.K. may be less stable than it has been in recent years, and investments in the U.K. may be difficult to value, or subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the U.K. seeks to negotiate its long-term exit from the EU. Secessionist movements, such as the Catalan movement in Spain and the independence movement in Scotland, as well as governmental or other responses to such movements, may also create instability and uncertainty in the region. In addition, the national politics of countries in the EU have been unpredictable and subject to influence by varying political groups and ideologies. The governments of EU countries may be subject to change and such countries may experience social and political unrest. Unanticipated or sudden political or social developments may result in sudden and significant investment losses. The occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of these events is not

clear but could be significant and far-reaching and could adversely affect the value and liquidity of a Fund's investments.

Economies of certain Eastern European countries rely heavily on the export of commodities, including oil and gas, and certain metals. As a result, such economies will be impacted by international commodity prices and are particularly vulnerable to global demand for these products. Acts of terrorism in certain Eastern European countries may cause uncertainty in their financial markets and adversely affect the performance of the issuers to which a Fund has exposure. The securities markets in Eastern European countries are substantially smaller and inexperienced, with less government supervision and regulation of stock exchanges and are less liquid and more volatile than securities markets in the United States or Western European countries. Other risks related to the economies of Eastern European include: the absence of legal structures governing private and foreign investments and private property; the possibility of expropriation; certain national policies which may restrict the capital market activity, including, without limitation, restrictions on investing in issuers or industries deemed sensitive to relevant national interests.

#### *Force Majeure*

A Fund and Investments of a Fund may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labour strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events may adversely affect the ability of service providers to a Fund to perform their obligations until they are able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available, cause personal injury or loss of life, damage property, or instigate disruption of service. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on the Investment of a Fund. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which a Fund may invest specifically.

Since late 2019, several countries have experienced outbreaks of a novel coronavirus (nCoV) which is from a family of viruses that cause illnesses ranging from the common cold to more severe diseases. Any spread of an infectious illness or similar public health threat could reduce consumer demand or economic output, impact on the market value of investments, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the world economy and disrupt markets. The nature and extent of the impact of such events on a Fund and its Investments is difficult to predict but they may adversely affect the return on each Fund and its Investments.

## SUBSCRIPTIONS AND REDEMPTIONS

Where Funds are exchange-traded funds it means that at least one Class of each Fund is a Class of ETF Shares that is listed and actively traded on one or more stock exchanges. The ICAV may issue Shares of any Class of any Fund and on such terms as it may from time to time determine.

As with other Irish vehicles limited by shares, the ICAV is required to maintain a register of Shareholders.

ETF Shares in the Funds may be issued in or converted to Dematerialised Form. In such circumstances, the relevant Funds will apply for admission for clearing and settlement through an appropriate Recognised Clearing System.

The settlement of trading in ETF Shares of the Funds is centralised in the ICSD settlement structure which provide centralised issuance in Euroclear and Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear. ETF Shares in the Funds will not be issued in Dematerialised Form and the shareholder named on the share register is the common depository's nominee. The ICAV will apply for admission for clearing and settlement through Euroclear and Clearstream. ETF Shares will be issued in Euroclear and Clearstream and settlement will be facilitated within Clearstream, Euroclear and other CSDs which are Euroclear Participants or Clearstream Participants.

Fractional Shares will not be issued.

Each Fund may issue different Classes. Shares can be issued as ETF Shares or Non-ETF Shares. **In order for an Investor to be a Shareholder of a Class in a Fund and to exercise the rights associated with being a Shareholder, it must be registered in the ICAV's register of Shareholders.** In the case of ETF Shares, the Common Depository's Nominee will be the sole Shareholder in the Funds. Investors in ETF Shares should have regard to the sections of the Prospectus entitled "**Meetings and Votes of Shareholders**". All subscriptions and redemptions are dealt on a forward pricing basis (i.e. by reference to the Net Asset Value per Share calculated as at the Valuation Point for the relevant Dealing Day).

The Primary Market is the market on which ETF Shares are issued by the ICAV in respect of applications from Authorised Participants or redeemed by the ICAV on instruction from Authorised Participants. Only Authorised Participants are able to instruct the subscription or redemption of ETF Shares directly with the ICAV. Alternatively, Investors may subscribe for Non-ETF Shares directly with the ICAV.

There is an obligation on one or more members of the relevant exchange to act as market makers, offering prices at which the ETF Shares can be purchased or sold by Investors on the secondary market. Certain Authorised Participants may also act as market makers. All Authorised Participants are expected to subscribe for ETF Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker dealer business. Through such Authorised Participants being able for subscribe for or redeem ETF Shares, a liquid and efficient secondary market may develop over time on one or more relevant stock exchanges as they meet secondary market demand for such Shares. Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy ETF Shares from or sell ETF Shares to other secondary market investors or makers, broker/dealers, or other Authorised Participants.

Any specific terms and conditions and/or procedures and settlement details applicable to the subscription and redemption of Shares (both ETF Shares and Non-ETF Shares) of a particular Class which supplement and/or vary the procedures described below will be set out in the relevant Supplement. The Directors reserve the right to issue amended or additional procedures relating to subscription and redemption of Shares, which will be notified to Shareholders in advance.

## SUBSCRIPTIONS

### General

The ICAV has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason therefor. The ICAV may impose such restrictions as it believes necessary to ensure that no Shares are acquired by persons who are not Qualified Holders.

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

Applications for subscriptions received by the Administrator for any Dealing Day before the applicable Dealing Cut-Off Time will be processed by the Administrator for that Dealing Day provided that all subscription and anti-money laundering documents have been received by the ICAV. Any applications received after the applicable Dealing Cut-Off Time will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day (at the discretion of the Directors or their delegates) provided that such applications are received prior to the Valuation Point for such Dealing Day. An application for subscription, if received by the Administrator by the relevant Dealing Cut-Off Time, will be irrevocable by the applicant and, following acceptance of such application by the ICAV, will be binding on both the applicant and the ICAV.

The subscription price of Shares is based on the Net Asset Value per Share together with Duties and Charges and Subscription Fee, if any. The maximum Subscription Fee that can be applied to a Fund is set out in the relevant Supplement.

In circumstances where the exact provision for Duties and Charges cannot be ascertained in sufficient time in advance of the applicable settlement date for the issue of the relevant Shares as specified in the relevant Supplement, the Duties and Charges paid in respect of the subscription may be estimated. Following the acquisition of Investments by the ICAV, the applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV or, as the case may be, the ICAV shall reimburse the applicant for any excess in the estimated sum for Duties and Charges received by the ICAV in a timely manner and no interest shall accrue or be payable by the ICAV in respect of such excess. The applicant shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges received by the ICAV in a timely manner and the ICAV may charge the applicant interest or for costs incurred if the applicant fails to reimburse the ICAV in a timely manner.

Where set out in the relevant Supplement, a fixed amount may be charged in respect of Duties and Charges. Following the acquisition of Investments by a Fund, any shortfall in the amount charged in respect of Duties and Charges shall be borne by a Fund and any excess in the estimated sum for Duties and Charges shall be retained by a Fund.

In the context of each application for subscription for Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the ICAV of purchasing the relevant underlying Investments.

The ICAV may charge a Subscription Fee as set out in the relevant Supplement which may be waived in whole or in part at the discretion of the ICAV and/or the Manager (or its appointed delegates).

The Administrator and/or the ICAV reserves the right to request further details from an applicant for Shares. Each applicant must notify the Administrator of any change in their details and furnish the ICAV with whatever additional documents relating to such change as it may request. Amendments to an applicant's registration details and payment instructions will only be effected upon receipt by the Administrator of written instruction from the applicant signed by the authorised signatories on the account. An original wet ink instruction and/or documentation may be requested by the Administrator.

It is further acknowledged that the ICAV, the Manager, the Investment Manager, the Administrator and the Distributor shall be indemnified and held harmless by the applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the ICAV or the Administrator has not been provided by the applicant.

The Dealing Cut-Off Time and the Settlement Time for all subscriptions are set out below unless set out in the relevant Supplement.

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity to the ICAV. The ICAV and/or the Administrator will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners who will be subject to verification requirements as applicable.

The Administrator reserves the right to request further details or evidence of identity from an Authorised Participant. Authorised Participants must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, Authorised Participants should take into account the considerations set out in the sections entitled "Declaration as to Status of Investor" and "Taxation".

Once the Authorised Participant Agreement and supporting anti-money laundering documentation has been processed by the Administrator and accepted by, or on behalf of, the ICAV, an applicant may submit a dealing request to subscribe for Shares in a Fund by an electronic order entry facility or by submitting a facsimile as contingency to the Administrator. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager or the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Telephone calls may be recorded. Subscription orders are subject to the Dealing Cut-Off Time. Deal instructions received after the Dealing Cut-Off Time may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point.

All applications are at the applicant's own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The ICAV, the Manager, the Investment Manager, the Administrator, the Distributor and the Paying Agent shall not be responsible for any losses arising in the transmission of Authorised Participant Agreements and dealing forms or for any losses arising in the transmission of any dealing request by telephone, facsimile or through the electronic order entry facility.

[The ICAV has absolute discretion to accept or reject in whole or in part any subscription for Shares without assigning any reason therefor.](#)

## **PROCEDURE FOR DEALING ON THE PRIMARY MARKET**

The Primary Market is the market on which ETF Shares of a Fund are issued by the ICAV or redeemed by the ICAV on applications from Authorised Participants. Only Authorised Participants are able to deal in ETF Shares on the Primary Market.

Applicants wishing to deal on the Primary Market in respect of a Fund have to satisfy certain eligibility criteria and be registered with the ICAV, to become Authorised Participants. In addition, all applicants applying to become Authorised Participants must first complete the ICAV's account opening form which may be obtained from the Administrator and satisfy certain anti-money laundering checks. The signed account opening form together with documentation required for anti-money laundering purposes should be sent to the Administrator. Applicants wishing to become Authorised Participants should contact the Investment Manager for further details. The ICAV has absolute discretion to accept or reject any account opening form and to revoke any authorisation to act as an Authorised

Participant. The Common Depository's Nominee, acting as the registered holder of ETF Shares in a Fund, may not apply to become an Authorised Participant.

For the purpose of ETF Shares of a Fund, Authorised Participants may submit requests to deal on the Primary Market by an electronic order entry facility. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager and the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Dealing orders placed electronically are subject to the dealing request cut off times stated in the Primary Market dealing timetable. Alternative dealing methods are available with the consent of the Investment Manager and in accordance with the requirements of the Central Bank.

All dealing applications are at the Authorised Participant's own risk. Dealing requests, once submitted, shall (save as determined by the Investment Manager at its discretion) be irrevocable. The ICAV, the Investment Manager and the Administrator shall not be responsible for any losses arising in the transmission of account opening forms or for any losses arising in the transmission of any dealing request through the electronic order entry facility or any alternative dealing method approved by the Investment Manager. Amendments to registration details and payment instructions will only be effected upon receipt by the ICAV of a written instruction from the relevant Authorised Participant signed by the authorised signatories on the account. An original wet ink instruction and/or documentation may be requested by the Administrator.

Authorised Participants are responsible for ensuring that they are able to satisfy settlement obligations when submitting dealing requests on the Primary Market. Authorised Participants instructing redemption requests must first ensure that they have sufficient ETF Shares in their account to redeem (which ETF Shares must be delivered to the Administrator to arrange for cancellation by the settlement date). Redemption requests will be processed only where the payment is to be made to the Authorised Participant's account of record.

### **Clearing and Settlement**

Authorised Participants' title and rights relating to ETF Shares in a Fund will be determined by the clearance system through which they settle and/or clear their holdings. A Fund will settle through the relevant ICSD and the Common Depository's Nominee will act as the registered holder of all such ETF Shares. For further details, see the section "Global Clearing and Settlement" below.

### **Subscriptions and Redemptions after the Initial Offer**

The minimum dealing order amounts for ETF Shares in a Fund will be as set out in the relevant Supplement (such number may be reduced in any case at the discretion of the Directors).

The ICAV will normally pay dealing requests in cash. However, the ICAV may pay dealing requests in kind on a case by case basis upon receipt of the Authorised Participant's consent.

ETF Shares may be applied for on each Dealing Day at the Net Asset Value thereof plus associated Duties and Charges which may be varied to reflect the cost of execution. ETF Shares may be redeemed on each Dealing Day at the Net Asset Value thereof less any associated Duties and Charges which may be varied to reflect the cost of execution. The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions. The instrument of incorporation empowers the ICAV to charge such sum as the Manager considers represents an appropriate figure for Duties and Charges.

### **GLOBAL CLEARING AND SETTLEMENT**

The Directors have resolved that ETF Shares in a Fund will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate required for the ICSD (being the Recognised Clearing Systems through which a Fund's ETF Shares will be settled). A Fund will apply for admission for clearing and

settlement through the applicable ICSD. The ICSDs for the Funds are currently Euroclear and Clearstream the applicable ICSD for an investor is dependent on the market in which the ETF Shares are traded. All investors in a Fund will ultimately settle in an ICSD but may have their holdings within CSDs. A Global Share Certificate will be deposited with the Common Depository (being the entity nominated by the ICSD to hold the Global Share Certificate) and registered in the name of the Common Depository's Nominee (being the registered holder of the ETF Shares of a Fund, as nominated by the Common Depository) on behalf of Euroclear or Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the ETF Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSDs. The actual underlying purchaser of the ETF Shares (which will be an Authorised Participant as defined in the Prospectus) will therefore not be a registered Shareholder on the register of the ICAV, but will hold an indirect beneficial interest in such ETF Shares and the rights of such investors, where they are authorised participants, shall be governed by their agreement with their ICSD and otherwise by the arrangement with their nominee, broker or CSD, as appropriate. Each Participant must look solely to its ICSD for documentary evidence as to the amount of its interests in any ETF Shares.

All references herein to actions by holders of the Global Share Certificate will refer to actions taken by the Common Depository's Nominee as registered Shareholder following instructions from the applicable ICSD upon receipt of instructions from its Participants. All references herein to distributions, notices, reports, and statements to such Shareholder, shall be distributed to the Participants in accordance with such applicable ICSD's procedures.

#### **International Central Securities Depositories**

All ETF Shares in issue are represented by a Global Share Certificate and the Global Share Certificate is held by the Common Depository and registered in the name of the Common Depository's Nominee on behalf of an ICSD, beneficial interests in such ETF Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD.

Each Participant must look solely to its ICSD for documentary evidence as to the amount of its interests in any ETF Shares. Any certificate or other document issued by the relevant ICSD, as to the amount of interests in such ETF Shares standing to the account of any person shall be conclusive and binding as accurately representing such records.

Each Participant must look solely to its ICSD for such Participant's share of each payment or distribution made by the ICAV to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Share Certificate will be determined by the respective rules and procedures of their ICSD. Participants shall have no claim directly against the ICAV, the Paying Agent or any other person (other than their ICSD) in respect of payments or distributions due under the Global Share Certificate which are made by the ICAV to or on the instructions of the Common Depository's Nominee and such obligations of the ICAV shall be discharged thereby. The ICSD shall have no claim directly against the ICAV, Paying Agent or any other person (other than the Common Depository). The Paying Agent will not authenticate the Global Share Certificate, the Transfer Agent will send the Paying Agent a valid Global Share Certificate.

The ICAV or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in ETF Shares; (b) the identity of any other person or persons then or previously interested in such ETF Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the ICAV with applicable laws or the constitutional documents of the ICAV.

The ICAV or its duly authorised agent may from time to time request the applicable ICSD to provide the ICAV with following details: ISIN, ICSD participant name, ICSD participant type, Residence of ICSD Participant, number of ETF of the Participant within Euroclear and Clearstream, as appropriate, that hold an interest in ETF Shares and the number of such interests in the ETF Shares held by each such Participant. Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorized agent and have authorised pursuant to the respective rules and procedures of Euroclear

or Clearstream to disclose such information to the ICAV of the interest in ETF Shares or to its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the ICAV or its duly authorised agent, and agree to the applicable ICSD providing the identity of such Participant or investor to the ICAV upon their request.

Notices of general meetings and associated documentation will be issued by the ICAV to the registered holder of the Global Share Certificate, the Common Depository's Nominee. Each Participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing delivery of such notices and exercising voting rights. For investors, other than Participants, delivery of notices and exercising voting rights shall be governed by the arrangements with a Participant of the ICSD (for example, their nominee, broker or Central Securities Depositories, as appropriate).

### **Paying Agent**

The Manager will appoint a Paying Agent for ETF Shares represented by the Global Share Certificate. In such capacity, the Paying Agent will be responsible for, among other things, ensuring that payments received by the Paying Agent from the ICAV are duly paid; maintaining independent records of securities, dividend payment amounts; and communicating information to the relevant ICSD. Payment in respect of the ETF Shares will be made through the relevant ICSD in accordance with the standard practices of the applicable ICSD. The Manager may vary or terminate the appointment of the Paying Agent or appoint additional or other registrars or paying agents or approve any change in the office through which any registrar or paying agent acts. The Bank of New York Mellon, London Branch is currently appointed by the Manager as Paying Agent.

Details in relation to the Valuation Point, cut-off times, minimum subscription limits and settlement times for a Fund are set out in the relevant Supplement. There is no minimum holding requirement for a Fund as at the date of this Prospectus. Fees of any paying agent will be paid by the ICAV.

### **Registrar**

The current registrar for the Funds is the Administrator. The registrar will be responsible for maintaining and updating the ICAV's Register of Members as it relates to the Funds.

#### *ETF Shares (Primary Market) – Cash Subscriptions*

Subscription orders for ETF Shares will normally be accepted in amounts equal to, or at least, the Minimum Subscription Amount listed for each of the Funds in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of ETF Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, ETF Shares may be subscribed for by Authorised Participants on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee where set out in the relevant Supplement.

Cash subscriptions shall be made in the relevant Class Currency.

The Dealing Cut-Off Time and the Settlement Time for all subscriptions are as set out in the relevant Supplement.

#### *Directed Transactions*

In connection with cash subscriptions for ETF Shares, where agreed in advance with the Manager (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the purchase of the underlying relevant Investments with the Authorised Participant or one or more brokers designated by such Authorised Participant (each, an “**AP Designated Broker**”) and/or in one or more particular markets (each such transaction, a “**Directed Transaction**”). The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the Manager (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference to avail of the Directed Transaction facility at the point of application and, prior to the applicable Trade Cut-Off Time (and in accordance with the procedures established by the Manager (or its appointed delegate)), contact both the Investment Manager and the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash subscription for ETF Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker transfers to the ICAV (via the Depositary) the relevant underlying Investments. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of purchasing the relevant underlying Investments in connection with a subscription for ETF Shares, whether the relevant underlying Investments in connection with the relevant subscription for ETF Shares are purchased solely from the AP Designated Broker or some of such Investments are purchased from other brokers selected by the Investment Manager (for example, where not all of the relevant underlying Investments are available for purchase from the AP Designated Broker). The ICAV, the Manager, the Investment Manager and the Administrator (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's subscription application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

#### *Failure to settle*

In the event that (i) in respect of a cash subscription, an Authorised Participant fails to deliver the required cash within the Settlement Time specified in the relevant Supplement, or (ii) in respect of a cash subscription resulting in a Directed Transaction, an Authorised Participant fails to deliver the required cash within the Settlement Time specified in the relevant Supplement or the AP Designated Broker fails to transfer to the ICAV (via the Depositary) the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), the ICAV (or its appointed delegate) reserves the right to cancel the relevant subscription application.

The Manager (or its appointed delegate) may, in its sole discretion where it believes it is in the best interest of the relevant Fund, decide not to cancel a subscription and provisional allotment of ETF Shares where an Authorised Participant has failed to deliver the required cash within the Settlement Time specified in the relevant Supplement. In such circumstances, the ICAV may temporarily borrow an amount equal to the subscription price and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. The ICAV reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV as a result of this borrowing.

In the context of a cash subscription resulting in a Directed Transaction, should an AP Designated Broker fail to transfer to the ICAV (via the Depositary) the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), the ICAV (or its appointed delegate) shall have the right to cancel the Directed Transaction (or relevant part thereof) and transact with one or more alternative brokers and to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV relating to the failed Directed Transaction (or relevant part thereof) and any new transactions entered into with alternative brokers.

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash subscription, any failure or delay by the Authorised Participant in delivering the required cash including, but not limited to, all costs of whatever nature incurred by a Fund in purchasing Investments - including adjusting or entering into OTC Swaps or Swap Arrangements - in anticipation of receipt, from the Authorised Participant of the required cash payable in respect of a cash subscription or (ii) in the context of a cash subscription resulting in a Directed Transaction, any failure by an AP Designated Broker to transfer to the ICAV (via the Depositary) the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its

appointed delegate), including, but not limited to, any market exposure, interest charges and other costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand. The ICAV will have the right to cancel the provisional allotment of ETF Shares and/or sell or redeem all or part of the Authorised Participant's holding of ETF Shares or Non-ETF Shares in a Fund (or in any other Fund) in order to meet some or all of these costs.

#### ETF Shares (Primary Market) – In Specie Subscriptions

Authorised Participants may subscribe for ETF Shares *in specie* (i.e. by the transfer of Investments or predominantly Investments to the ICAV) only when agreed in advance with the ICAV or where specified in the relevant Supplement.

The ICAV will publish the Portfolio Composition File for each Class setting out the Investments and/or the anticipated Cash Component to be delivered by Authorised Participants in order to subscribe for ETF Shares *in specie*. For Index Funds, the ICAV's current intention is that the Portfolio Composition File will normally stipulate that Investments must be in the form of the constituents of the relevant Index. Only Investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The weightings and holdings of the Portfolio Composition File may differ from time to time. The ICAV receives the calculation of this data from third parties. The provider of the Portfolio Composition File and the ICAV do not make any representation or warranty regardless of which formats the Portfolio Composition File is provided to Investors as to the accuracy of the information and shall not be liable for any damages resulting from the use of such information or any error in the information. For the avoidance of doubt, Authorised Participants may deliver Investments which are not included in the Portfolio Composition File provided that such Investments are consistent with the investment objective and policy of the relevant Fund and any costs involved in aligning a Fund's portfolio as a result are paid by the relevant Authorised Participant.

The Portfolio Composition File for each Class for each Dealing Day will be available upon request from the Administrator.

Investments delivered in connection with *in specie* subscription requests shall be valued in accordance with the provisions of this Prospectus.

On the Business Day following the Valuation Date corresponding to the Dealing Day for which receipt of an application for Creation Units is accepted, the Administrator will report to the Authorised Participant the amounts of the *in specie* transaction fee and Duties and Charges, if any, to be delivered by the Authorised Participant to the Depository with the securities and cash comprising the Portfolio Composition File in order to effect the *in specie* subscription.

Shares shall not be issued until the securities and cash which comprise the Portfolio Composition File, the *in specie* transaction fee and Duties and Charges (if applicable) have been received by the Depository and, if applicable, the Subscription Fee has been received by the Administrator (or the relevant party specified in a relevant Supplement).

Subscription orders will normally be accepted in amounts equal to or at least the value of the Creation Unit specified in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of ETF Shares, such Shares will be offered at price applicable to in-kind subscriptions, as set out in the relevant Supplement. Outside of the Initial Offer Period, ETF Shares may be subscribed for on each Dealing Day at the Net Asset Value per Share plus Duties and Charges, the relevant *in specie* transaction fee which shall not exceed 5% of the Net Asset Value of Shares subscribed for on an *in specie* subscription (as the same may be waived or lowered by the Manager either generally or in any particular case) and a Subscription Fee where set out in the relevant Supplement.

Duties and Charges applicable may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by, the relevant Authorised Participant. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the Authorised Participant by the relevant Fund.

#### *Settlement period*

Settlement for Shares comprising a Creation Unit must be made through a Recognised Clearing and Settlement System within the time limit set out in the relevant Supplement. The settlement period may vary depending upon the standard settlement periods of the different stock exchanges on which the Shares are traded and the nature of the securities comprising the Portfolio Composition File but shall not in any event exceed ten Business Days from the relevant Dealing Day.

#### *Failure to settle*

In the event that an Authorised Participant fails to deliver to the Depository one or more of the securities comprising the Portfolio Composition File by the designated time, the ICAV or its delegate may reject the application for subscription, or may require the Authorised Participant to pay a fee at least equal to the closing value of such undelivered securities on the Valuation Date for the relevant Dealing Day. On the payment of such amounts, the relevant Creation Unit will be issued. In the event that the actual cost to the ICAV of acquiring the securities (including any Duties and Charges) exceeds the aggregate of the value of such securities on the Valuation Date for the relevant Dealing Day, the *in specie* transaction fee and, if applicable, the Duties and Charges paid by the Authorised Participant, the Authorised Participant will be required to promptly reimburse the ICAV the difference on demand. The ICAV will have the right to sell or redeem all or part of the Authorised Participant's holding of ETF Shares or Non-ETF Shares in a Fund (or in any other Fund) in order to meet some or all of these charges.

#### **Non-ETF Shares - Subscriptions**

Save in relation to Qualified Holders, there is no restriction on the type of Investor who may subscribe for Non-ETF Shares.

Non-ETF Shares will be evidenced in such form as set out in the relevant Supplement which offers such Shares.

Each Fund may offer Non-ETF Shares where specified in a relevant Supplement. Dealings in these Shares will principally be in cash but in-kind dealings may be permitted only when agreed in advance with the ICAV or where specified in a relevant Supplement.

#### *Non-ETF Shares - Subscription Procedure*

All applicants applying for the first time to create Shares in any Fund in the ICAV must first complete the ICAV's application form which may be obtained from the Administrator. The signed application form should be sent to the Administrator with supporting documentation in relation to money laundering prevention checks. No Non-ETF Shares shall be issued until the Investor has completed and delivered to the Administrator the application form and supporting anti-money laundering documentation as described above and all anti-money laundering requirements have been satisfied. The ICAV has absolute discretion to accept or reject any application form.

Measures aimed at the prevention of money laundering will require an applicant to provide verification of identity and/or source of funds and/or source of wealth to the ICAV. The ICAV and/or the Administrator will specify what proof of identity is required, which may include but is not limited to a passport or identification card, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners who

will be subject to verification requirements as applicable. The Administrator reserves the right to request any document to be provided in original or certified true copy form.

The Administrator reserves the right to request further details or evidence of identity and/or source of funds and/or source of wealth from an applicant for Shares. Investors must provide such declarations as are reasonably required by the ICAV, including, without limitation, declarations as to matters of Irish and US taxation. In this regard, prospective Investors should take into account the considerations set out in the sections entitled “Declaration as to Status of Investor” and “Taxation”.

Once the application form and supporting anti-money laundering documentation has been processed by the Administrator and accepted by, or on behalf of, the ICAV, an applicant may submit a dealing request to subscribe for Shares in a Fund to the Administrator. Dealing forms may be obtained from the Administrator. Subscription orders are subject to the Dealing Cut-Off Time. Deal instructions received after the Dealing Cut-Off Time may be accepted for that Dealing Day, at the discretion of the Directors or their delegate, in exceptional circumstances, provided they are received prior to the Valuation Point. An applicant may submit a dealing request to subscribe for Shares in a Fund by an electronic order entry facility or by submitting a dealing form via email or facsimile to the Administrator. Dealing forms may be obtained from the Administrator. The use of the electronic order entry facility is subject to the prior consent of the Investment Manager or the Administrator and must be in accordance with and comply with the requirements of the Central Bank. Telephone calls may be recorded.

All applications are at the applicant’s own risk. Dealing forms and dealing requests, once submitted, shall be irrevocable save with the consent of the Directors or their delegate (which may be withheld at their discretion). The ICAV, the Manager, the Investment Manager, the Administrator and the Distributor shall not be responsible for any losses arising in the transmission of application forms and dealing forms or for any losses arising in the transmission of any dealing request by telephone, facsimile or through the electronic order entry facility.

Amendments to registration details and payment instructions will only be made following receipt of a written instruction from the relevant applicant signed by the authorised signatories on the account. An original wet ink instruction and/or documentation may be requested by the Administrator.

#### Non-ETF Shares – Cash Subscriptions

Subscription orders will normally be accepted in amounts equal to, or at least the value of, the Minimum Subscription Amount listed for each of the Funds in the relevant Supplement.

During any Initial Offer Period determined by the Directors in relation to each Class of Non-ETF Shares, such Shares will be offered at an Initial Offer Price, as set out in the relevant Supplement. Outside of the Initial Offer Period, Non-ETF Shares may be subscribed for on each Dealing Day at the Net Asset Value per Share plus Duties and Charges and a Subscription Fee, where set out in the relevant Supplement.

Cash subscriptions shall be made in the relevant Class Currency. Duties and Charges may include trading and Transaction Costs. Duties and Charges applicable to cash and partial-cash transactions may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by the relevant applicant for Non-ETF Shares. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the relevant applicant for Non-ETF Shares by the relevant Fund.

The Dealing Cut-Off Time and the Settlement Time for all subscriptions are set out in the relevant Supplement.

#### *Failure to Settle*

If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Manager may cancel the allotment and the applicant for Non-ETF Shares shall indemnify the ICAV for any loss suffered by a Fund as a result of a failure by the applicant to pay the subscription monies by the relevant time. In addition, the ICAV will have the right to sell all or part of the applicant's holding of Non-ETF Shares or ETF Shares in a Fund (or in any other Fund) in order to meet some or all of these charges.

#### Non-ETF Shares – In Specie Subscriptions

Investors may subscribe *in specie* in a Fund (i.e. by the transfer of Investments or predominantly Investments to the Fund) when agreed in advance with the ICAV.

The Minimum Subscription Amount for *in specie* subscriptions is the cash equivalent of the Minimum Subscription Amount (net of Duties and Charges), which minimum may be reduced in any case by the ICAV in its discretion. Investments delivered in connection with *in specie* subscription requests will be valued in accordance with the provisions of this Prospectus. Shares shall not be issued until the relevant securities, the *in specie* transaction fee and Duties and Charges (if applicable) have been received by the Depositary. All securities received by the Depositary must comply with the investment objective, investment policy and restrictions of the relevant Fund.

The ICAV may issue Shares of any Class of a Fund by way of exchange for Investments provided that:

- in the case of a person who is not an existing Shareholder, no Shares shall be issued until the person concerned has completed and delivered to the Administrator an application form and has satisfied all the requirements of the Manager and the Administrator as to such person's application;
- the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- 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 material prejudice to the existing Shareholders of the Fund; and
- the Depositary is satisfied that the terms of any exchange would not be such as would be likely to result in any material prejudice to remaining Shareholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) 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 calculated in accordance with the procedures for the valuation of the assets of the Fund. Such sum may be increased by such amount as the Manager may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Manager may consider represents Duties and Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

#### *Failure to settle*

In the event that an applicant fails to deliver to the Depositary one or more of the Investments to be delivered in connection with the *in specie* subscription request by the designated time, the ICAV or its delegate may reject the application for subscription, or may require the applicant to pay a fee at least equal to the closing value of such undelivered Investments on the Valuation Date for the relevant Dealing Day. On the payment of such amounts, the relevant Non-ETF Shares will be issued. In the event that the actual cost to the ICAV of acquiring the Investments (including any Duties and Charges) exceeds the aggregate of the value of such Investments on the Valuation Date for the

relevant Dealing Day, the *in specie* transaction fee and, if applicable, the Duties and Charges paid by the applicant, the applicant will be required to promptly reimburse the ICAV the difference on demand. The ICAV will have the right to sell or redeem all or part of the applicant's holding of Non-ETF Shares or ETF Shares in the Fund (or any other Fund) in order to meet some or all of these charges.

## REDEMPTIONS

### General

Shares may be redeemed on every Dealing Day (save during any period when the calculation of the Net Asset Value is suspended) at the Net Asset Value per Share less any Duties and Charges and Redemption Fee, if any.

Applications for redemptions received by the Administrator for any Dealing Day before the relevant Dealing Cut-Off Time will be processed by the Administrator for that Dealing Day by reference to the Net Asset Value per Share. Any applications received after the Dealing Cut-Off Time will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day (at the discretion of the Directors or their delegates) provided that such applications are received prior to the Valuation Point for such Dealing Day.

No redemption will be made until the applicant has completed and delivered to the Administrator a redemption request and satisfied all the requirements of the Directors and the Manager as to such applicant's redemption request. Redemption requests shall (save as determined by the Manager) be irrevocable by the applicant and, following acceptance of such application by the ICAV, will be binding on both the applicant and the ICAV and shall be sent by facsimile at the risk of the redeeming Shareholder. Redemption applications may also be effected by such other means, including electronically, as the Directors or their delegates may prescribe from time to time where such means have the prior approval of the Central Bank. The Administrator will not make redemption payments to third parties and will not pay redemption proceeds until a subscription form has been received from the redeeming Shareholder and all anti-money laundering procedures have been completed. Should the Shareholder wish for redemption payments to be made into an account other than that specified in the original subscription form, then the Shareholder must submit an original request in writing to the Administrator prior to, or at the time of, the redemption request. The proceeds of a faxed redemption request received by the Administrator will only be paid to the account of record of the redeeming Shareholder.

Typically, where an Investor redeems Shares on an *in specie* basis, redemptions will be paid on an *in specie* basis, at the discretion of the Manager, with the consent of the Shareholder, and subject as set out in the next paragraph.

If a Shareholder (which has originally subscribed for Shares in cash) requests redemption of Shares representing 5% or more of the Net Asset Value of a Fund, the Fund may elect to satisfy that redemption request *in specie* and will, if requested by the redeeming Shareholder(s) (and at the risk and cost of that Shareholder(s)), sell assets at the redeeming Shareholder(s) request.

If total redemption requests for a particular Fund on any Dealing Day represent 10% or more of the Net Asset Value of a Fund, each redemption request in respect of Shares in such Fund may, at the discretion of the ICAV, be reduced rateably so that the total number of Shares of such Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value of such Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Directors shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the ICAV shall have the same power) until the original requests have been satisfied in full.

The redemption price of Shares is based on the Net Asset Value per Share less any Duties and Charges and Redemption Fee, if any.

In circumstances where the exact provision for Duties and Charges cannot be ascertained in sufficient time in advance of the applicable settlement date for the redemption of the relevant Shares as specified in the relevant Supplement, the Duties and Charges paid in respect of the redemption may be estimated.

Following the disposal of Investments by the ICAV, the redeeming Shareholder shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price or, as the case may be, the ICAV shall reimburse the redeeming Shareholder for any excess in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price. The ICAV shall reimburse the redeeming Shareholder for any excess in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price in a timely manner and no interest shall accrue or be payable by the ICAV in respect of such excess. The redeeming Shareholder shall reimburse the ICAV for any shortfall in the estimated sum for Duties and Charges deducted by the ICAV from the redemption price in a timely manner and the ICAV may charge the redeeming Shareholder interest or for costs incurred if the applicant fails to reimburse the ICAV in timely manner.

Where set out in the relevant Supplement, a fixed amount may be charged in respect of Duties and Charges. The maximum level of such amount, which shall be expressed as a percentage of the Net Asset Value of Shares being redeemed, shall be specified in the relevant Supplement of the Net Asset Value of Shares being redeemed. Following the disposal of Investments by the Fund, any shortfall in the amount charged in respect of Duties and Charges shall be borne by the Fund and any excess in the estimated sum for Duties and Charges shall be retained by the Fund.

In the context of each application for redemption of Shares, the Manager (or its appointed delegate) shall have sole discretion as to whether Duties and Charges are charged as a fixed amount or charged to match the exact cost to the ICAV of selling the relevant underlying Investments.

The ICAV may charge a Redemption Fee of up to 3% of the Net Asset Value of the Shares being redeemed which may be waived in whole or in part at the discretion of the ICAV and/or the Manager (or its appointed delegates).

The Dealing Cut-Off Time and the Settlement Time for all redemptions are as set out below unless set out in the relevant Supplement.

### **ETF Shares (Primary Market) –Redemptions**

Only Authorised Participants may apply to redeem ETF Shares directly with the ICAV.

Authorised Participants may apply to redeem ETF Shares directly with the ICAV at the Net Asset Value per Share (and after taking account of any Duties and Charges and Redemption Fee) for any Dealing Day in accordance with the procedures set out in this Prospectus.

#### *ETF Shares (Primary Market) - Cash Redemptions*

Applications for redemption of ETF Shares will normally be accepted in amounts equal to, or at least, the Minimum Redemption Amount listed for each of the Funds in the relevant Supplement.

ETF Shares may be redeemed on each Dealing Day at the Net Asset Value per Share as adjusted for Duties and Charges and any Redemption Fee (where set out in the relevant Supplement).

In the event that that the ICAV has notified all Relevant Stock Exchanges that an affected Fund is open for direct redemptions with the ICAV by Investors other than Authorised Participants, then the Minimum Redemption Amounts listed in the relevant Supplement will not apply.

Any requests for details regarding redemptions should be made in advance of the Dealing Cut-Off Time in accordance with any procedures prescribed by the ICAV (or its delegate) from time to time.

#### *Directed Transactions*

In connection with cash redemptions for ETF Shares, where agreed in advance with the ICAV (or its appointed delegate), an Authorised Participant may request that the ICAV (on behalf of the relevant Fund) enter into a transaction for the sale of the underlying relevant Investments with the Authorised

Participant or one or more brokers designated by such Authorised Participant (each, an “**AP Designated Broker**”) and/or in one or more particular markets (each such transaction, a “**Directed Transaction**”). The ability to avail of the Directed Transaction facility shall at any time be at the sole discretion of the ICAV (or its appointed delegate).

If any Authorised Participant wishes to avail of the Directed Transaction facility, the Authorised Participant is required to indicate its preference at the point of application and, prior to the applicable Dealing Cut-Off Time (and in accordance with the procedures established by the ICAV (or its appointed delegate)), contact both the Investment Manager and the relevant portfolio trading desk of the AP Designated Broker to arrange the Directed Transaction.

If an application for a cash redemption of ETF Shares is accepted on the basis that a Directed Transaction will be permitted, as part of the Authorised Participant's settlement obligations, the Authorised Participant shall be responsible for ensuring that the AP Designated Broker purchases the relevant underlying Investments from the ICAV. For the avoidance of doubt, Duties and Charges shall reflect the cost to the ICAV of disposing of the relevant underlying Investments in connection with a redemption of ETF Shares whether the relevant underlying Investments in connection with the relevant redemption for ETF Shares are sold solely to the AP Designated Broker or some of such Investments are sold to other brokers selected by the Investment Manager (for example, where not all of the relevant underlying Investments can be sold to the AP Designated Broker). The ICAV, the Manager, the Investment Manager, the Administrator, the Administrator and the Distributor (and their respective delegates) shall not be responsible, and shall have no liability, if the execution of a Directed Transaction with an AP Designated Broker and, by extension, an Authorised Participant's redemption application, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the AP Designated Broker.

#### *Failure to settle*

In the event that (i) in respect of a cash redemption, an Authorised Participant fails to deliver the required number of ETF Shares within the Settlement Time specified in the relevant Supplement, or (ii) in respect of a cash redemption resulting in a Directed Transaction, an Authorised Participant fails to deliver the required number of ETF Shares within the Settlement Time specified in the relevant Supplement or the AP Designated Broker fails to purchase from the ICAV the underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), the ICAV (or its appointed delegate) reserves the right to cancel the relevant redemption application or postpone the settlement of the relevant redemption application until after such time as (i) in the context of a cash redemption, the ICAV has received the required number of ETF Shares from the Authorised Participant, or (ii) in the context of a cash redemption resulting in a Directed Transaction, the AP Designated Broker has purchased from the ICAV the underlying Investments in their entirety.

In the context of a cash redemption resulting in a Directed Transaction, should an AP Designated Broker fail to purchase from the ICAV the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), the ICAV (or its appointed delegate) shall have the right to cancel the Directed Transaction (or relevant part thereof) and transact with one or more alternative brokers and to charge the relevant Authorised Participant for any interest or other costs incurred by the ICAV relating to the failed Directed Transaction (or relevant part thereof) and any new transactions entered into with alternative brokers.

The Authorised Participant shall indemnify the ICAV for any loss suffered by the ICAV as a result of (i) in the context of a cash redemption, any failure or delay by the Authorised Participant in delivering the required number of ETF Shares including, but not limited to, all costs of whatever nature incurred by a Fund in disposing of Investments - including adjusting or unwinding OTC Swaps or Swap Arrangements in anticipation of receipt, from the Authorised Participant of the required ETF Shares payable in respect of a cash redemption or (ii) in the context of a cash redemption resulting in a Directed Transaction, any failure by an AP Designated Broker to purchase from the ICAV the relevant underlying Investments (or part thereof) within the Settlement Time prescribed by the ICAV (or its appointed delegate), including, but not limited to, any market exposure, interest charges and other

costs of whatever nature suffered by the ICAV (including, but not limited to, the cost of borrowing and/or the costs associated with cancelling the Directed Transaction (or any relevant part thereof) and entering into new transactions with alternative brokers, each as referred to above). The Authorised Participant will be required to promptly reimburse the ICAV on demand. The ICAV will have the right to sell or redeem all or part of the Authorised Participant's holding of ETF Shares or Non-ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these costs.

#### ETF Shares (Primary Market) - in specie redemptions

The minimum number of ETF Shares that may be redeemed in specie is equivalent to one Creation Unit. Applications for redemption of ETF Shares will only be accepted from Authorised Participants and will normally be accepted in amounts as equal to or at least the value of the relevant Creation Unit.

The ICAV will publish the Portfolio Composition File for each Class setting out the Investments and/or the anticipated Cash Component to be delivered by the ICAV in order to effect a redemption in specie. Only Investments which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The weightings and holdings of the Portfolio Composition File may differ from time to time. The ICAV receives the calculation of this data from third parties. The provider of the Portfolio Composition File and the ICAV do not make any representation or warranty regardless of which formats the Portfolio Composition File is provided to Investors as to the accuracy of the information and shall not be liable for any damages resulting from the use of such information or any error in the information.

The Portfolio Composition File for each Class for each Dealing Day will be available upon request from the Administrator.

On the Business Day following the Valuation Date corresponding to the Dealing Day for which receipt is accepted, the Administrator will report to the applicant the amount of the Cash Component to be delivered by the Depositary to the applicant with the Investments comprising the Portfolio Composition File and the amounts of the in specie transaction fee and Duties and Charges, if any, to be deducted by the Depositary from the redemption proceeds.

Applications for redemptions of Creation Units must be made to the Administrator before the Dealing Cut-Off Time in accordance with the specific procedures made available by the Administrator. All applications for redemptions of Creation Units in specie will (save as determined by the Manager) be binding and irrevocable. The Administrator must accept the request for redemption of Creation Units prior to any delivery instructions being issued to the Depositary in relation to the securities or cash comprising the Portfolio Composition File.

#### *Redemption price*

The redemption price will be the aggregate of the Net Asset Value per Share on the relevant Dealing Day of the Shares comprising the Creation Unit less the aggregate of (a) in respect of each Creation Unit, the relevant in specie transaction fee which shall not exceed 5% of the Net Asset Value of Shares redeemed (as the same may be waived or lowered by the Directors either generally or in any particular case), (b) Duties and Charges, and (c) if applicable, any Redemption Fee.

The redemption price per Creation Unit will be payable by transferring to the order of the ICAV the securities comprising the Portfolio Composition File, less a cash amount equal to the relevant in specie transaction fee and any applicable Duties and Charges and any applicable Redemption Fee (where set out in the relevant Supplement).

#### *Settlement period*

The standard settlement period for in specie redemptions will be set out in the relevant Supplement but may vary depending upon the standard settlement periods of the different stock exchanges on which the ETF Shares and the underlying securities of the Fund are traded. Notwithstanding the

foregoing the settlement period for payment of in specie redemption proceeds should not exceed ten Business Days. Any cash to be paid in respect of an in specie redemption will be for value on the same day as settlement of the securities.

#### *Partial cash settlement*

The ICAV may, in its absolute discretion, satisfy part of the application for in specie redemption in cash, for example in cases in which it believes that an Investment held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in specie.

#### *Failure to settle*

In the event that an Authorised Participant fails to deliver to the Depositary such number of Shares that at least equates in value to the Minimum Redemption Amount by the designated time, the Manager may cancel the request for redemption and the Authorised Participant shall indemnify the ICAV for any loss suffered by the Fund as a result of a failure by the Authorised Participant to deliver the Shares by the relevant time. The ICAV will have the right to sell or redeem all or part of the Authorised Participant's holding of ETF Shares or Non-ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

### **Non-ETF Shares - Redemptions**

There is no restriction on the type of investor who may apply to redeem Non-ETF Shares directly with the ICAV at the Net Asset Value per Share (and after taking account of any Duties and Charges and Redemption Fee) for any Dealing Day in accordance with the procedures set out in this Prospectus.

#### *Non-ETF Shares - Cash Redemptions*

Applications for redemption will normally be accepted in amounts as equal to, or at least the value of, the Minimum Redemption Amount listed for each of the Funds in the relevant Supplement.

Non-ETF Shares may be redeemed on each Dealing Day at the Net Asset Value per Share as adjusted for Duties and Charges and any Redemption Fee (where set out in the relevant Supplement). Duties and Charges may include trading and Transaction Costs, and variance in Net Asset Value related to the completion or the sale of a portfolio of the Investments needed to create or redeem the redemption amount. Duties and Charges may include trading and Transaction Costs. Duties and Charges applicable to cash and partial-cash transactions may, following completion of the transaction, result in a negative balance to be charged to, and required to be paid by, the relevant redeeming Investor. Conversely, any positive balance resulting from the aggregate Duties and Charges arising in connection with a completed cash or partial-cash transaction shall be refunded to the redeeming Investor by the relevant Fund.

Any requests for details regarding redemptions should be made in advance of the Dealing Cut-Off Time in accordance with any procedures prescribed by the ICAV (or its delegate) from time to time.

#### *Failure to settle - Non-ETF Shares - cash redemptions*

If such number of Shares that at least equates in value to the Minimum Redemption Amount has not been received by the relevant time, the Manager may cancel the request for redemption and the applicant for Non-ETF Shares shall indemnify the ICAV for any loss suffered by a Fund as a result of a failure by the applicant to deliver the Shares by the relevant time. In addition, the ICAV will have the right to sell all or part of the applicant's holding of Non-ETF Shares or ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

#### *Non-ETF Shares – In Specie Redemptions*

The ICAV or its delegate may, at its discretion, redeem Non-ETF Shares of any Class of a Fund by way of exchange for Investments provided that:

- i. the redemption request otherwise satisfies all the requirements of the Manager and the Administrator as to such request and the Shareholder seeking redemption of Non-ETF Shares agrees to such course of action.
- ii. the Depositary and the Manager are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Non-ETF Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Manager may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Manager may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Shareholder shall be borne by the redeeming Shareholder.

If the discretion conferred upon the ICAV or its delegate above is exercised, the ICAV or its delegate shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All Duties and Charges in respect of such transfers shall be payable by the Shareholder. Any allocation of Investments pursuant to an in specie redemption is subject to the approval of the Depositary.

The redemption price of Non-ETF Shares is based on the Net Asset Value per Share as adjusted for Duties and Charges and the Redemption Fee, if any.

*Failure to settle - Non-ETF Shares – in specie redemptions*

If such number of Shares that at least equates in value to the Minimum Redemption Amount has not been received by the relevant time, the Manager may cancel the request for redemption and the applicant shall indemnify the ICAV for any loss suffered by the Fund as a result of a failure by the applicant to deliver the Shares by the relevant time. In addition, the ICAV or its delegate will have the right to sell all or part of the applicant's holding of Non-ETF Shares or ETF Shares in the Fund (or in any other Fund) in order to meet some or all of these charges.

## SECONDARY MARKET DEALING OF ETF SHARES

### General

ETF Shares may also be acquired or purchased through the secondary market.

**Investors may pay more than the then current Net Asset Value per Share when buying ETF Shares on the secondary market and may receive less than the then current Net Asset Value per Share when selling ETF Shares on the secondary market.**

The price of any ETF Shares traded on the secondary market will depend, inter alia, on market supply and demand, movements in the value of the constituents of the relevant Index as well as other factors such as prevailing financial market, corporate, economic and political conditions.

**ETF Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell ETF Shares on a Secondary Market with the assistance of an intermediary (e.g. a broker) and may incur fees for doing so.**

ETF Shares may be purchased or sold on the Secondary Market by all Investors through relevant recognised stock exchange on which the Shares are admitted to trading or over the counter.

It is expected that the ETF Shares of the Funds will be listed on one or more recognised stock exchanges. The purpose of the listing of the Shares on stock exchange is to enable Investors to buy and sell Shares on the Secondary Market, normally via a broker/dealer or third party administrator, in smaller quantities than would be possible if they were to subscribe and/or redeem Shares through the ICAV in the Primary Market. In accordance with the requirements of the relevant recognised stock exchange, market-makers (which may or may not be an Authorised Participant) are expected to provide liquidity and bid and offer prices to facilitate the Secondary Market trading of the Shares.

All Investors wishing to purchase or sell Shares of a Fund on the Secondary Market should place their orders via their broker. Orders to purchase Shares in the Secondary Market through the recognised stock exchanges, or over the counter, may incur brokerage and/or other costs which are not charged by the ICAV and over which the ICAV has no control. Such charges are publicly available on the recognised stock exchanges on which the Shares are listed or can be obtained from stock brokers. Investors in ETF Shares, given the nature of the settlement model for ETF Shares, will not be recorded on the register of Shareholders. However, Investors will have rights as beneficial holders of the relevant ETF Shares.

Investors may redeem their Shares through an Authorised Participant by selling its Shares to the Authorised Participant (directly or through a broker).

The market price of a Share listed or traded on a stock exchange may not reflect the Net Asset Value per Share of a Fund. The price of any Shares traded on the Secondary Market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. Any transactions in the Shares of a Fund on a stock exchange will be subject to the customary brokerage commissions and/or transfer taxes associated with the trading and settlement through the relevant stock exchange. There can be no guarantee that once the Shares are listed on a stock exchange they will remain listed. Investors wishing to purchase or sell ETF Shares on the Secondary Market should contact their broker.

If the stock exchange value of the Shares of a Fund significantly varies from its Net Asset Value, Shareholders who have acquired their Shares (or, where applicable, any right to acquire a Share that was granted by way of distributing a respective Share) on the Secondary Market shall be allowed to sell them directly back to the ICAV. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information shall be communicated to the regulated market indicating that the ICAV is open for direct redemptions at the level of the ICAV. Investors should then contact the Administrator regarding the process to be followed to redeem their

Shares in these circumstances. In such circumstances, Shares may be redeemed at the Net Asset Value per Share less Duties and Charges.

The Secondary Market dealing timetable depends upon the rules of the exchange upon which the Shares are dealt or the terms of the over the counter trade. Please contact your professional advisor or broker for details of the relevant dealing timetable.

### **Secondary Market Redemptions**

**ETF Shares of a Fund purchased on the Secondary Market cannot usually be sold directly back to the ICAV. Investors must buy and sell ETF Shares on a Secondary Market with the assistance of an intermediary (e.g. a broker) and may incur fees for doing so.**

However, there are limited circumstances where Investors other than Authorised Participants will be permitted to redeem their shareholding directly with the ICAV.

An Investor (that is not an Authorised Participant) shall have the right, subject to compliance with relevant laws and regulations, to request that the ICAV buys back its ETF Shares in respect of a Fund in circumstances where the ICAV has determined in its sole discretion that the Net Asset Value per Share of the relevant Class differs significantly to the value of a Share of the relevant Class traded on the Secondary Market, for example, where no Authorised Participants are acting, or willing to act, in such capacity in respect of the Class (a “**Secondary Market Disruption Event**”).

If, in the view of the ICAV, a Secondary Market Disruption Event exists, the ICAV will issue a “**Non-AP Buy-Back Notice**” and announcement(s) on the Relevant Stock Exchanges containing the terms of acceptance, minimum redemption amount and contact details for the buy-back of ETF Shares.

The ICAV’s agreement to buy back any ETF Shares is conditional on the ETF Shares being delivered back into the account of the Administrator at Euroclear or Clearstream and relevant confirmations given by Euroclear or Clearstream. The redemption request will be accepted only on delivery of the ETF Shares.

ETF Shares bought back from an Investor who is not an Authorised Participant will be redeemed in cash. Payment is subject to the Investor having first completed any required identification and anti-money laundering checks. In-kind redemptions may be available at an Investor’s request at the ICAV’s absolute discretion.

Redemption orders will be processed on the Dealing Day on which the ETF Shares are received back into the account of the Administrator by the Dealing Cut-Off Time less any applicable Duties and Charges and other reasonable administration costs, provided that the completed buy-back request has also been received.

The ICAV may at its complete discretion determine that the Secondary Market Disruption Event is of a long-term nature and is unable to be remedied. In that case the Manager may resolve to compulsorily redeem Investors and may subsequently terminate the Fund.

Any Investor requesting a buyback of its shares in case of a Secondary Market Disruption Event may be subject to taxes as applicable, including any capital gains taxes or transaction taxes. Therefore, it is recommended that prior to making such a request, the Investor seeks professional tax advice in relation to the implications of the buy-back under the laws of the jurisdiction in which they may be subject to tax.

### **Clearing and Settlement**

The settlement of trading in ETF Shares of the Funds is centralised in the ICSD settlement structure which provide centralised issuance in Euroclear and Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear. ETF Shares in the Funds will not be issued in Dematerialised Form but no temporary documents of title or share

certificates will be issued in respect of ETF Shares. The ICAV will apply for admission for clearing and settlement through Euroclear and Clearstream. ETF Shares will be issued in Euroclear and Clearstream and settlement will be facilitated within Clearstream, Euroclear and other CSDs which are Euroclear Participants or Clearstream Participants.

Under the ICSD settlement model, all ETF Shares in the Funds will settle in Euroclear or Clearstream and may be settled within other CSDs that are Euroclear Participants or Clearstream Participants. Accordingly, an Investor will either hold its beneficial interests in ETF Shares within Euroclear (as a Euroclear Participant), within Clearstream (as a Clearstream Participant) or within other CSDs which are Euroclear Participants or Clearstream Participants.

A purchaser of interests in ETF Shares in the Funds will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such ETF Shares. The rights of the holder of the indirect beneficial interests in the ETF Shares, where such person is a Euroclear Participant or Clearstream Participant, shall be governed by the terms and conditions applicable to the arrangement between such Euroclear Participant and Euroclear or Clearstream Participant and Clearstream and where the holder of the indirect beneficial interests in the ETF Shares is not a Euroclear Participant or Clearstream Participant, shall be governed by their arrangement with their respective nominee, broker, CSD or ICSD (as appropriate) which may be a Euroclear Participant or Clearstream Participant or have an arrangement with a Euroclear Participant or Clearstream Participant.

All references herein to actions by holders of Shares will refer to actions taken by Euroclear as registered Shareholder of the ETF Shares following instructions from Euroclear Participants. All distributions, notices, reports, and statements issued to Euroclear (as the registered Shareholder) by the ICAV shall be distributed by Euroclear to the Clearstream Participants in accordance with Euroclear's procedures.

ETF Shares will be transferable in accordance with applicable laws, any rules and procedures issued by Euroclear or Clearstream and this Prospectus. Beneficial interests in such ETF Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant nominee, broker, CSD or ICSD (as appropriate) through whom an Investor holds their beneficial interest in ETF Shares and this Prospectus.

#### **Euroclear, Clearstream and underlying CSDs**

Each Euroclear or Clearstream Participant must look solely to its ICSD for documentary evidence of the amount of such Euroclear or Clearstream Participant's interests in any ETF Shares. Any certificate or other document issued by Euroclear or Clearstream, as to the interest in such ETF Shares standing to the account of any person shall be conclusive and binding as accurately representing such records. Each Euroclear or Clearstream Participant must look solely to its ICSD for such Euroclear or Clearstream's Participant's (and therefore any person with an interest in the ETF Shares) portion of each payment or distribution made by the Funds to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Share Certificate.

Euroclear or Clearstream Participants shall have no claim directly against the ICAV, the Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the ETF Shares which are made by the ICAV to or on the instructions of the Common Depository's Nominee and such obligations of the ICAV shall be discharged thereby.

The ICAV or its duly authorised agent may from time to time require the holder of the indirect beneficial interest in the ETF Shares to provide them with information relating to: (a) the capacity in which they hold an interest in ETF Shares; (b) the identity of any other person or persons then or previously interested in such ETF Shares; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the ICAV with applicable laws or the constitutional documents of the ICAV.

The ICAV or its duly authorised agent may from time to time request Euroclear or Clearstream to provide the ICAV with certain details in relation to Euroclear or Clearstream Participants that hold interests in ETF Shares in each Fund including (but not limited to): ISIN, Euroclear or Clearstream Participant name, Euroclear or Clearstream Participant type (e.g. fund/bank/individual), residence of Euroclear or Clearstream Participant, number of ETFs and holdings of the Euroclear Participant within Euroclear or of the Clearstream Participant within Clearstream, including which Funds, types of ETF Shares and the number of such interests in the ETF Shares held by each such Euroclear or Clearstream Participant, and details of any voting instructions given and the number of such interests in the ETF Shares held by each such Euroclear or Clearstream Participant. Euroclear or Clearstream Participants which are holders of interests in ETF Shares or intermediaries acting on behalf of such account holders will provide such information upon request of Euroclear or Clearstream or its duly authorised agent and have been authorised pursuant to the rules and procedures of Euroclear or Clearstream to disclose such information to the ICAV of the interest in ETF Shares or to its duly authorised agent.

### **Inaction by the Common Depository and/or an ICSD**

Investors that settle or clear through an ICSD will not be a registered Shareholder in the ICAV, they will hold an indirect beneficial interest in such Shares and the rights of such investors, where Participants, shall be governed by their agreement with the applicable ICSD and otherwise by the arrangement with a Participant of the ICSD (for example, their nominee, broker or Central Securities Depositories, as appropriate). The ICAV will issue any notices and associated documentation to the registered holder of the Global Share Certificate, the Common Depository's Nominee, with such notice as is given by the ICAV in the ordinary course when convening general meetings. The Directors understand that the Common Depository's Nominee has a contractual obligation to relay any such notices received by the Common Depository's Nominee to the applicable ICSD, pursuant to the terms of its appointment by the relevant ICSD. The applicable ICSD will in turn relay notices received from the Common Depository to its Participants in accordance with its rules and procedures. The Directors understand that the Common Depository is contractually bound to collate all votes received from the applicable ICSD (which reflects votes received by the applicable ICSD from Participants) and that the Common Depository's Nominee should vote in accordance with such instructions. The ICAV has no power to ensure the Common Depository relays notices of votes in accordance with their instructions. The ICAV cannot accept voting instructions from any persons, other than the Common Depository's Nominee.

### **Payments**

Upon instruction of the Common Depository's Nominee, any dividends declared are paid by the ICAV or its authorised agent to the applicable ICSD. Investors, where Authorised Participants, must look solely to the applicable ICSD for their redemption proceeds or their share of each dividend payment made by the ICAV or otherwise to the relevant Authorised Participant of the ICSD (including, without limitation, their nominee, broker or Central Securities Depository, as appropriate) for any redemption proceeds or any share of each dividend payment made by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of redemption proceeds or dividend payments due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD upon the instruction of the Common Depository's Nominee.

### **Failure to Settle**

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, as the Authorised Participant is not a registered Shareholder of the ICAV, the ICAV will have no recourse to the Authorised Participant other than its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant and any costs incurred as a result of the failure to settle will be borne by the Fund and its' investors.

## **DEALING INFORMATION**

### **Declaration as to Status of Investor**

The ICAV will be required to deduct tax on redemption monies and distributions at the applicable rate unless it has received from the relevant applicant (in respect of redemptions) or Shareholder (in respect of distributions) a Relevant Declaration. The ICAV reserves the right to redeem such number of Shares held by such applicant (in respect of redemptions) or Shareholder (in respect of distributions) (as relevant) as may be necessary to discharge the tax liability arising. In addition, the ICAV will be required to account for tax at the applicable rate on the value of the Shares transferred to another entity or person unless it has received from the transferor a Relevant Declaration. The ICAV reserves the right to redeem such number of Shares held by the transferor as may be necessary to discharge the tax liability arising. The ICAV reserves the right to refuse to register a transfer of Shares until it receives a Relevant Declaration as to the transferee's residency or status in a form prescribed by the Revenue Commissioners.

### **Mandatory Repurchase of Shares and Forfeiture of Dividends**

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

### **Transfer of Shares**

All transfers of Shares shall be effected by transfer in writing in any usual or common form acceptable to the Directors and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall 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.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the relevant minimum holding, if there is such a minimum holding, or would otherwise infringe the restrictions on holding Shares outlined above.

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the ICAV or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

The transferee will be required to complete an application form which includes a declaration that the proposed transferee is not a US Person and not acquiring Shares on behalf of a US Person and provide anti-money laundering documentation as required by the Administrator.

### **Conversion of Shares**

With the prior consent of the Directors, at their discretion, a Shareholder may convert Shares of one Fund into Shares of another Fund on giving notice to the Directors in such form as the Directors may require provided that the Shareholder satisfies the minimum investment criteria. With the prior consent of the Directors, at their discretion, a Shareholder may also convert Shares of a Class within

a Fund into Shares of a different Class within the same Fund on giving notice to the Directors in such form as the Directors may require provided that the Shareholder satisfies the minimum investment criteria. **The switching charge for the conversion of Shares in a Fund into Shares of another Fund or for the conversion of Shares of a Class within a Fund into Shares of a different Class within the same Fund shall be up to a maximum of 0.1% (10 basis points) of the Net Asset Value per Share.** Conversion will take place in accordance with the following formula:

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

where:

<b>NS</b>	=	the number of Shares which will be issued in the new Fund or new Class;
<b>A</b>	=	the number of the Shares to be converted;
<b>B</b>	=	the redemption price of the Shares to be converted;
<b>C</b>	=	the currency conversion factor, <b>if any</b> , as determined by the Directors;
<b>D</b>	=	a switching charge of up to 0.1% of the Net Asset Value per Share of each Share to be switched; and
<b>E</b>	=	the Net Asset Value per Share in the new Fund or new Class on the relevant Dealing Day.

If NS is not an integral number of Shares the Administrator reserves the right to return the surplus arising to the Shareholder seeking to convert the Shares.

The ICAV shall disclose details of when an application received from a Shareholder to convert Shares is refused.

### **Umbrella Cash Accounts**

Cash account arrangements will be put in place in respect of the ICAV and the Funds in response to the introduction of any new Central Bank requirements in relation to funding the subscription and/or redemption collection accounts. The following is a description of how such cash account arrangements are expected to operate.

In respect of the ICAV, subscription monies received from, and redemption monies due to, Investors and dividend monies due to Shareholders (together, "**Investor Monies**") will be held in a single Umbrella Cash Account. The assets in the Umbrella Cash Account will be assets of the ICAV. Accordingly, the Umbrella Cash Account will not be subject to the Investor Money Regulations and instead will be subject to the "fund monies" regime and, in particular, the guidance issued by the Central Bank entitled "Umbrella Funds - Cash Accounts", as such may be amended, supplemented or replaced from time to time.

Subscription monies received by a Fund in advance of the issue of Shares will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing Investors will be unsecured creditors of the relevant Fund with respect to the subscription amount until the corresponding Shares are issued on the relevant Dealing Day. Such Investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (as relevant) in respect of the subscription amounts (including dividend entitlements) until such time as the Shares are issued.

Redeeming Shareholders will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant Investors, be held in the Umbrella Cash Account. Redeeming Investors and Shareholders entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the Fund with respect to

those monies. Redeeming Investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) after the Dealing Day in respect of which their redemption application was made.

As indicated in the Prospectus section entitled “*Redemptions*”, redeeming Investors will not receive redemption proceeds until an original redemption form has been received from the redeeming Investors and all anti-money laundering procedures have been completed. Redeeming Investors should promptly provide outstanding documentation to facilitate the repayment of the relevant redemption proceeds.

The monies held in an Umbrella Cash Account will be commingled with the assets and liabilities of the other Funds and will be exposed to counterparty risk, the risk of market conditions generally, the Fund’s creditors and any other risks affecting the relevant Fund such as the incorrect recording of the assets and liabilities attributable to individual Funds. In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors (including Shareholders entitled to the subscription, redemption and dividend payments described above) in full.

For further information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the section entitled “Risk Factors” in this Prospectus.

### **Confirmations**

A written confirmation of ownership will be sent to the applicant following the Dealing Day. Shares will not be issued until such time as the Administrator is satisfied with all the information and documentation required to identify the applicant and is satisfied that the relevant Investments and Cash Component for in kind subscriptions or cash for cash subscriptions have been received by it.

### **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value has been suspended in the circumstances described under the heading “*Temporary Suspension of Valuation of the Shares and of Sales, Repurchases and Conversions*” below, the Net Asset Value per Share for each Dealing Day shall, on the following Business Day, be notified by the Administrator without delay to the Euronext Dublin and all other Relevant Stock Exchanges and made available at the registered office of the Administrator and published on <https://globalxetfs.eu>. Dealing prices published will be up-to-date. Such information is for informational purposes only and is not an invitation to subscribe for, redeem or convert Shares at the published Net Asset Value.

### **Publication of a Fund’s Investments**

A list of the Investments held by each Fund will, on a daily basis, be made available on the relevant product page for such Fund at <https://globalxetfs.eu> or where otherwise indicated in respect of a particular Fund in the relevant Supplement.

### **Portfolio Composition File**

The ICAV publishes a Portfolio Composition File for each Class of ETF Shares for each Dealing Day providing an indication of the Investments and Cash Component required for trading in a particular Class. Whilst a Portfolio Composition File is produced for each Class, for the avoidance of doubt, all Investments are held at the Fund level. For a Hedged Class in a Fund, the derivatives used to implement the currency-hedging strategy shall be assets or liabilities of the Fund as a whole but the gains or losses thereon and any costs associated with such derivatives will be attributed to the relevant Hedged Class and reflected in the Portfolio Composition File for the relevant Hedged Class. The Portfolio Composition File for each Class of ETF Shares for each Dealing Day will be available upon request from the Administrator and will be published via one or more market data suppliers.

The Portfolio Composition File sets out the Cash Component to be delivered (a) by Authorised Participants to the ICAV in the case of in specie subscriptions; or (b) by the ICAV to the Authorised Participants in the case of in specie redemptions.

The Portfolio Composition File is prepared by third parties contracted by the ICAV and the Manager. The provider of the Portfolio Composition File, the ICAV and the Manager do not make any representation or warranty (regardless of which formats the Portfolio Composition File is provided to Authorised Participants or Investors) as to the accuracy of the Portfolio Composition File and shall not be liable for any damages resulting from the use of such information or any error in the information comprised within the Portfolio Composition File.

### **Temporary Suspension of Valuation of the Shares and of Sales, Repurchases and Conversions**

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

- (d) any period (other than ordinary holiday or customary weekend closings) when any of the principal markets 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;
- (e) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of a Fund is not reasonably practicable without this being seriously detrimental to the interests of Investors of a Fund;
- (f) any period during which the disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Investors;
- (g) any period when for any reason the prices of any Investments of a Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (h) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, Investments of a Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (i) any period when the proceeds of the sale or repurchase of the Shares cannot be transmitted to or from a Fund's account;
- (j) any period when a notice to terminate a Fund has been served or when a meeting of Shareholders has been convened to consider a motion to wind up the ICAV or to terminate a Fund;
- (k) upon the occurrence of an event causing the ICAV to enter liquidation or a Fund to terminate; or
- (l) any period where the Directors consider it to be in the best interests of the Investors of the ICAV or a Fund to do so.

A suspension of repurchases may be made at any time prior to the payment of the repurchase monies and the removal of the Shareholder's name from the register of members. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the Register.

Any such suspension shall be notified immediately (without delay) and in any event within the same Business Day to the Euronext Dublin, the Central Bank and all Relevant Stock Exchanges which the ICAV is required to notify. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

## **FEES, COSTS AND EXPENSES**

The ICAV employs an “all in one” fee structure for its Funds pursuant to which it pays out of each Fund’s assets a fixed total expense ratio (“TER”) of a percentage of each Fund’s NAV at the Valuation Point.

The ICAV is responsible for discharging all operational expenses out of the TER, including but not limited to, fees and expenses of the Manager, Depositary, Administrator, Administrator, Distributor, the Directors, the costs of maintaining the Funds and any registration of the Funds in other jurisdictions or with any stock exchange or with any governmental or regulatory authority, preparation, printing, and posting of prospectuses, sales literature and reports to Shareholders, regulatory fees of the Central Bank and other governmental agencies; marketing expenses; insurance premiums; fees and expenses for legal, audit and other services; paying for licensing fees related to each Fund’s Index and any distribution fees or expenses.

The aggregate amount of Directors’ remuneration in any one year shall not exceed €40,000 or such other amount as may be determined by the Directors and notified to Shareholders from time to time. Any such change in the maximum aggregate amount of Directors’ remuneration shall also be disclosed in an update to the Prospectus or in the ICAV’s financial statements, whichever is published sooner. The Directors that are employees of the Promoter or its affiliates do not intend to receive such remuneration.

The ICAV will pay, out of the assets of each Fund, interest, taxes, brokerage commissions and other expenses connected with execution of portfolio transactions, including any periodic fee payable to a counterparty under the terms of an OTC Swap and extraordinary expenses such as extraordinary legal costs. These expenses will form part of the TER.

Where all costs and expenses of a Fund or Class are met and exceeded by the TER the ICAV will pay any excess from the TER to the Investment Manager as the investment management fee. In the event the costs and expenses of a Fund or Class that are intended to be covered within the TER exceed the stated TER, the Investment Manager will discharge any excess amounts out of its own assets.

The cost of establishing the ICAV and each Fund shall also be borne by the Investment Manager.

To the extent that there is a change to the expenses to be discharged by the ICAV, Shareholders will be notified in advance. If it is proposed to increase the level of the TER for a particular Fund, this will be reflected in an updated version of the Supplement and will be subject to approval by the majority of votes of Shareholders of the relevant Fund or Class passed at a general meeting of the relevant Fund or Class or by all of the Shareholders of the relevant Fund or Class by way of a written resolution.

### **Funds that charge fees and expenses to capital**

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

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

### **Funds that charge fees and expenses to income**

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

### **Portfolio Turnover**

A Fund pays Transaction Costs, such as commissions, when it buys and sells securities. A higher portfolio turnover rate may indicate higher Transaction Costs. These costs, which are not reflected in annual Fund operating expenses, are charged to the relevant Funds and therefore affect a Fund's performance and lead to a greater degree of "*tracking error*" as detailed under the heading of the prospectus entitled "Tracking Error".

All of the fees, including the TER, shall be calculated daily and shall accrue daily by reference to the Net Asset Value of a Fund and shall be payable monthly in arrears.

### **Liquidation Costs**

In the event that the ICAV is placed into liquidation, all costs and expenses of such liquidation shall be paid out of the assets of the Funds, unless the Investment Manager determines, in its discretion, to discharge the liquidation costs on behalf of the ICAV.

## MANAGEMENT AND ADMINISTRATION

### The Board of Directors and Secretary

The Directors control the affairs of the ICAV and are responsible for the overall investment policy. The Directors may delegate certain functions to the Manager. The ICAV shall be managed and its affairs supervised by the Directors whose details (including country of residence) are set out below. The Directors are all non-executive directors. The address of the Directors is the registered office of the ICAV.

#### Jung Ho Rhee

Jung Ho Rhee (Hong Kong resident) is the President and Chief Executive Officer of Mirae Asset Global Investments (HK) Ltd. – the Hong Kong office of the Mirae Asset Global Investments Group. Mr. Rhee is responsible for overseeing the investment and business development strategies of the HK office. He also serves as the Head of Asia Pacific of the Mirae Asset Global Investments Group, responsible for overseeing the long-term growth of the Group's businesses in the region. Prior to relocating to HK in 2008, Mr. Rhee worked at Mirae Asset Securities in Korea for eight years as Head of Investment Strategy and latterly as Head of Asia Pacific Research. Prior to that, he spent five years as a Korea Market Strategies for Daewoo Securities and served as an Officer in the Republic of Korea Air Force. He is a CFA charterholder and gained a Master of Economics from the University of Hong Kong and a Bachelor of Economics from Yonsei University in Seoul.

#### Feargal Dempsey

Feargal Dempsey (Irish resident) is an independent director and consultant to the ETF industry. He has held senior positions at Barclays Global Investors/BlackRock including Head of Product Strategy iShares EMEA, Head of Product Structuring iShares EMEA and Head of Product Governance. Previously he has also served as Head of Legal to ETF Securities and as a senior lawyer in Pioneer Investments. Mr Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the legal and regulatory committee of the IFIA and the ETF Working Group at EFAMA.

#### Mary Canning

Mary Canning (Irish resident) is a financial services lawyer and a non-executive director of Irish authorised investment funds. She has a Bachelor of Civil Law (BCL 1984) and a Masters in Commercial Law (LLM 2005) from University College Dublin. She was admitted to practice as a solicitor in Ireland in 1989. From 1988 to 1990, she worked in the New York law firm of De Vos & Co., during which time she was admitted to practice as an attorney in the State of New York. Prior to joining Dillon Eustace in 1992, she worked as an associate in the law firm Cawley Sheerin Wynne. She became a partner in Dillon Eustace in 1992, and worked principally in the financial services department for 10 years. Since 2002, she has worked as a consultant, in Dillon Eustace and in other financial services firms, principally in areas of governance and compliance and in the provision of non-executive directorship services to Irish authorised investment funds.

The ICAV Secretary is Carne Global Financial Services Limited.

This Prospectus together with the Supplements and the listing supplement comprises listing particulars, including all information required by The Euronext Dublin listing requirements, for the purpose of the application for admission to trading in respect of these Shares.

No Director has:

- (a) any unspent convictions in relation to indictable offences; or

- (b) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (c) been a director of any company which, while he was a director with an executive function or within twelve months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (d) been a partner of any partnership, which while he was a partner or within twelve months after he ceased to be partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (e) had any official public incrimination or sanctions issued against them by statutory or regulatory authorities (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Instrument of Incorporation does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation.

The Instrument of Incorporation provides that a Director may be a party to any transaction or arrangement with the ICAV or in which the ICAV is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in part.

### **The Promoter**

The promoter of the ICAV is Mirae Asset Global Investments Co Ltd a global asset manager operating in 15 different markets with consolidated assets under management of \$ 204bn as of 30 June 2022– of which ETF assets amount to over \$77.8bn. Mirae Asset Global Investments Co Ltd is a Korean company with its registered office at 13F, Tower 1, 33, Jong-ro Jongno-gu, Seoul, 03159, Republic of Korea.

Global X by Mirae Asset is the brand under which a number of the ETFs sponsored by Mirae Asset Global Investments Co Ltd operate. Unless otherwise provided in a Supplement relating to a Fund, Mirae Asset Global Investments (Hong Kong) Limited is the investment manager of the Funds. Mirae Asset Global Investments (Hong Kong) Limited also manages and promotes the Global X ETFs Series OFC, a Hong Kong public umbrella open-ended fund company that hosts a series of China thematic ETFs which also uses the Global X name.

Global X Management Company LLC, USA is the investment manager for Global X ETFs ICAV, an Irish collective asset-management vehicle that hosts a number of ETFs also using the Global X ETFs brand. Global X Management Company LLC, USA and Mirae Asset Global Investments (Hong Kong) Limited are part of the same group organisation, Mirae Asset Global Investments Co Ltd.

Mirae Asset Global Investments Co Ltd is also registered as the sponsor of the Luxembourg-domiciled Mirae Asset Global Discovery Fund (SICAV), comprised of 15 mutual funds with over \$3.5bn in assets under management.

### **The Manager**

The ICAV has appointed the Manager to act as manager to the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under registration number 377914 and has been authorised by the Central Bank to act as a UCITS

management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

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

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

The directors of the Manager are:

**Neil Clifford (nationality: Irish – Irish resident)**

Mr. Clifford is a director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

**Teddy Otto (nationality: German – Irish resident)**

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

**Michael Bishop (nationality: British – U.K. resident)**

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings

and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Sarah Murphy (nationality: Irish – Irish resident)**

Sarah is a director of oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Sarah is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$48bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

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

Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

**Elizabeth Beazley (nationality: Irish – Irish resident)**

Elizabeth is a Director with the Carne Group specialising in corporate governance, product development, financial reporting, and fund oversight for both mutual and hedge funds. Elizabeth has a 20-year track record in financial services. As Group Chief of Staff for Carne Group, Elizabeth works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance documentation drafting and operational set-up.

Elizabeth currently acts as Director on a number of funds/management companies. Prior to joining Carne, Elizabeth spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Elizabeth has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Elizabeth is a member of the Association of Chartered Certified Accountants.

**David McGowan (nationality: Irish – Irish resident)**

David joined Carne as the Global Chief Operating Officer in October 2019. David has over 15 years' experience in building and managing complex operations teams across a variety of industries. David has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of David's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Manager's regulatory environment as the Manager grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In David's role prior to joining Carne, he served as a director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, David was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

David holds a BSc in Supply Chain Management and Logistics from the Aston University Manchester.

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

#### Management Agreement

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

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

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

The ICAV shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonably incurred and properly vouched legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees or agents) arising out of or in connection with the performance of their obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud, bad faith or material breach of the Management Agreement on the part of the Manager (or any of the directors, officers, employees and agents of the Manager) in the performance of their duties under the Management Agreement or as otherwise may be required by law. The benefit of such indemnity shall not extend to exemplary, indirect or consequential losses of any nature suffered by the Manager (or any of its directors, officers, employees or agents).

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the ICAV and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement. The Manager's liability to the ICAV shall not be affected by the fact that the Manager has delegated all or any part of its function set out in the UCITS Regulations and the Central Bank Regulations to a third party.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Management Agreement or commit persistent breaches of the Management Agreement which is or are either incapable of remedy or have not been remedied

within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default;(ii) becomes incapable of performing its duties or obligations under the Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); or (vii) is the subject of a court order for its winding up or liquidation. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

### **The Administrator**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed administrator and Administrator under the Administration Agreement. The Administrator is a private company limited by shares incorporated in Ireland on 29 May 1995. The principal business activity of the Administrator is the administration of both Irish domiciled and non-Irish domiciled collective investment schemes. The Administrator is authorised and regulated by the Central Bank of Ireland. The registered office of the Administrator is 30 Herbert Street, Dublin 2.

The duties and functions of the Administrator include, inter alia, fund accounting services, fund administration services, the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share, the keeping of all relevant records in relation to the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the ICAV's books and accounts, coordinating with the auditor in relation to the audit of the financial statements of the ICAV, distributing the audited financial statements to the Central Bank, and recording investor capital activity in the Administrator's accounting system.

The Administration Agreement shall continue in full force and effect unless terminated by any party giving written notice of ninety days to each other party, provided that the ICAV or the Administrator may at any time immediately terminate the Administration Agreement if: (i) the other party shall go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise, (ii) the other party shall commit any breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within thirty consecutive calendar days after the service of written notice requiring it to be remedied, (iii) any party ceases to be permitted to act as in its current capacity under any applicable laws or regulation, or (iv) the Depositary shall cease to be engaged as the Depositary of the ICAV.

The Administration Agreement contains detailed provisions as to the services to be provided by the Administrator to the ICAV pursuant to the Administration Agreement and provides that the Administrator use reasonable care in the performance of these services. The Administrator shall not be held accountable or liable for any losses, damages or expenses the Manager, the ICAV or any Shareholder or former Shareholder of the ICAV or any other person may suffer or incur arising from acts, omissions, errors or delays of the Administrator in the performance of its obligations and duties including, without limitation, any error of judgement or mistake of law, except a damage, loss or expense resulting from the Administrator's wilful default, fraud, bad faith or negligence in the performance of such obligations and duties. The Administrator shall in no event be liable for special, indirect, consequential or punitive damages even if the Administrator has been advised of the possibility of such damages. The Administrator shall in no event be required to take any action which is in contravention of any applicable law, rule or regulation or any order or judgment of any court of competent jurisdiction.

The ICAV shall indemnify the Administrator against and hold it harmless from any and all losses, claims, damages, liabilities or expenses (including reasonable counsel's fees and expenses) resulting from any act, omission, error or delay or any claim, demand, action or suit, in connection with or arising out of performance of its obligations and duties under the Administration Agreement, not resulting from the wilful default, fraud, bad faith or, negligence of the Administrator in the performance of its such obligations and duties pursuant to the Administration Agreement.

### **The Depositary**

The ICAV has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Fund. The Depositary is regulated by the Central Bank. It is a private company limited by shares incorporated in Ireland on 29 March 1005. The registered office of the Depositary is 30 Herbert Street, Dublin 2, Ireland. The Depositary's main activity is the provision of custodial and depositary services to collective investment schemes.

The principal duties of the Depositary include the safekeeping of all of the ICAV's assets, the maintenance of bank accounts and the timely settlement of all securities transactions. The Depositary will be obliged to enquire as to the conduct of the ICAV in each financial year and to report thereon to the Shareholders. The Depositary must also ensure that the ICAV complies with the UCITS Regulations in its investment decisions and in the administration of issues and redemptions of Shares.

The Depositary Agreement shall continue in full force and effect until terminated by either the ICAV or the Depositary giving 90 calendar days' notice to the other, provided that the ICAV or the Depositary may at any time immediately terminate the Depositary Agreement: (i) a receiver or examiner is appointed to the other party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise, (ii) the other party shall commit any breach of the provisions of the Depositary Agreement which, if capable of remedy, shall not have been remedied within thirty calendar days after the service of written notice requiring it to be remedied, or (iii) the Depositary ceases to be permitted to act as a depositary of collective investment schemes authorised by the Central Bank under Irish law.

The Depositary shall be liable to the ICAV and the Shareholders for: (a) the loss of financial instruments that can be held in custody by the Depositary or a Sub-custodian to whom the custody of financial instruments that can be held in custody required to be held in custody in accordance with Regulation 34(4)(a) of the UCITS Regulations has been delegated and (b) all other losses suffered by the ICAV and the Shareholders as a result of the Depositary's negligent or intentional failure to fulfil its obligations pursuant to the UCITS Regulations.

The ICAV shall hold harmless and indemnify the Depositary (and each of its directors, officers, servants, employees and agents) against all actions, proceedings and claims and against all reasonable losses, costs, demands and expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of its performance of its duties (including its compliance with applicable laws and regulations) under the terms of the Depositary Agreement, (other than to the extent that it relates to loss as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations).

The Depositary may delegate its functions as permitted by Regulation 34(4) of the UCITS Regulations, subject to the terms of the Depositary Agreement and the legislative and regulatory framework for the authorisation and supervision of UCITS in place in Ireland from time to time, pursuant to the UCITS Regulations, the Delegated Regulation and the UCITS Rules. The liability of the Depositary will not be affected by any delegation of custody services or asset verification services.

Shareholders will be provided with up-to-date information on the Depositary's identity, duties, a description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-

delegates of the sub-custodian and any conflicts of interest that may arise from such a delegation from the Depositary upon request.

### **The Investment Manager**

The Manager may delegate responsibility for the investment and re-investment of the Funds' assets to an investment manager, pursuant to an Investment Management Agreement. In circumstances where an Investment Manager is appointed in respect of a Fund, the Investment Manager will be disclosed in the relevant Supplement.

Any Investment Manager appointed by the Manager will be responsible to the ICAV and the Manager for managing the assets of the relevant Funds in accordance with the investment objectives and policies of each Fund as described in this Prospectus and the relevant Supplement.

### **The Distributor**

Pursuant to the Distribution Agreement, the Manager has appointed Mirae Asset Global Investments (Hong Kong) Limited as Distributor for the Shares in the Funds. The Distributor is a limited company incorporated under the laws of Hong Kong and is licensed by the Hong Kong Securities and Futures Commission to carry out regulated activities in Hong Kong.

The Distribution Agreement provides that the Distributor is appointed to perform the functions and duties in relation to the ICAV described therein including but not limited to using its reasonable endeavours to promote the sale of and provide all reasonable assistance to the Manager and/or the ICAV in connection with the preparation, publication and distribution of the Prospectus and any offer documents or other documents necessary or desirable for the promotion of the Shares and to procure subscribers for the Shares and to pay all subscription monies, if any, received from applicants for Shares by the Distributor to the ICAV's account. The Distributor agrees to comply with all applicable laws governing the promotion and sale of the Shares of the Funds including all applicable laws and regulations relating to money laundering. The Distributor will be liable to the ICAV for any direct losses, liabilities, actions, proceedings, claims, costs and expenses sustained by reason of its negligence, fraud, bad faith or wilful default in respect of its obligations and duties under the Distribution Agreement. The ICAV shall indemnify and hold harmless out of the assets of the relevant Fund the Distributor and each of its directors, officers and authorised agents against all or any Losses (including without limitation reasonable legal fees and expenses) arising from the breach of the Distribution Agreement by the ICAV in the performance of its duties or which otherwise may be suffered or incurred by the Distributor in the performance of its duties save where such Losses, arise due to the negligence, fraud, bad faith or wilful default of the Distributor, its directors, officers or delegates. The Distribution Agreement may be terminated by either the ICAV or the Distributor by giving the other party not less than ninety (90) days' notice in writing.

## ADMINISTRATION OF THE ICAV

### Determination of the Net Asset Value

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

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

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of the Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a Class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the Class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. Class Expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis determined by the ICAV in consultation with the Administrator and approved by the Depositary having taken into account the nature of the fees and charges, provided that such reasonable basis is fair and equitable. Class Expenses and fees relating specifically to a Class will be charged to that Class. In relation to any Class, in the event that the Class Currency is different from the Base Currency or the currencies in which the Fund's Investments are denominated, any relevant currency conversion costs attributable to the Class will be borne by that Class.

**"Class Expenses"** means all expenses associated with converting currency and the costs and gains/losses of the hedging transactions incurred in relation to the relevant Class.

The Net Asset Value per Share shall be rounded to the nearest 4 decimal places.

In determining the value of the assets of the Fund, each Investment listed, traded or dealt in on a Regulated Market for which market quotations are readily available shall be valued at the last traded price at the Valuation Point in the relevant Regulated Market on the relevant Dealing Day, provided that the value of the Investment listed, traded or dealt in on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the Investment as the Directors may consider appropriate and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the Investment is normally listed, traded or dealt in on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which constitutes the main market for the Investment. If prices for an Investment listed, traded or dealt in on the relevant Regulated Market are not available at the relevant time or are unrepresentative, or in the event that any Investments are not listed or traded on any Regulated Market, such Investment shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the Investment by a competent professional person appointed by the Directors and approved for such purpose by the Depositary which may be the Investment Manager.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar Investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary. The counterparty to derivative instruments not traded on an exchange must be prepared to value the contract and to close out the transaction at the request of the ICAV at fair value. The ICAV may choose to value over the counter derivatives using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the ICAV or by an independent pricing vendor. The ICAV must value over the counter derivatives on a daily basis. Where the ICAV values over the counter derivatives using an alternative valuation the ICAV must follow international best practice and will adhere to the principles on the valuation of over the counter instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary. The alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the ICAV values over the counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty. The independent verification must be carried out at least weekly. Forward foreign exchange contracts shall be valued by reference to freely available market quotations. All valuations will adhere to the requirements of EMIR.

A Fund may, in accordance with the requirements of the Central Bank, apply an amortised cost method of valuation in respect of money market instruments with a known residual maturity of less than three months and no specific sensitivity to market parameters, including credit risk.

The Directors may adjust the Net Asset Value per Share where such an adjustment is considered necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

In the event of it being impossible or incorrect to carry out a valuation of a specific Investment in accordance with the valuation rules set out above or if such valuation is not representative of an asset's fair market value, a competent person appointed by the ICAV and approved for the purpose by the Depositary is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary and is clearly documented for inspection by the Directors.

### **iNAV**

The ICAV may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an iNAV or indicative net asset value for one or more Classes of an Index Fund. The Manager will typically make iNAVs available for certain Classes of the Funds where required by a Relevant Stock Exchange. Where the Manager elects to make an iNAV available on any Business Day, the iNAV will be calculated based upon information available during the Trading Day or any portion of the Trading Day and will ordinarily be based upon the then-current value of the assets/exposures of the relevant Fund on such Business Day.

Where the Manager elects to make available an iNAV for a particular Class of a Fund, the relevant Bloomberg and Reuters codes for the iNAV will be made available on the relevant product page for

such Fund at <https://globalxetfs.eu> or where otherwise indicated in respect of a particular Fund in the relevant Supplement.

It will only be possible for the ICAV to provide iNAV's for Classes of Shares of Index Funds which track or replicate Indices that are comprised of constituents in respect of which intra-day prices are available. For Funds which track or replicate Indices comprised of dynamic strategies with variable allocations to underlying exposures which rebalance at the end of each Business Day, it is not possible to determine intra-day values for the Index as the allocation ratio to the various underlying exposures is not known until the end of the day. Therefore, iNAV's for such Classes will not be available.

None of the ICAV, the Manager, or the Investment Manager or any of its affiliates, or any third party calculation agent involved in, or responsible for, the calculation or publication of such iNAV's makes any warranty as to their accuracy or shall be liable to any person who relies on the iNAV.

## TAXATION

The following is a general and brief summary of certain Irish tax considerations applicable to the ICAV and details of the withholding taxes or deductions that may be made at source from the income and capital gains paid by the ICAV to Investors who are the beneficial owners of Shares in the ICAV. It does not purport to deal with all of the tax consequences applicable to the ICAV or to all categories of Investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Investors whose acquisition of Shares in the ICAV would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (“PPIU”). The tax consequences of an investment in Shares will depend not only on the nature of the ICAV’s operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Investor. It does not constitute tax or legal advice and prospective Investors are advised to consult their professional advisors concerning possible taxation or other consequences of their subscribing, purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of Ireland and/or their country of incorporation, establishment, citizenship, residence or domicile, or other liability to tax and in light of their particular circumstances.

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

### Taxation of the ICAV

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

As a result of changes introduced in the Finance Act 2016, a new regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20% withholding tax on ‘IREF taxable events’. The changes primarily target non-Irish resident investors. On the basis that the ICAV is a UCITS, it is excluded from the definition of an IREF and so these provisions should not be relevant and are not discussed further.

### Chargeable Event

Although the ICAV is not chargeable to Irish tax on its income and gains, Irish tax (at rates currently ranging from 25% to 60%) can arise on the happening of a “chargeable event” in respect of the ICAV. A chargeable event includes any payments or distributions to Investors, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal arising as a result of holding Shares for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

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

- (a) the Investor is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the Relevant Declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not, or is no longer, materially correct; or
- (b) the Investor is Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that

the requirement to provide the Relevant Declaration of non-residence is deemed to have been complied with in respect of the Investor and the approval has not been withdrawn; or

- (c) the Investor is an Exempt Irish Resident as defined below.

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

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

A chargeable event does not include:

- (a) any transactions (which might otherwise be a chargeable event) in relation to Shares held in a Recognised Clearing System as designated by order of the Revenue Commissioners of Ireland; or
- (b) a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- (c) an exchange by an Investor, effected by way of arm’s length bargain, of Shares in a Fund for Shares in another Fund; or
- (d) an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

With respect to Classes of Funds that are ETF Shares, it is the intention of the Directors that the Shares will at all times be held in a Recognised Clearing System. On that basis, it is not envisaged that a chargeable event will arise on which the ICAV will be liable to account for tax with respect to Classes of Funds that are ETF Shares. However, if, for any reason, Shares cease to be held in a Recognised Clearing System and the ICAV becomes liable to account for tax on a chargeable event, the ICAV shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Investor as is required to meet the amount of tax. The relevant Investor 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.

### **Investors whose Shares are held in a Recognised Clearing System**

In addition, where Shares are held in a Recognised Clearing System, the obligation falls on the Investor (rather than the ICAV) to self-account for any tax arising on a chargeable event.

**Investors and potential Investors should consult their own professional advisors concerning possible taxation consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the Irish tax and/ or their country tax law of incorporation, establishment, citizenship, residence or domicile and in light of their particular circumstances.**

### **Irish Court Services**

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

### **Exempt Irish Resident Investors**

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

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the shares are assets of a Personal Retirement Savings Account (PRSA);
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) of the TCA in respect of payments made to it by the ICAV; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising the tax exemptions associated with the ICAV.

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

### **Taxation of Non-Irish Resident Investors**

Non-Irish Resident Investors who (directly or through an intermediary) have issued to the ICAV the Relevant Declarations where required, are not liable to Irish tax on the income or gains arising to them from their investment in the ICAV and no tax will be deducted on distributions from the ICAV or payments by the ICAV in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Investors are generally not liable to Irish tax in respect of income

or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Investor.

Unless the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the Relevant Declaration had been complied with in respect of the Investor and the approval has not been withdrawn, in the event that a non-resident Investor (or an intermediary acting on its behalf) fails to make the Relevant Declaration, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Investor is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

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

### **Taxation of Irish Resident Investors**

#### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the ICAV from any distributions made by the ICAV to an Irish Resident Investor who is not an Exempt Irish Resident or any gain arising on an encashment, repurchase, cancellation, redemption or other disposal of Shares by such an Investor at the rate of 41%. Any gain will be computed as the difference between the value of the Investor's investment in the ICAV at the date of the chargeable event and the original cost of the investment as calculated under special rules.

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

#### *Deemed Disposals*

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

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

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

### **The Foreign Account Tax Compliance Act (FATCA)**

The provisions of FATCA are designed to require certain US Persons' direct and indirect ownership of certain non-US accounts and non-US entities to be reported by foreign financial institutions ("FFIs") to foreign tax authorities who will then provide the information to the IRS.

The ICAV may be regarded as a FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent. With respect to certain US source payments (which will include, with effect from 31 December 2018, gross proceeds) and, after 31 December 2018, gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to an FFI.

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices. The ICAV may require additional information from Investors in order to comply with these provisions. The ICAV may disclose the information, certificates or other documentation that it receives from (or concerning Investors to the Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Revenue Commissioners, in turn, report such information to the IRS. If an Investor causes (directly or indirectly) the ICAV to suffer a withholding for or on account of FATCA ("FATCA Deduction") or other financial penalty, cost, expense or liability, the ICAV may compulsorily repurchase any Shares of such Investor and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Investor. Each prospective Investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective Investor's own situation. If applicable, Investors and prospective Investors should contact their intermediary regarding the application of this regime to their investments in the ICAV.

To comply with its obligations under FATCA, the ICAV may require additional information and documentation from Investors. The ICAV may disclose the information, certifications or other documentation that they receive from or in relation to Investors to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories. Upon request from the ICAV or its delegate, the Investor shall provide such information to the ICAV or its delegate (and/or such broker, custodian or nominee through which an Investor holds its Shares in the ICAV). Investors refusing to provide the requisite information to the ICAV may be reported to the Irish tax authorities or other parties as necessary to comply with FATCA.

#### **The German Investment Tax Act ("GITA"):**

The information given in this section is a high-level summary of certain aspects of the German Taxation System, based on the law and official guidance currently available and subject to change. The information is not intended to be exhaustive and does not constitute legal or tax advice.

With effect from 1 January 2018 a new version of the GITA will apply to taxation at fund level as well as to taxation at investor level. A "partial tax exemption" provides investors (i.e. Investors) with a tiered rate of German tax relief relating to taxable income derived from German or foreign funds (such as the ICAV). The scope of relief depends on both the investor category as well as the category of the fund. Any investment income (distributions, pre-determined tax bases and capital gains from the disposal of investment fund units) can generally be subject to a partial exemption provided that the respective investment fund qualifies as equity fund, mixed fund or real estate fund.

#### According to sec. 2 para 8 GITA

Equity funds are investment funds that invest continuously at least 51% of their value in equity participations according to their constitutive documents. Equity investments are admitted to official trading on a stock exchange or shares quoted on an organised market at a corporation. The partial exemption amounts to 30% for Investors who are private individuals. For individuals holding the investment fund units as part of their business assets, the partial exemption increases to 60%. For corporate investors, 80% of the investment proceeds are tax-free.

Where the ICAV seeks to maintain "equity fund" status for any Fund pursuant to Section 2 para. 6 and 7 of the German Investment Tax Act 2018, this will be specified in the relevant Supplement.

According to sec. 2 para 8 GITA

Mixed funds are investment funds that invest continuously at least 25% of their value in equity participations according to their constitutive documents. In this case, half of the partial exemption rates applicable to equity funds is available.

Real estate funds are investment funds that invest continuously at least 51% of their value in real estate and real estate companies according to their constitutive documents. The partial exemption rate amounts to 60%. If the relevant investments are made in non-German real estate and non-German real estate companies, the partial exemption rate increases to 80%.

The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in the ICAV. Investors and prospective Investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in the ICAV.

## GENERAL

### Data Protection Notice

Investors should note that the ICAV and/or Manager may handle their personal data (within the meaning of GDPR, "**Personal Data**") or Personal Data of individuals connected with an Investor's directors, officers, employees and/or beneficial owners.

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, statistical analysis, market research and to comply with any applicable legal, taxation or regulatory requirements (including FATCA and CRS). 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 particular, in order to comply with the Investment Undertaking Reporting, FATCA, the Common Reporting Standard and DAC 2 information reporting regimes implemented in Ireland by Section 891C, Section 891E to Section 891G (inclusive) of the TCA and regulations made pursuant to those sections, Personal Data (including financial information) may be shared with the Revenue Commissioners. The Revenue Commissioners in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard.

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.

The privacy notice prepared in respect of the ICAV and the Manager (in its capacity as the management company of the ICAV) (the "Privacy Notice") contains information on the collection, use, disclosure, transfer and processing of Personal Data by the ICAV and/or Manager and sets out the rights of individuals in relation to their Personal Data held by the ICAV and/or Manager.

The Privacy Notice is available at <https://globalxetfs.eu>.

Requests for further information in relation to the ICAV's use, Manager's use and/or its delegate's use of Personal Data and requests to exercise the rights in relation to Personal Data, as set out in the Privacy Notice, should be sent by email to the ICAV at [Ucitslegalnotices@globalxetfs.com](mailto:Ucitslegalnotices@globalxetfs.com)

### Conflicts of Interest and Best Execution

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

The Directors, the Manager, the Investment Manager, the Depositary, the Administrator and the Distributor and the delegates and sub-delegates of the Manager or the Depositary may from time to time act as directors, manager, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the ICAV which have similar investment objectives to those of the ICAV and any Fund. Such other funds and accounts may pay higher fees than a Fund or performance-based fees for such services. The Investment Manager and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such

transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the ICAV and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the ICAV and other clients. The Investment Manager may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the ICAV and a Fund. Each of the Directors, the Manager, the Investment Manager, the Depositary, the Administrator and the Distributor will, at all times, have regard in such event to its obligations to the ICAV and the Fund and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the ICAV in respect of the assets of a Fund, provided that at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Directors are, satisfied conformed to the requirement that transactions with such parties be conducted at arm's length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with such parties be conducted at arm's length and in the best interests of Shareholders.

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

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

The ICAV has adopted a policy designed to ensure that its service providers act in a Fund's best interests when executing decisions to deal and placing orders to deal on behalf of the Fund in the context of managing the Fund's portfolio. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature or any other consideration relevant to the execution of the order. Information about the ICAV's execution policy and any material changes to the policy are available to Shareholders at no charge upon request.

The Investment Manager has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders and Investors on its website.

The Investment Manager may direct transactions to brokers in return for research services (such as written research reports on companies, sectors, or economies or the subscription of on-line data bases that provide real time, historical pricing information and meetings with portfolio company representatives). In such circumstances, the Investment Manager may enter into soft commission agreements or similar arrangements with such brokers. Under such arrangements, the Investment Manager must ensure that the broker or counterparty to the arrangement has agreed to provide best execution to the Funds. The benefit provided must assist the Investment Manager in its provision of investment services to the Funds.

### **Complaints**

Information regarding the ICAV's complaint procedures is available to Shareholders free of charge upon request. Shareholders may file complaints about the ICAV free of charge at the registered office of the ICAV.

### **The Share Capital**

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue up to 500 billion Shares of no par value in the ICAV at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the ICAV. The Subscriber Shares do not participate in the assets of any Fund. The ICAV reserves the right to redeem some or all of the Subscriber Shares provided that the ICAV at all times has a minimum issued share capital to the value of €300,000.

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

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

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

Each of the Shares entitles the Shareholder to attend and vote at meetings of the ICAV and of the relevant Class of a Fund represented by those Shares. No Class confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class or any voting rights in relation to matters relating solely to any other Class.

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

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

It is intended that all but two of the Subscriber Shares will be redeemed by the ICAV at their Net Asset Value on the Dealing Day on which the first issue of Shares is effected after the Initial Offer Period. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV but do not entitle the holders to participate in the dividends or net assets of any Fund or of the ICAV.

## **The ICAV and Segregation of Liability**

The ICAV is an umbrella fund with segregated liability between sub-funds and each Fund may comprise one or more Classes of Shares in the ICAV. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate Classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate Classes of Shares within each Fund on such terms as the Directors may resolve.

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

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

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

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

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

All sums recoverable by the ICAV shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

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

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause

to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

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

Separate records shall be maintained in respect of each Fund.

### **Meetings and Votes of Shareholders**

All general meetings of the ICAV or a Fund shall be held in Ireland.

#### Notice of Election to Dispense with Annual General Meetings

The Directors have elected, pursuant to section 89(4) of the ICAV Act, to dispense with the holding of annual general meetings of the ICAV. This election is effective since-2021 and subsequent years. However, pursuant to section 89(6) of the ICAV Act: (i) one or more Shareholders of the ICAV holding, or together holding, not less than 10% of the voting rights in the ICAV; or (ii) the auditor of the ICAV, may require the ICAV to hold an annual general meeting in any year by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year.

Only persons entered in the ICAV's register of Shareholders (i.e. registered holders of Shares and Subscriber Shares) are entitled to vote at meetings of the ICAV.

#### Notices of Meetings and the Exercise of Voting Rights through the International Central Securities Depositories

Notices of general meetings and associated documentation will be issued by the ICAV to the registered holder of the ETF Shares i.e. the Common Depository's Nominee. Each participant must look solely to its ICSD and the rules and procedures for the time being of the relevant ICSD governing onward delivery of such notices to the participants and the participant's right to exercise voting rights. Investors who are not participants in the relevant ICSD would need to rely on their broker, nominee, custodian bank or other intermediary which is a participant, or which has an arrangement with a participant, in the relevant ICSD to receive any notices of Shareholder meetings of the ICAV and to relay their voting instructions to the relevant ICSD.

The Common Depository's Nominee has a contractual obligation to promptly notify the Common Depository of Shareholder meetings of the ICAV and to relay any associated documentation issued by the ICAV to the Common Depository, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant ICSD. Each ICSD will, in turn, relay notices received from the Common Depository to its participants in accordance with its rules and procedures. In accordance with their respective rules and procedures, each ICSD is contractually bound to collate and transfer all votes received from its participants to the Common Depository and the Common Depository is, in turn, contractually bound to collate and transfer all votes received from each ICSD to the Common Depository's Nominee, which is obligated to vote in accordance with the Common Depository's voting instructions.

#### Procedures at General Meetings

The holders of the Subscriber Shares shall, on a poll be entitled to one vote per Subscriber Share, shall not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares, and shall, in the event of a winding up or dissolution of the ICAV, be entitled (after payment to the holders of the Shares of a sum equal to the Net Asset Value of the Shares as at the date of commencement to wind up) to payment in respect of the nominal amount paid up thereon out of the assets of the ICAV.

The Shareholders shall on a poll be entitled to one vote per Share, shall be entitled to such dividends as the Directors may from time to time declare and, in the event of a winding up or dissolution of the ICAV, be entitled, in priority to the holders of the Subscriber Shares, firstly to an amount equal to the Net Asset Value of the Class held at the date of winding up and, after payment to the holders of the Subscriber Shares of the nominal amount paid up thereon, to participate in surplus assets of the ICAV (if any).

Subject to the provisions of the Instrument of Incorporation and any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and every proxy shall have one vote. To be passed, resolutions of the ICAV in general meeting will require a simple majority of the votes cast by the Shareholders at the meeting at which the resolution is proposed. A majority of not less than 75% of the Shareholders present and (being entitled to vote) voting in general meetings is required in order to (i) amend the Instrument of Incorporation and (ii) wind up the ICAV.

The rights attached to any Class may be varied or abrogated with the consent in writing of Shareholders holding 75% 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 the Shares of the Class in accordance with the Instrument of Incorporation.

The quorum for any general meeting convened to consider any alteration to the Class rights of the Shares shall be such number of Shareholders being one or more persons whose holdings comprise one-third of the Shares. The quorum for meetings other than a meeting to consider changes in Class rights shall be one person present in person or by proxy. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the ICAV. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Instrument of Incorporation provide that matters may be determined by a meeting of Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. On a show of hands a Shareholder present at a meeting is entitled to one vote. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the ICAV which are submitted to Shareholders for a vote by poll.

### **Compulsory Redemption**

The ICAV may redeem Shares on notice in writing to a Shareholder in circumstances where it, either alone or in conjunction with any other person becomes aware that any Shares are or might be held by a person who is not a Qualified Holder.

### **Compulsory (Total) Redemption**

If at any time the aggregate Net Asset Value of the ICAV is less than USD 100,000,000 (or equivalent), the ICAV may, by notice to Shareholders given within 4 weeks of such time, redeem on the Dealing Day next following the expiry of the notice all (but not some) of the Shares not redeemed. Additionally the Directors may, at any time after the first anniversary of the first issue of Shares of the ICAV, require redemption of all the Shares of a particular Fund or a particular Class, if the Net Asset Value of such Fund or Class is lower than USD 50,000,000 (or equivalent), for a period of 30 consecutive days.

The Instrument of Incorporation also permits the Directors to close a particular Fund or Class (i) where they deem it appropriate because of changes in the economic or political situation affecting the Fund or Class; (ii) where ETF Shares of a Fund are delisted from a Relevant Stock Exchange; (iii) where it is no longer possible or practicable, in the opinion of the Directors, to use FDIs in respect of a Fund or Class for reasons including but not limited to, a situation where it is not economical to do so; (iv) where the Manager resigns or is removed or the Management Agreement is terminated

and no replacement manager is appointed within three months from the date of such resignation, removal or termination; (v) where the licence agreement relating to an Index (or relating to the underlying industry sector data used in the construction and maintenance of an Index) relating to a Fund is terminated; (vi) where the Index Provider modifies or ceases to publish the Index relating to a Fund; (vii) where a service provider resigns or is removed, and no suitable successor is appointed; or (x) at the Directors' discretion on prior notice to Shareholders.

Following the closure of a particular Class, further Shares of that Class may be issued at the discretion of Directors provided that the issue that led to the closure of the Class no longer exists for that Class and the Class is not the last remaining Class in a Fund.

Any such compulsory termination of a Fund or a particular Class will require at least 30 days' prior written notice to Shareholders of the relevant Fund or Class. As an alternative, but subject to prior approval of the Central Bank and of the Shareholders of the Fund or Class affected, the Directors may arrange for a Fund or Class to be merged with another Fund or Class of the ICAV or with another UCITS.

A particular Fund or Class may be closed in circumstances other than those mentioned above with the consent of a simple majority of the Shareholders present or represented at a meeting of Shareholders of that Fund or Class. Any closure determined on by the above provisions will be binding on all the holders of the Shares of the relevant Fund or Class.

Where a particular Fund or Class is terminated, the redemption price payable on termination will be calculated on a basis reflecting the realisation and liquidation costs on closing the Fund or Class.

The Directors have the power to suspend dealings in the Shares of any Fund or Class where it is to be terminated in accordance with the above provisions. Such suspension may take effect at any time after the notice has been given by the Directors as mentioned above or, where the termination requires the approval of Shareholders, after the passing of the relevant resolution. Where Shares of such Fund or Class are not suspended, the prices of Shares may be adjusted to reflect the anticipated realisation and liquidation costs mentioned above.

### **Closure process for Funds and Classes on Compulsory (Total) Redemption**

Where a Fund or a particular Class is to be totally redeemed and terminated in accordance with the above provisions, the Directors shall take the following steps taking into account any minimum notice periods prescribed by a Relevant Stock Exchange, the Central Bank or any relevant competent authority:

#### *Procedure to be followed for ETF Shares*

- (a) A notification shall be sent to Shareholders of ETF Shares of the relevant Fund or Class specifying the proposed timetable for the closure including (i) the final date on which the ETF Shares can be bought or sold on all Relevant Stock Exchanges, (ii) the final Dealing Day for subscriptions and redemptions of ETF Shares directly with the ICAV after which all such primary market dealing will be permanently suspended (the "**Final Dealing Day**"), (iii) where relevant, the final date on which the Fund or Class will have exposure to the relevant Index which it seeks to track or replicate, (iv) the date by reference to which all ETF Shares of the Fund or Class which remain in issue shall be compulsorily redeemed (the "**Compulsory Redemption Date**") and (v) an indicative date on which the Directors propose to distribute the liquidated proceeds from the compulsory redemption of the Shares to the relevant Shareholders (the "**Indicative Settlement Date**");
- (b) Notice of the de-listing of the ETF Shares, the permanent suspension of dealing and the termination of the Fund or Class shall be communicated to the Central Bank and all Relevant Stock Exchanges and, to the extent required by the law or practices of the country concerned, to any other competent authority in a Member State or other country in which the relevant ETF Shares are registered for marketing. Such notice shall also be published in

such publication(s) as the Directors may determine and, in any event, shall be communicated through the media by which Share prices are published;

- (c) The ETF Shares of the relevant Fund or Class shall subsequently be de-listed from all Relevant Stock Exchanges in accordance with the timetable notified to Shareholders;
- (d) Dealing in the relevant Fund or Class shall be permanently suspended with effect from the Business Day following the Final Dealing Day;
- (e) All ETF Shares of the relevant Fund or Class which remain in issue following the Final Dealing Day shall be compulsorily redeemed on the Compulsory Redemption Date;
- (f) Following the Compulsory Redemption Date, the Investment Manager and the Administrator shall take the necessary steps to liquidate the Investments attributable to the relevant Fund or Class for the purposes of determining the final Net Asset Value per Share of the relevant Fund or Class;
- (g) Once the final Net Asset Value per Share of the relevant Fund or Class has been determined by the Administrator, the proceeds of the compulsory redemption of Shares shall be distributed by the Administrator to the Shareholders on or around the Indicative Settlement Date.

The Fund or Class will continue tracking or replicating its Index until (and including) the Final Dealing Day. Therefore, the Final Dealing Day will be the final day on which the Net Asset Value will be determined by reference to the relevant Index.

The Directors can give no assurance that the distribution of the proceeds from the compulsory redemption of the ETF Shares will take place on the Indicative Settlement Date. The Indicative Settlement Date will be notified to Shareholders of ETF Shares for indicative purposes only, as the liquidation of the Investments attributable to the Fund or Class following the Compulsory Redemption Date can be affected by various factors including delays in the settlement of transactions and repatriation of the Fund's cash.

**Secondary market investors:**

No distribution proceeds resulting from the Compulsory Redemption of the ETF Shares shall be payable by the ICAV directly to any person other than those persons listed as Shareholders in the Register as at the Compulsory Redemption Date. Please note that Investors who hold ETF Shares will not appear on the ICAV's Register of Shareholders. Such Investors should deal directly with the relevant broker, market maker/Authorised Participant, nominee, clearing agent or Euroclear or Clearstream (as relevant) in respect of their investment.

**Authorised Participants only:**

An Authorised Participant who submits a valid application for redemption of ETF Shares (the "**Relevant Shares**") on or before the Final Dealing Date shall not be subject to the Compulsory Redemption process in respect of the Relevant Shares. However, in the event that any such application for redemption has not settled in advance of the Compulsory Redemption Date (as a result of the relevant Authorised Participant having failed to deliver the Relevant Shares by such date), the relevant redemption application shall be cancelled. In such circumstances, the number of ETF Shares that were the subject of the cancelled redemption application will be compulsorily redeemed along with all of the other outstanding ETF Shares in the ICAV on the Compulsory Redemption Date. The relevant Authorised Participant whose application was cancelled will be required to reimburse the ICAV to the extent that the redemption price per ETF Share determined in respect of the Compulsory Redemption exceeds the redemption price per ETF Share that would have been payable to the relevant Authorised Participant in respect of the cancelled redemption application had it not been cancelled, such amount representing the loss to the Fund or Class incurred in connection with the cancellation of the redemption application.

The Investment Manager will be responsible for all legal, procedural, stock exchange related and service provider costs incurred in respect of the de-listing, redemption process and termination of a Fund or Class.

Procedure to be followed for Non-ETF Shares

- (a) A notification shall be sent to each Shareholder of Non-ETF Shares of the relevant Fund or Class specifying the proposed timetable for the closure including (i) the final Dealing Day for subscriptions and redemptions of Non-ETF Shares directly with the ICAV after which all such dealing will be permanently suspended (the “**Final Dealing Day**”), (ii) where relevant, the final date on which the Fund or Class will have exposure to the relevant Index which it seeks to track or replicate, (iii) the date by reference to which all Non-ETF Shares of the Fund or Class which remain in issue shall be compulsorily redeemed (the “**Compulsory Redemption Date**”) and (iv) an indicative date on which the Directors propose to distribute the liquidated proceeds from the compulsory redemption of the Non-ETF Shares to the relevant Shareholders (the “**Indicative Settlement Date**”);
- (b) (Notice of the permanent suspension of dealing and the termination of the Fund or Class shall be communicated to the Central Bank and, to the extent required by the law or practices of the country concerned, to any other competent authority in a Member State or other country in which the Non-ETF Shares are registered for marketing. Such notice shall also be published in such publication(s) as the Directors may determine and, in any event, shall be communicated through the media by which Non-ETF Share prices are published;
- (c) Dealing in the Fund or Class shall be permanently suspended with effect from the Business Day following the Final Dealing Day;
- (d) All Non-ETF Shares which remain in issue following the Final Dealing Day shall be compulsorily redeemed on the Compulsory Redemption Date;
- (e) Following the Compulsory Redemption Date, the Investment Manager and the Administrator shall take the necessary steps to liquidate the Investments attributable to the relevant Fund or Class for the purposes of determining the final Net Asset Value per Share of the relevant Fund or Class;
- (f) Once the final Net Asset Value per Share of the relevant Fund or Class has been determined by the Administrator, the proceeds of the compulsory redemption of Shares shall be distributed by the Administrator to the registrar who will in turn distribute the proceeds to the Shareholders (in accordance with the remittance instructions on file for each holder of Non-ETF Shares).

The Directors can give no assurance that the distribution of the proceeds from the compulsory redemption of the Non-ETF Shares will take place on the Indicative Settlement Date. The Indicative Settlement Date will be notified to Shareholders of Non-ETF Shares for indicative purposes only, as the liquidation of the Investments attributable to the Fund or Class following the Compulsory Redemption Date can be affected by various factors including delays in the settlement of transactions and repatriation of cash.

The Investment Manager will be responsible for all legal, procedural and service provider costs incurred in respect of the redemption process and termination of a Fund or Class.

**Deferred Repurchase**

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

deferred redemption in such manner as it may deem to be fair and reasonable and as shall be approved by the Depositary.

## **Reports**

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the ICAV. Upon publication, which shall be within four months of the end of the financial year, and at least 21 days before the annual general meeting (if applicable), these will be available to Investors and Relevant Stock Exchanges on request by electronic mail and the ICAV shall place a copy of such document on the website of the Distributor. In addition, the ICAV shall make available to Investors upon publication, which shall be within two months of the end of the relevant period, a half-yearly report which shall include unaudited half-yearly accounts for the ICAV.

Annual accounts shall be made up to 30 June in each year and the first audited accounts shall be made up to 30 June 2022. Unaudited half-yearly accounts shall be made up to 31 December in each year and the first half-yearly accounts shall be made up to 30 June 2023.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be available free of charge along with the Instrument of Incorporation to Investors and Relevant Stock Exchanges on request by electronic mail. The ICAV shall place copies of such documents on the website of the Distributor.

## **Remuneration Policy of the Manager**

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

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

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

## **Miscellaneous**

- (a) The ICAV is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the ICAV.
- (b) At the date of this document, there are no service contracts in existence between the ICAV and any of its Directors, nor are any such contracts proposed.
- (c) At the date of this document, neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the ICAV or any options in respect of such capital.

- (d) At the date of this document, the ICAV has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.
- (e) Save as disclosed herein in the section entitled “Fees, Costs and Expenses” above, no commissions, discounts, brokerage, or other special terms have been granted by the ICAV in relation to Shares issued by the ICAV.
- (f) The ICAV does not have, nor has it had since its incorporation, any employees or subsidiary companies.

## SCHEDULE I

### The Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be listed and/or traded from time to time and is set out in accordance with the regulatory criteria as defined in the Central Bank Regulations. With the exception of permitted investments in unlisted securities, each Fund will only invest in securities traded on a stock exchange or market which meets the regulatory criteria (regulated, operating regularly, be recognised and open to the public) and which is listed in this Prospectus. The Central Bank does not issue a list of approved stock exchanges or markets. A Regulated Market shall comprise any stock exchange which is located in any Member State; or located in any of the following countries: Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, the UK, the United States of America; or any stock exchange included in the following list:

- Argentina - the stock exchanges in Buenos Aires, Cordoba, Mendoza, Rosario and La Plata;
- Bangladesh – the stock exchanges in Chittagong and Dhaka;
- Botswana – the Botswana Share Market; Brazil – the stock exchanges in Sao Paulo, Brasilia, Bahia-Sergipe-Alagoas, Extremo Sul Porto Alegre, Parana Curitiba, Regional Fortaleza, Santos, Pernambuco e Paraiba and Rio de Janeiro;
- Chile – the stock exchanges in Santiago and Valparaiso;
- China - the stock exchanges in Shanghai and Shenzhen;
- Colombia – the stock exchanges in Bogota and Medellin;
- Croatia – the Zagreb Stock Exchange;
- Egypt – the stock exchanges in Cairo and Alexandria;
- Ghana – the Ghana Stock Exchange;
- Hong Kong – the stock exchange in Hong Kong;
- Iceland – the stock exchange in Reykjavik;
- India – the Bombay Stock Exchange, the National Stock Exchange, the stock exchanges in Madras, Delhi, Ahmedabad, Bangalore, Cochin, Guwahati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
- Indonesia – the stock exchanges in Jakarta and Surabaya;
- Israel – the stock exchange in Tel Aviv;
- Jordan – the stock exchange in Amman;
- Kazakhstan – the Kazakhstan Stock Exchange;
- Kenya – the stock exchange in Nairobi;
- Korea – the stock exchange in Seoul;
- Mauritius – the stock exchange in Mauritius;
- Malaysia – the stock exchange in Kuala Lumpur;
- Mexico – the stock exchange in Mexico City;
- Morocco - the stock exchange in Casablanca;
- Pakistan – the stock exchanges in Karachi and Lahore;
- Peru – the stock exchange in Lima;

- Philippines – the Philippine Stock Exchange;
- Singapore – the stock exchange in Singapore;
- Serbia – the Belgrade Stock Exchange;
- South Africa – the stock exchange in Johannesburg;
- Sri Lanka – the stock exchange in Colombo;
- Taiwan – the stock exchange in Taipei;
- Thailand – the stock exchange in Bangkok;
- Tunisia – the stock exchange in Tunis;
- Turkey – the stock exchange in Istanbul;
- United Arab Emirates - Dubai Financial Market;
- Vietnam – the Ho Chi Minh City Stock Exchange;
- Zambia – the Lusaka Stock Exchange;

or any of the following:

- Equity Securities listed in Russian Trading System 1 (RTS1) and Russian Trading System 2 (RTS2) and Moscow Interbank Currency Exchange (MICEX);
- the market organised by the International Capital Markets Association;
- the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Currency and Bullion” dated April, 1988 (as amended from time to time);
- the market comprising dealers which are regulated by the Federal Reserve Bank of New York;
- the over-the-counter market conducted by primary and secondary dealers comprising dealers which are regulated by the United States Financial Industry Regulatory Authority and the United States Securities and Exchange Commission;
- NASDAQ; and the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

The following is a list of regulated futures and options exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Banks requirements. The Central Bank does not issue a list of approved futures and options exchanges or markets.

- (a) all futures and options exchanges: in a Member State;
- (b) in a Member State of the European Economic Area (EEA) (excluding Iceland and Liechtenstein i.e. Norway);
- (c) any derivatives and options exchanges included in the following list:
  - Australian Stock Exchange;
  - Bermuda Stock Exchange;
  - Bolsa Mexicana de Valores;
  - Chicago Board of Trade;
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange; the Commodity Exchange Inc;
  - Coffee, Sugar and Cocoa Exchange;

- Copenhagen Stock Exchange (including FUTOP);
- EDX London;
- Eurex Deutschland;
- Euronext Amsterdam;
- Euronext.liffe;
- Euronext Paris;
- European Options Exchange;
- Financial Futures and Options Exchange;
- Financiële Termijnmarkt Amsterdam;
- Finnish Options Market;
- Hong Kong Futures Exchange;
- International Monetary Market;
- International Capital Market Association;
- Irish Futures and Option Exchange (IFOX);
- New Zealand Futures and Options Exchange;
- Kansas City Board of Trade
- Korean Futures Exchange;
- Korean Stock Exchange;
- Marche des options Negocioables de Paris (MONEP);
- Marche a Terme International de France;
- MEFF Renta Fiji;
- MEFF Renta Variable;
- Midwest Stock Exchange;
- Montreal Exchange;
- National Association of Securities Dealers Automated Quotations System (NASDAQ);
- New York Futures Exchange;
- New York Mercantile Exchange;
- New York Stock Exchange;
- NYSE MKT;
- Osaka Securities Exchange;
- OMX Exchange Helsinki;
- OMX The London Securities and Derivatives Exchange Ltd.;
- OM Stockholm AB;
- Pacific Stock Exchange;
- Philadelphia Board of Trade;
- Philadelphia Stock Exchange;
- Singapore International Monetary Exchange;

- Singapore Stock Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;
- Singapore International Monetary Exchange;
- South Africa Futures Exchange (SAFEX);
- Sydney Futures Exchange;
- Tokyo Stock Exchange;
- Toronto Futures Exchange; and
- TSX Group Exchange.

These markets and exchanges are listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets and exchanges.

## SCHEDULE II

### Investment Restrictions

<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.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <ul style="list-style-type: none"> <li>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</li> <li>(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.</li> </ul>
<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>This restriction need not be included unless it is</b>

	<p><b>intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.</b></p>
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net 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>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are of investment grade), Government of Brazil (provided the issues are investment grade), , Government of the People’s Republic of China, 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 and Straight-A Funding LLC.</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 responsible person 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>	A UCITS may acquire no more than: <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>	5.1 and 5.2 shall not be applicable to: <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> </ul>

	<p>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</p> <p>(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.</p> <p>(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.</p>
<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<sup>□</sup>;</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.)

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

<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"><li data-bbox="309 264 1402 353">- 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.

## SCHEDULE III

### Investment Techniques and Instruments

#### Permitted financial derivative instruments (“FDI”)

1. The ICAV shall only invest assets of a Fund in FDI if:
  - 1.1 the relevant underlying reference assets or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
  - 1.2 the FDI do not expose the Fund to risks which it could not otherwise assume (e.g., gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
  - 1.3 the FDI do not cause the Fund to diverge from its investment objectives;
  - 1.4 the reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
    - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
      - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
      - (ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
      - (iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
    - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
      - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
      - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
      - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
    - (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
      - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value,

including pricing procedures for components where a market price is not available;

- (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

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

- 1.5 where the ICAV enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

### **Credit derivatives**

- 2. Credit derivatives, which shall mean unfunded total return OTC Swaps (as described under the heading "*Unfunded OTC Swap Model*" in the main body of the prospectus) are permitted where:
  - 2.1 they allow the transfer of the credit risk of an asset as referred to in paragraph 1.1 above, independently from the other risks associated with that asset;
  - 2.2 they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
  - 2.3 they comply with the criteria for OTC FDI set out in paragraph 4 below; and
  - 2.4 their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. A Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.
- 3. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or a non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.
- 4. Notwithstanding paragraph 3, a Fund may invest in OTC FDI if:
  - 4.1 the counterparty is: (a) a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve; or (d) such other categories of counterparties as are permitted by the Central Bank;

- 4.2 where a counterparty within sub-paragraphs (b) or (c) of paragraph 4.1: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph 4.2 this shall result in a new credit assessment being conducted of the counterparty by the ICAV without delay;
- 4.3 where an OTC FDI referred to in paragraph 4.1 above is subject to a novation, the counterparty after the novation must be:
- (a) an entity that is within one of the categories set out in paragraph 4.1 above; or
  - (b) a CCP authorised, or recognised by ESMA under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- 4.4 risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard, the Fund shall calculate the counterparty exposure using the positive mark-to-market value of the OTC FDI contract with that counterparty. A Fund may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC FDI with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The ICAV may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and
- 4.5 the OTC FDI are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

A Fund shall receive such collateral as necessary to ensure that the Fund's risk exposure to the counterparty, taking into account any netting arrangements as described in paragraph 4.4 above, does not exceed limits set out in Regulation 70(1)(c) of the UCITS Regulations.

Where a Fund engages with a counterparty in the context of a Securities Financing Transaction within the meaning of the SFTR (i.e. (i) a repurchase transaction; (ii) a reverse repurchase transaction; and/or (iii) securities lending transaction, each as defined in the SFTR) and/or a total return swap, the criteria for selecting that counterparty shall be those outlined in paragraphs 4.1 and 4.2 above.

5. Collateral received must at all times meet with the requirements set out in paragraphs 25 to 32 below.
6. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

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

7. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. A Fund may not therefore be leveraged in excess of 100%

of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk management process and reporting".

A Fund's expected level of leverage will be disclosed in the relevant Supplement.

The Supplement of a Fund using the VaR approach will disclose the possibility of higher levels of leverage, beyond the expected levels of leverage disclosed, and information on any reference portfolio(s).

For the purpose of calculating the expected leverage of a Fund using VaR:

- (i) VaR will be calculated daily and leverage will be calculated as the sum of the notionals of the derivatives used;
- (ii) the calculation of leverage may be supplemented with leverage calculated on the basis of a commitment approach; and
- (iii) the creation of leveraged exposure to an index via FDI, or the inclusion of a leverage feature in an index, shall be taken into account in assessing the expected and higher levels of leverage which will be disclosed in a Supplement as necessary.

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

8. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
9. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the ICAV shall calculate exposure of the Fund within the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.
10. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
11. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, the ICAV must establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or collective investment schemes when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration of a Fund must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. 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 Regulation 71(1) of the UCITS Regulations.

13. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
14. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

#### **Cover requirements**

15. The ICAV shall ensure that, at all times, a Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
16. The ICAV shall ensure that, at all times, the risk management process of a Fund includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately.
17. The ICAV shall ensure that, at all times, a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the following:
  - (a) in the case of FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure; and
  - (b) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
    - (i) the underlying assets consist of highly liquid fixed income securities; and/or
    - (ii) the exposure can be covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process and details are provided in the Prospectus.

## **Risk management process and reporting**

18. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity pursuant to Chapter 3 of the Central Bank Regulations. The risk management process is required to include information in relation to:
- (a) permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
  - (b) details of the underlying risks;
  - (c) relevant quantitative limits and how these will be monitored and enforced; and
  - (d) methods for estimating risks.

Amendments to the initial filing must be filed with the Central Bank together with Central Bank risk management process application form. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

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

## **Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management**

20. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.
21. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- 21.1 they are economically appropriate in that they are realised in a cost-effective way;
  - 21.2 they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 71 of the UCITS Regulations; and
  - 21.3 their risks are adequately captured by the risk management process of the Fund.

## **Repurchase/reverse repurchase agreements and securities lending**

22. Repurchase/reverse repurchase agreements and securities lending (“**efficient portfolio management techniques**”) may only be effected in accordance with the conditions and

limits set out in the Central Bank UCITS Regulations. Repurchase/reverse repurchase agreements may only be used for efficient portfolio management.

23. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph 25 below.
24. Collateral must, at all times, meet with the following criteria:
  - (a) **liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
  - (b) **valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - (c) **issuer credit quality:** Collateral received should be of high quality. The ICAV 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 ICAV 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 sub-paragraph (i) this shall result in a new credit assessment being conducted of the issuer by the ICAV without delay;
  - (d) **correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the ICAV to expect that it would not display a high correlation with the performance of the counterparty;
  - (e) **diversification (asset concentration):**
  - (f) Subject to sub-paragraph (ii) above, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
  - (g) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. A Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, IMF, Euratom, The Asian Development Bank, ECB, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, the EU, 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 and Straight-A Funding LLC; and

- (h) **immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
25. The ICAV shall ensure that the risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
  26. Where a Fund receives collateral on a title transfer basis, the ICAV shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided that the Depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.
  27. The ICAV shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
  28. Where the ICAV invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
    - (a) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above);
    - (b) high-quality government bonds which, at the time of purchase, have a rating from a recognised rating agency not below than AA (Standard & Poor's and Fitch) or Aa3 (Moody's) or equivalent ratings from other rating agencies;
    - (c) reverse repurchase agreements provided the transactions are with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above) and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
    - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
  29. Where the ICAV invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
  30. The ICAV shall ensure that there is in place an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
31. The ICAV shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the ICAV shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The ICAV shall document the haircut policy and the ICAV shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
32. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the ICAV on behalf of a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the ICAV without delay.
33. The ICAV shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.
34. Where the ICAV enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that it is able at all times to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis. In circumstances in which cash is, by virtue of the obligation under Regulation 25(1) of the Central Bank Regulations, recallable at any time on a mark-to-market basis, the ICAV shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
35. Where the ICAV enters into a repurchase agreement on behalf of a Fund it shall ensure that it is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
36. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.
37. The ICAV shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the Fund.

## SCHEDULE IV

List of sub-delegates appointed by the Depositary in respect of all the sub-funds of the ICAV

### Brown Brothers Harriman Global Custody Network Listing

The Depositary has delegated safekeeping duties to Brown Brothers Harriman & Co. ("BBH&Co.") with its principal place of business at 140 Broadway, New York, NY 10005, whom it has appointed as its global subcustodian. BBH&Co has further appointed the entities listed below as its local subcustodians in the specified markets.

The below list includes multiple subcustodians/correspondents in certain markets. Confirmation of which subcustodian/correspondent is holding assets in each of those markets with respect to a client is available upon request. The list does not include prime brokers, third party collateral agents or other third parties who may be appointed from time to time as a delegate pursuant to the request of one or more clients (subject to BBH's or the Depositary's approval as appropriate). Confirmations of such appointments are also available upon request.

<u>COUNTRY</u>	<u>SUBCUSTODIAN</u>
ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	CITIGROUP PTY LIMITED FOR CITIBANK, N.A
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRIA	DEUTSCHE BANK AG
AUSTRIA	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL*	CITIBANK, N.A. SÃO PAULO
BRAZIL*	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
CANADA	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA(RBC)
CHILE*	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA*	BANK OF CHINA LIMITED
CHINA*	CHINA CONSTRUCTION BANK CORPORATION
CHINA*	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.

**COUNTRY****SUBCUSTODIAN**

CHINA*	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
CHINA*	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
CHINA*	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA*	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK,N.A
CROATIA*	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CYPRUS	BNP PARIBAS SECURITIES SERVICES
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
DENMARK	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
EGYPT*	CITIBANK, N.A.-CAIRO BRANCH
EGYPT*	HSBC BANK EGYPT S.A.E. FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
FINLAND	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
FRANCE	BNP PARIBAS SECURITIES SERVICES
FRANCE	CACEIS BANK
FRANCE	DEUTSCHE BANK AG, AMSTERDAM BRANCH
GERMANY	BNP PARIBAS SECURITIES SERVICES-FRANKFURT BRANCH
GERMANY	DEUTSCHE BANK AG
GHANA*	STANDARD CHARTERED BANK GHANA PLC FOR STANDARD CHARTERED BANK
GREECE	HSBC CONTINENTAL EUROPE, GREECE FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG-BOND CONNECT	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
HONG KONG-BOND CONNECT	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG-STOCK CONNECT	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK,N.A.
HUNGARY	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARYZRT AND UNICREDIT S.P.A.
ICELAND*	LANDSBANKINN HF.
INDIA*	CITIBANK, N.A. - MUMBAI BRANCH
INDIA*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-INDIA BRANCH
INDONESIA	CITIBANK, N.A.-JAKARTA BRANCH
INDONESIA	STANDARD CHARTERED BANK, INDONESIA BRANCH

<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
IRELAND	HSBC BANK PLC
ISRAEL	BANK HAPOALIM BM
ISRAEL	CITIBANK, N.A., ISRAEL BRANCH
ITALY	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH
ITALY	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)
IVORY COAST*	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
JAPAN	MIZUHO BANK LTD
JAPAN	MUFG BANK, LTD.
JAPAN	SUMITOMO MITSUI BANKING CORPORATION
JORDAN*	STANDARD CHARTERED BANK, JORDAN BRANCH
KAZAKHSTAN*	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LUXEMBOURG	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH ***Utilized for mutual funds holdings only.***
MALAYSIA*	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
MALAYSIA*	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
MEXICO	BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE FOR BANCO SANTANDER, S.A. AND BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE
MOROCCO	CITIBANK MAGHREB S.A. FOR CITIBANK, N.A.
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS SECURITIES SERVICES
NETHERLANDS	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
OMAN*	HSBC BANK OMAN SAOG FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERU S.A. FOR CITIBANK, N.A.

<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
PHILIPPINES*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
PHILIPPINES*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-PHILIPPINE BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
POLAND	BANK POLSKA KASA OPIEKI SA
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR*	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA AND THE SAUDI BRITISH BANK (SABB) FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
SINGAPORE	DBS BANK LTD (DBS)
SINGAPORE	STANDARD CHARTERED BANK (SINGAPORE) LIMITED FOR STANDARD CHARTERED BANK
SINGAPORE	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKASLOVENIJA DD AND UNICREDIT S.P.A.
SOUTH AFRICA	STANDARD BANK OF SOUTH AFRICA LIMITED (SBSA)
SOUTH AFRICA	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
SOUTH KOREA*	KEB HANA BANK
SOUTH KOREA*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED -KOREA BRANCH
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
SPAIN	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
SPAIN	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPANA
SRI LANKA*	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-SRI LANKA BRANCH
SWEDEN	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE (SWITZERLAND) LTD.
SWITZERLAND	UBS SWITZERLAND AG
TAIWAN*	HSBC BANK (TAIWAN) LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
TAIWAN*	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK

<b><u>COUNTRY</u></b>	<b><u>SUBCUSTODIAN</u></b>
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)-THAILAND BRANCH
THAILAND*	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
TRANSNATIONAL(CLEARSTREAM)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TRANSNATIONAL(EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TUNISIA*	UNION INTERNATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SIRKETI FOR CITIBANK, N.A.
TURKEY	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK,N.A.
UNITED ARAB EMIRATES*	HSBC BANK MIDDLE EAST LIMITED FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH
UNITED KINGDOM	HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ZAMBIA*	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE*	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK

\* In these markets, cash held by clients is a deposit obligation of the subcustodian. For all other markets, cash held by clients is a deposit obligation of BBH&Co. or one of its affiliates.

**This document is a Supplement to the Prospectus dated 15 December 2022 issued by Global X ETFs II ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.**

Investors' attention is drawn to the risk warnings contained in the section of the Prospectus entitled “Risk Factors” and, in particular, to the risk warnings contained in the section of this Supplement entitled “Risk Factors”.

Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

## **SUPPLEMENT**

**in respect of**

### **GLOBAL X CHINA BIOTECH UCITS ETF (the “Fund”)**

**a UCITS ETF Sub-Fund of the Global X ETFs II ICAV**

an open-ended Irish collective asset-management vehicle having registration number C453081 and established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland as a UCITS

**Dated 15 December 2022**

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

## THE FUND

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### Investment Objective

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Solactive China Biotech v2 USD Index NTR (the “**Index**”).

### Investment Policy

In seeking to achieve this investment objective, the Fund will aim to replicate the performance of the Index, subject to the deduction of the TER and other expenses associated with operating the Fund as further described in the “Fees and Expenses” section of the Prospectus. It will do so by investing primarily in a portfolio of equity securities that, as far as possible and practicable, consists of the constituent stocks of the Index in similar proportions to their weightings in the Index. The Fund may invest in China A-Shares (shares of companies incorporated in China that are quoted in RMB and trade on the Shanghai and Shenzhen stock exchanges) of biotechnology companies. The Fund will invest in A-Shares included in the Index through Stock Connect, which may include stocks on the Small and Medium Enterprise Board (the “SME Board”) and/or ChiNext Board of the Shenzhen Stock Exchange.

The Fund may also seek to gain exposure to the component securities of the index indirectly and/or where consistent with its investment objective, the Fund may also invest in the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- Depository Receipts relating either to component securities of the Index or to equity securities of the type referred to above; and
- FDIs – namely, total return “unfunded” OTC Swaps and exchange-traded equity futures – which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index) in accordance with the terms set out in the sections entitled “Fund Investments”, “Unfunded OTC Swap Model” and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in total return “unfunded” OTC Swaps, it is not expected that this flexibility will be used. The Fund will only invest in FDIs as provided for in the RMP prepared by the Investment Manager in respect of the Fund and filed with the Central Bank.

The equity securities and FDI investments of the Fund will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule 1 to the Prospectus.

**By holding or gaining exposure to each equity security in approximately the same proportion as its weighting in the Index, the Fund may have exposure to or invest up to 20% of the Net Asset Value of the Fund in stocks issued by the same body.**

The Fund is not classified as an Article 8 or Article 9 fund pursuant to SFDR, however, disclosure in accordance with the requirements of Article 6 of SFDR in relation to the integration of sustainability risks is set out in the Prospectus. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on

the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.

It is currently not intended that the Fund will enter into total return swaps and securities lending transactions. Before the commencement of any stock lending programme by the Fund, further details including the revenue returned to the Fund will be set out in a revised supplement or a separate addendum to this supplement or the Prospectus.

The Fund may, in addition, employ other techniques relating to transferable securities, including entering into securities lending transactions, for the purpose of efficient portfolio management only, in accordance with the terms set out in the section entitled “**Efficient Portfolio Management Techniques**” and Schedule III of the Prospectus.

### **Hedging**

The Fund may enter into transactions for the purposes of hedging the foreign exchange exposure in any Hedged Class. The purpose of the hedging in the Hedged Classes is to limit, at a Share Class level, the profit or loss generated from foreign exchange exposure when holding an asset in a currency other than the Base Currency of the Fund. Although the Fund may utilise currency hedging transactions in respect of Share Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Share Classes, there can be no assurance that such strategies will be effective.

Further information on currency hedging at Share Class level is contained in the Prospectus under the heading "Currency Hedging Policy – Hedging at a Class Level".

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Manager**

The Investment Manager of the Fund is Mirae Asset Global Investments (Hong Kong) Limited.

**There is no guarantee that the Fund will achieve its investment objective.**

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### **PROFILE OF A TYPICAL INVESTOR**

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A typical investor in the Fund will be an informed investor who has taken professional advice and who understands (and is able to bear) the risk of losing their investment and who can accept the levels of risks associated with investing in global equity markets, in particular in companies in the field of biotechnology and in the Shares of the relevant Class of the Fund.

## SHARE CLASSES

Only ETF Shares will be issued in respect of the Fund and references to 'Shares' in this Supplement shall mean ETF Shares.

Details of the Classes available in the Fund are set out below along with the fees and expenses that will be incurred in respect of each Share Class.

Classes	TER	Dividend Policy/Frequency	Unlaunched Classes of ETF Shares are indicated below	Hedged share class	Class Currency
USD Accumulating	0.68%	Accumulating	Unlaunched	No	USD
EUR Accumulating	0.68%	Accumulating	Unlaunched	No	EUR
GBP Accumulating	0.68%	Accumulating	Unlaunched	No	GBP
CHF Accumulating	0.68%	Accumulating	Unlaunched	No	CHF
USD Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	USD
EUR Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	EUR
GBP Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	GBP
CHF Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	CHF
USD Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	USD
EUR Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	EUR
GBP Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	GBP
CHF Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	CHF
USD Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	USD
EUR Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	EUR
GBP Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	GBP
CHF Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	CHF

The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares in different Classes and to waive or reduce the Minimum Subscription Amount and Minimum Redemption Amount set out below for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

Additional Classes may be created in accordance with the requirements of the Central Bank.

## **TRACKING ERROR**

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The anticipated tracking error in normal market conditions for each of the Classes of the Fund is expected to be 0.5% (annualised). However, exceptional circumstances may arise which cause the Fund's Tracking Error to exceed 0.5%. Please note that, whilst the Fund has multiple Classes some of which are denominated in different currencies, some of which are distributing Classes and/or some of which are Hedged Classes, the anticipated tracking error is that applicable for the USD Accumulating (which is denominated in USD, unhedged and accumulates any applicable dividends) as against the Index (which is also denominated in USD, unhedged and accumulates any applicable dividends).

The anticipated tracking error of a Class is not a guide to its future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review.

## **DIVIDENDS**

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Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "Share Classes".

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "accumulating" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distributing" classes in this Supplement. Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund.

The Distribution Date for this Fund will be as noted on the distribution calendar available at <https://globalxetfs.eu>.

### Payments

With the authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, a paying agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Authorised Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

## **DEALING IN SHARES OF THE FUND**

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Shares issued in respect of the Fund will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by private and institutional investors in the secondary market.

Only Authorised Participants may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled “**Subscriptions and Redemptions**” having regard to the information set out below:

<b>Business Day</b>	A weekday other than the Friday before Easter, Christmas Day and New Year's Day.
<b>Class Currency</b>	The dealing currency and the currency of denomination of the relevant Class.
<b>Dealing Day</b>	A day on which the Hong Kong Stock Exchange is open for normal business or such Business Day(s) as the Directors may from time to time determine for dealings in a Fund (and notify in advance to Shareholders).
<b>Dealing Cut-Off Time</b>	<p>4:00 p.m.(Dublin time) on the Business Day prior to the relevant Dealing Day or such earlier or later time as may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.</p> <p>The Investment Manager maintains an online “Dealing Day Calendar” at: <a href="https://globalxetfs.eu">https://globalxetfs.eu</a>, where advance notice of all expected Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager. Please refer to the Dealing Day Calendar for updated dealing days.</p> <p>The Dealing Cut-Off Time for this Fund reflects that some, or all, of the Fund's underlying assets are traded in time zones earlier than the European time zone.</p>
<b>Initial Offer Period</b>	The Initial Offer Period shall commence at 9 a.m. (Dublin time) on 16 December 2022 and shall end at 5 p.m. (Dublin time) on 15 June 2023 or such other time as the Directors may determine.

<b>Initial Offer Price</b>	The price per Share is expected to be approximately USD 45, or its equivalent in the Class Currency. However, the actual initial price per Share will depend on the actual cost to the ICAV of purchasing the relevant Investments (please see the definition of “ <b>Duties and Charges</b> ” in the Prospectus). Details of the Initial Offer Price will be available from the Administrator and on <a href="https://globalxetfs.eu">https://globalxetfs.eu</a>
<b>Minimum Redemption Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Initial Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Subsequent Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Settlement Time</b>	Settlement of subscriptions shall generally occur within two Business Days after the relevant Dealing Day (unless otherwise stipulated by the Investment Manager or its delegate) and in any event will occur within a maximum of ten Business Days.  Settlement of redemptions shall generally occur within four Business Days after the relevant Dealing Day (unless otherwise agreed with the Investment Manager or its delegate).
<b>Subscription Fee</b>	Nil
<b>Redemption Fee</b>	Nil
<b>Valuation Point</b>	4:00 p.m. New York time on the relevant Business Day.

## **FEES AND EXPENSES**

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A TER will be paid out of the assets of each Class to the ICAV. The TER for each Class is set out under the heading “TER” in the table included under the heading “**Share Classes**”.

This section should be read in conjunction with the section headed “**Fees, Costs and Expenses**” in the Prospectus.

## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus including particularly Securities Financing Transactions Risk, Single Region / Single Industry Sector / Concentration Risk, Risks Associated with Investment in an index tracking Fund and the following:

**Equity Market Risk:** The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

**Sector Concentration Risk Associated with Biotech:** The concentration of the Fund's investments in Chinese companies in the biotechnology sector may result in greater volatility in the value of the Fund than more diverse portfolios which comprise broad-based global investments.

**Sector risk associated with Biotech Companies:** Biotech companies invest heavily in research and development which may not necessarily lead to commercially successful products. The costs associated with developing new products can be significant, and the results are unpredictable. Biotech companies can be significantly affected by technological change and newly developed products may be susceptible to product obsolescence due to intense competition from new products and less costly generic products. Moreover, the process for obtaining regulatory approval (for example, product approval) is long and costly and there can be no assurance that the necessary approvals will be obtained or maintained. These companies are also subject to increased governmental regulation which may delay or inhibit the release of new products. A biotech company's valuation can also be greatly affected if one of its products is proven or alleged to be unsafe, ineffective or unprofitable. Many biotech companies are dependent upon their ability to use and enforce intellectual property rights and patents. Any impairment of such rights may have adverse financial consequences. The stock prices of a biotech company especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. All these may have impact on the business and/or profitability of the biotech companies in which the Fund invests and therefore may adversely affect the Net Asset Value of the Fund.

**SME Board and ChiNext Market Risks:** The Fund's investments in the SME Board and/or ChiNext board of the SZSE may result in significant losses for the Fund and its investors.

*Higher fluctuation on stock prices:* Listed companies on the SME Board and/or ChiNext board of the SZSE are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

*Over-valuation risk:* Stocks listed on SME Board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME Board.

*Delisting risk:* It may be more common and faster for companies listed on the SME Board and/or ChiNext market to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

**Risk Relating to the PRC.** Investment in the Fund is subject to the risks associated with investment in the PRC markets. Prospective investors should therefore refer to such specific risks that are specifically identified in the sub-section of this Prospectus titled "Risk Factors" – "Risks Associated with Mainland China".

**Trading Differences Risk:** As the Relevant Stock Exchanges may be open when Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when investors will not be able to purchase or sell the Fund's Shares. Furthermore, the market prices of underlying securities listed on the relevant stock exchanges may not be available during part of all of the Fund's trading sessions due to trading hour differences. In addition, A-Shares are subject to trading bands which restrict increase and decrease in the trading price. Shares listed on the Relevant Stock Exchanges are not. This difference may also increase the level of premium or discount of the Shares price to its Net Asset Value.

**A-Share Market Suspension and Volatility Risk:** A-Shares may only be bought from, or sold to, the Fund from time to time where the relevant A-Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. The A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention). An Authorised Participant is unlikely to buy or sell Shares if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Share market may also result in significant fluctuations in the prices of the securities traded on the A-Share market and thereby may adversely affect the value of the Fund.

**Sustainability Risk:** Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund's returns is expected to be low.

## **Borrowing and Leverage**

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The ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Further information on Borrowing and Leverage is contained in the Prospectus under the heading "Borrowings" and "Leverage Risk" respectively.

While it is not the Investment Manager's intention to leverage the Fund, any borrowing or leverage including from the use of FDIs will be done in accordance with the UCITS Regulations. The Fund's global exposure, being the incremental exposure and leverage generated by the Fund, shall be calculated on at least a daily basis using the commitment approach and, in accordance with the requirements of the Central Bank, may at no time exceed 100% of the Fund's Net Asset Value. As noted in the "Investment Policy" section above, the Fund's use of FDI is an ancillary element of the investment policy and may be used for hedging purposes only.

## **THE INDEX**

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### **General Description**

The Index of the Fund is the Solactive China Biotech v2 USD Index NTR. The Index is compiled and published by Solactive AG (the "**Index Provider**") The Investment Manager (and each of its affiliates) is independent of the Index Provider.

The Index is a free float market capitalisation weighted index that provides exposure to Chinese companies that are mainly active (as defined by the Index Provider) in the field of biotechnology.

The Index is a net total return index. A net total return index seeks to replicate the overall return from holding a portfolio consisting of the Index constituents and in the calculation of the Index considers payments such

as dividends after the deduction of any withholding tax or other amounts to which an investor holding the Index constituents would typically be exposed. The Index is denominated and quoted in USD.

The index universe of the Index (the “**Index Universe**”) includes listed shares of companies headquartered in mainland China or Hong Kong from the following industries according to the FactSet Industries and Economic Sectors:

a) Biotechnology

b) Pharmaceuticals – other: meaning companies that are categorised as health technology sector by FactSet that are in pharmaceuticals industry other than pharmaceuticals: major and pharmaceuticals: generic industry.

c) Pharmaceuticals – major: meaning companies that discover, develop, and manufacture chemically based therapeutic and preventive medicine, and other medicinal products. Companies included in this industry generally oversee the entire drug development process (research, testing, production and distribution)

d) Pharmaceuticals – generic: meaning companies that either discovers, develop, or manufacture chemically based therapeutic and preventive medicine, and medicinal products. Companies included in this industry tend to collaborate with other pharmaceutical companies.

The FactSet Industries and Economic Sectors is a proprietary industry classification matrix used by FactSet to determine the classification of securities. FactSet is a financial data and software company that provides integrated data and software services for a variety of different industries.

The index constituents will be listed on one of the following exchanges:

- (a) Hong Kong: SEHK
- (b) Mainland China Stock Connect: SSE and SZSE
- (c) United States of America: the New York Stock Exchange and the NASDAQ stock market.

If a company has more than one share class then the most liquid (where liquidity is determined by reference to daily average turnover for the past 6 months) share class will be included in the Index Universe.

### **Constituent selection**

The initial composition of the Index as well as any rebalancing is based on the following rules:

On a Selection Day (as defined below), the Index Provider determines the securities that are eligible for inclusion in the Index Universe. The securities are selected for inclusion in the Index based on the following rules:

(a) Top 30 securities by total market capitalisation rank are selected for inclusion in the Index.

(b) Eligible constituents ranked from 21 to 40 based on market capitalisation are selected for inclusion in the Index until the target constituent count of 30 is reached.

(c) If there are less than 30 stocks after step (b), securities that are eligible for inclusion in the Index but have not yet been included with rank from 20 to 40 are selected until the target constituent count of 30 is reached.

### **Weighting**

On each Selection Day (as defined below), the constituents of the Index are weighted according to their free float market capitalisation such that the weight of each constituent in the Index does not exceed 9%. The excess weight that results from capping is redistributed to the other constituents of the Index in proportion to the free float market capitalisation of the other companies constituting the Index which do not exceed 9%.

## **Index Rebalancing**

### *Rebalancing*

The Index is rebalanced semi-annually effective as of second Friday in January and July (and if that day is not a trading day the immediately following trading day) (a “**Rebalance Day**”). The Index constituents will be determined on the relevant “Selection Day” which is 10 weekdays (i.e. Monday to Friday) before each Rebalance Day.

The Index Provider shall publish any changes made to the composition of the Index with sufficient notice before the Rebalance Day at <https://www.solactive.com/new.announcements/>.

An additional rebalance may arise on the occurrence of an extraordinary event as set forth in the Guideline for Extraordinary Corporate Actions, which can be accessed at <https://www.solactive.com/document> and which would include a merger, a takeover bid, a delisting, the nationalisation of a company or an insolvency.

### *Ongoing Review*

Under certain circumstances, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action (as defined in the Index methodology, including, for example, cash distributions, stock distributions, share splits, capital increases etc.) in relation of an Index constituent occurs. Such adjustment may have to be done in relation to an Index constituent and/or may also affect the number of Index constituent and/or the weighting of certain Index constituents and will be made in compliance with the Solactive Equity Index Methodology, which available on the Index Provider's website <https://www.solactive.com/documents/equity-index-methodology/>.

The Index Provider will announce any such Index adjustment giving a notice period of at least two trading days (with respect to the affected Index constituent) on its website and such adjustment will be implemented on the effective day as specified in the relevant notice.

## **Index constituents**

You can obtain the list of the constituents of the Index and their respective weightings from the website of the Index Provider <https://www.solactive.com/>, and additional information of the Index from the website of the Index Provider <https://www.solactive.com/indices/?index=DE000SL0DGS7>

## **Index Provider**

The Benchmark Administrator is Solactive AG and the Index is calculated by Solactive AG.

The Index is sponsored by Solactive AG as the Index Provider, which is an organisation that is independent of the Fund and the Investment Manager. The Index Provider determines the relative weightings of the securities in the Index and publishes information regarding the market value of the Index.

## **DISCLAIMERS**

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The ICAV is required to provide details of the Index Provider's website to enable Investors to obtain further details of the Index (including its constituents). None of the ICAV, the Manager or the Investment Manager has any responsibility for the contents of such website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment, maintenance or contents of the website.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or the use of Solactive trade mark or the index price/prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Investment Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Solactive trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund. Remember, the information in this Supplement and the Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Supplement and the Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

## **LISTINGS**

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### **Euronext Dublin, Deutsche Borse Xetra and the London Stock Exchange Listings**

Application has been made to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange for the Shares of the Fund issued and available for issue to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. Admission to listing is expected to become effective on or about the date of this Fund Supplement or later date as the Directors may determine subject to the prior notification to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. This Supplement, together with the Prospectus shall constitute listing particulars for the purpose of listing the Shares on Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange and includes all information required to be disclosed by the code of listing requirements and procedures of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange.

As of the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

At the date of this document, other than as disclosed below, no Director or any persons closely associated with any Director, has any interest, beneficial or non-beneficial, in the share capital of the ICAV, together with any options in respect of such shares, or any material interest in the ICAV or in any agreement or

arrangement with the ICAV except that one or more of the Directors may hold Subscriber Shares as a nominee of the Marketing Agent. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

**This document is a Supplement to the Prospectus dated 21 December 2021 issued by Global X ETFs II ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.**

Investors' attention is drawn to the risk warnings contained in the section of the Prospectus entitled “Risk Factors” and, in particular, to the risk warnings contained in the section of this Supplement entitled “Risk Factors”.

Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

## **SUPPLEMENT**

**in respect of**

## **GLOBAL X CHINA CLEAN ENERGY UCITS ETF (the “Fund”)**

**a UCITS ETF Sub-Fund of the Global X ETFs II ICAV**

an open-ended Irish collective asset-management vehicle having registration number C453081 and established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland as a UCITS

**Dated 15 December 2022**

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

## THE FUND

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### Investment Objective

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Solactive China Clean Energy v2 USD Index NTR (the “Index”).

### Investment Policy

In seeking to achieve this investment objective, the Fund will aim to replicate the performance of the Index, subject to the deduction of the TER and other expenses associated with operating the Fund as further described in the “Fees and Expenses” section of the Prospectus. It will do so by investing primarily in a portfolio of equity securities that, as far as possible and practicable, consists of the constituent stocks of the Index in similar proportions to their weightings in the Index. The Fund may invest in the following mainland China-related securities of clean energy companies: A-Shares (shares of companies incorporated in China that are quoted in RMB and trade on the Shanghai and Shenzhen stock exchanges), H-Shares (shares of companies incorporated in mainland China that are traded on the Hong Kong stock exchange), N-Shares (shares of companies incorporated in China that are traded on the NYSE, NASDAQ, or the NYSE MKT), P-Chips and Red Chips (shares of companies incorporated outside of China and traded on the Hong Kong stock exchange, Red chips are usually controlled by the state or a province or municipality whereas P chips are non state-owned Chinese companies incorporated outside the mainland and traded in Hong Kong). The Fund will invest in A-Shares included in the Index through Stock Connect, which may include stocks on the Small and Medium Enterprise Board (the “**SME Board**”) and/or ChiNext Board of the Shenzhen Stock Exchange. Clean energy involves ensuring access to affordable, reliable, sustainable and modern energy. The clean energy sector comprises of companies from different industries including: alternative power generation, engineering & construction, industrial specialties meaning companies that are categorized as non-durables producers by FactSet that are not in chemicals, textiles, agricultural commodities/milling, pulp & paper, containers/ packaging industry sector. Additionally, other industries in the clean energy sector include miscellaneous manufacturing, semiconductors, electrical products, electronic production equipment and electric utilities.

The Fund may also seek to gain exposure to the component securities of the index indirectly and/or where consistent with its investment objective, the Fund may also invest in the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- Depository Receipts relating either to component securities of the Index or to equity securities of the type referred to above; and
- FDIs – namely, total return “unfunded” OTC Swaps and exchange-traded equity futures – which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index) in accordance with the terms set out in the sections entitled “Fund Investments”, “Unfunded OTC Swap Model” and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in total return “unfunded” OTC Swaps, it is not expected that this flexibility will be used. The Fund will only invest in FDIs as provided for in the RMP prepared by the Investment Manager in respect of the Fund and filed with the Central Bank.

The equity securities and FDI investments of the Fund will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule 1 to the Prospectus.

**By holding or gaining exposure to each equity security in approximately the same proportion as its weighting in the Index, the Fund may have exposure to or invest up to 20% of the Net Asset Value of the Fund in stocks issued by the same body.**

The Fund is not classified as an Article 8 or Article 9 fund pursuant to SFDR, however, disclosure in accordance with the requirements of Article 6 of SFDR in relation to the integration of sustainability risks is set out in the Prospectus. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.

It is currently not intended that the Fund will enter into total return swaps and securities lending transactions. Before the commencement of any stock lending programme by the Fund, further details including the revenue returned to the Fund will be set out in a revised supplement or a separate addendum to this supplement or the Prospectus.

The Fund may, in addition, employ other techniques relating to transferable securities, including entering into securities lending transactions, for the purpose of efficient portfolio management only, in accordance with the terms set out in the section entitled “**Efficient Portfolio Management Techniques**” and Schedule III of the Prospectus.

### **Hedging**

The Fund may enter into transactions for the purposes of hedging the foreign exchange exposure in any Hedged Class. The purpose of the hedging in the Hedged Classes is to limit, at a Share Class level, the profit or loss generated from foreign exchange exposure when holding an asset in a currency other than the Base Currency of the Fund. Although the Fund may utilise currency hedging transactions in respect of Share Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Share Classes, there can be no assurance that such strategies will be effective.

Further information on currency hedging at Share Class level is contained in the Prospectus under the heading “Currency Hedging Policy – Hedging at a Class Level”.

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Manager**

The Investment Manager of the Fund is Mirae Asset Global Investments (Hong Kong) Limited.

**There is no guarantee that the Fund will achieve its investment objective.**

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## PROFILE OF A TYPICAL INVESTOR

A typical investor in the Fund will be an informed investor who has taken professional advice and who understands (and is able to bear) the risk of losing their investment and who can accept the levels of risks associated with investing in global equity markets, in particular in clean energy companies and in the Shares of the relevant Class of the Fund.

## SHARE CLASSES

Only ETF Shares will be issued in respect of the Fund and references to 'Shares' in this Supplement shall mean ETF Shares.

Details of the Classes available in the Fund are set out below along with the fees and expenses that will be incurred in respect of each Share Class.

Classes	TER	Dividend Policy/Frequency	Unlaunched Classes of ETF Shares are indicated below	Hedged share class	Class Currency
USD Accumulating	0.68%	Accumulating	Unlaunched	No	USD
EUR Accumulating	0.68%	Accumulating	Unlaunched	No	EUR
GBP Accumulating	0.68%	Accumulating	Unlaunched	No	GBP
CHF Accumulating	0.68%	Accumulating	Unlaunched	No	CHF
USD Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	USD
EUR Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	EUR
GBP Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	GBP
CHF Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	CHF
USD Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	USD
EUR Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	EUR
GBP Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	GBP
CHF Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	CHF
USD Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	USD
EUR Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	EUR
GBP Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	GBP

CHF Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	CHF
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The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares in different Classes and to waive or reduce the Minimum Subscription Amount and Minimum Redemption Amount set out below for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

Additional Classes may be created in accordance with the requirements of the Central Bank.

## **TRACKING ERROR**

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The anticipated tracking error in normal market conditions for each of the Classes of the Fund is expected to be 0.5% (annualised). However, exceptional circumstances may arise which cause the Fund's Tracking Error to exceed 0.5%. Please note that, whilst the Fund has multiple Classes some of which are denominated in different currencies, some of which are distributing Classes and/or some of which are Hedged Classes, the anticipated tracking error is that applicable for the USD Accumulating (which is denominated in USD, unhedged and accumulates any applicable dividends) as against the Index (which is also denominated in USD, unhedged and accumulates any applicable dividends).

The anticipated tracking error of a Class is not a guide to its future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review.

## **DIVIDENDS**

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Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "Share Classes".

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "accumulating" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distributing" classes in this Supplement. Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund.

The Distribution Date for this Fund will be as noted on the distribution calendar available at <https://globalxetfs.eu>.

### Payments

With the authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, a paying agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Authorised Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

## **DEALING IN SHARES OF THE FUND**

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Shares issued in respect of the Fund will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by private and institutional investors in the secondary market.

Only Authorised Participants may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled “**Subscriptions and Redemptions**” having regard to the information set out below:

<b>Business Day</b>	A weekday other than the Friday before Easter, Christmas Day and New Year's Day.
<b>Class Currency</b>	The dealing currency and the currency of denomination of the relevant Class.
<b>Dealing Day</b>	A day on which the Hong Kong Stock Exchange is open for normal business or such Business Day(s) as the Directors may from time to time determine for dealings in a Fund (and notify in advance to Shareholders).
<b>Dealing Cut-Off Time</b>	<p>4:00 p.m.(Dublin time) on the Business Day prior to the relevant Dealing Day or such earlier or later time as may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.</p> <p>The Investment Manager maintains an online “Dealing Day Calendar” at: <a href="https://globalxetfs.eu/">https://globalxetfs.eu/</a>, where advance notice of all expected Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager. Please refer to the Dealing Day Calendar for updated dealing days.</p> <p>The Dealing Cut-Off Time for this Fund reflects that some, or all, of the Fund's underlying assets are traded in time zones earlier than the European time zone.</p>

<b>Initial Offer Period</b>	The Initial Offer Period shall commence at 9 a.m. (Dublin time) on 16 December 2022 and shall end at 5 p.m. (Dublin time) on 15 June 2023 or such other time as the Directors may determine.
<b>Initial Offer Price</b>	The price per Share is expected to be approximately USD 45, or its equivalent in the Class Currency. However, the actual initial price per Share will depend on the actual cost to the ICAV of purchasing the relevant Investments (please see the definition of “ <b>Duties and Charges</b> ” in the Prospectus). Details of the Initial Offer Price will be available from the Administrator and on <a href="https://globalxetfs.eu">https://globalxetfs.eu</a>
<b>Minimum Redemption Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Initial Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Subsequent Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Settlement Time</b>	Settlement of subscriptions shall generally occur within two Business Days after the relevant Dealing Day (unless otherwise stipulated by the Investment Manager or its delegate) and in any event will occur within a maximum of ten Business Days.  Settlement of redemptions shall generally occur within four Business Days after the relevant Dealing Day (unless otherwise agreed with the Investment Manager or its delegate).
<b>Subscription Fee</b>	Nil
<b>Redemption Fee</b>	Nil
<b>Valuation Point</b>	4:00 p.m. New York time on the relevant Business Day.

## FEES AND EXPENSES

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A TER will be paid out of the assets of each Class to the ICAV. The TER for each Class is set out under the heading “TER” in the table included under the heading “**Share Classes**”.

This section should be read in conjunction with the section headed “**Fees, Costs and Expenses**” in the Prospectus.

## RISK FACTORS

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus including particularly Securities Financing Transactions Risk, Single Region / Single Industry Sector / Concentration Risk, Risks Associated with Investment in an index tracking Fund and the following:

**Mainland China Concentration Risk:** The Fund is subject to concentration risk as a result of tracking the performance of a single geographical region or country (Mainland China). The Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index resulting from adverse conditions in Mainland China.

**Sector Concentration Risk Associated with Clean Energy:** Due to the concentration of the Index in the clean energy sector, the performance of the Index may be more volatile when compared to other broad-based stock indices. The price volatility of the Fund may be greater than the price volatility of exchange traded funds tracking more broad-based indices.

**Sector risk associated with Clean Energy:** Clean energy involves ensuring access to affordable, reliable, sustainable and modern energy. The clean energy sector comprises of companies from different industries including: alternative power generation, engineering & construction, industrial specialties meaning companies that are categorized as non-durables producers by FactSet that are not in chemicals, textiles, agricultural commodities/milling, pulp & paper, containers/ packaging industry sector. Additionally, other industries in the clean energy sector include miscellaneous manufacturing, semiconductors, electrical products, electronic production equipment and electric utilities.

Clean energy companies may be dependent on the successful development of new and proprietary technologies. Many clean energy companies are involved in the development and commercialisation of new technologies, which may be subject to delays resulting from budget constraints and technological difficulties. Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions also significantly affect the clean energy sector.

There are also factors external to the companies which may affect the performance of clean energy companies. Clean energy companies may be highly dependent upon government subsidies and incentives (including but not limited to preferential tax treatments) and contracts with government entities, and may be negatively affected if such subsidies are reduced, such preferential tax treatments expires or are discontinued, or contracts are unavailable due to changes in government policies. In addition, seasonal weather conditions, fluctuations in the supply of, and demand for, clean energy products, changes in energy prices, and international political events may cause fluctuations in the performance of clean energy companies and the prices of their securities.

Shares in the companies involved in clean energy have been significantly more volatile than shares of companies operating in other more established industries. Currently, certain methods used to value companies involved in the alternative power and power technology sectors, particularly those that have not yet traded profitably, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may increase the volatility of the share prices of certain alternative power and power technology company.

**SME Board and ChiNext Market Risks:** The Fund's investments in the SME Board and/or ChiNext board of the SZSE may result in significant losses for the Fund and its investors.

*Higher fluctuation on stock prices:* Listed companies on the SME Board and/or ChiNext board of the SZSE are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

*Over-valuation risk:* Stocks listed on SME Board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME Board.

*Delisting risk:* It may be more common and faster for companies listed on the SME Board and/or ChiNext market to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

**Trading Differences Risk:** As the Relevant Stock Exchanges may be open when Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when investors will not be able to purchase or sell the Fund's Shares. Furthermore, the market prices of underlying securities listed on the relevant stock exchanges may not be available during part of all of the Fund's trading sessions due to trading hour differences. In addition, A-Shares are subject to trading bands which restrict increase and decrease in the trading price. Shares listed on the Relevant Stock Exchanges are not. This difference may also increase the level of premium or discount of the Shares price to its Net Asset Value.

**Currency Risk:** The Fund may invest in securities denominated in foreign currencies other than in the Base Currency of the Fund. Because the Fund's Net Asset Value is determined in U.S. dollars, the Fund's Net Asset Value could decline if currencies of the underlying securities depreciate against the U.S. dollar or if there are delays or limits on repatriation of such currencies. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the Fund's Net Asset Value may change quickly and without warning, which could have a significant negative impact on the Fund.

**Sustainability Risk:** Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund's returns is expected to be low.

## **Borrowing and Leverage**

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The ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Further information on Borrowing and Leverage is contained in the Prospectus under the heading "Borrowings" and "Leverage Risk" respectively.

While it is not the Investment Manager's intention to leverage the Fund, any borrowing or leverage including from the use of FDIs will be done in accordance with the UCITS Regulations. The Fund's global exposure, being the incremental exposure and leverage generated by the Fund, shall be calculated on at least a daily basis using the commitment approach and, in accordance with the requirements of the Central Bank, may at no time exceed 100% of the Fund's Net Asset Value. As noted in the "Investment Policy" section above, the Fund's use of FDI is an ancillary element of the investment policy and may be used for hedging purposes only.

## **THE INDEX**

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### **General Description**

The Index of the Fund is the Solactive China Clean Energy v2 USD Index NTR. The Index is compiled and published by Solactive AG (the “**Index Provider**”). The Investment Manager (and each of its affiliates) is independent of the Index Provider.

The Index is a free float market capitalisation weighted index which is designed to represent companies domiciled in the People’s Republic of China that are active in the field of clean energy, in particular, companies headquartered in mainland China or Hong Kong with significant exposure to “Affordable and Clean Energy” and its supply chain.

“Affordable and Clean Energy” is one of the 17 United Nations Sustainable Development Goals, which is to ensure access to affordable, reliable, sustainable and modern energy. The United Nations Sustainable Development Goals are designed to be the blueprint to achieve a better and more sustainable future for all. For more details, please refer to <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>.

The Index is a net total return index. A net total return index seeks to replicate the overall return from holding a portfolio consisting of the Index constituents and in the calculation of the Index considers payments such as dividends after the deduction of any withholding tax or other amounts to which an investor holding the Index constituents would typically be exposed. The Index is denominated and quoted in USD.

The index universe of the Index (the “Index Universe”) includes listed shares of companies headquartered in mainland China or Hong Kong and must be classified in one of the following subindustries based on FactSet Revere Business Industry Classification System (“RBICS”):

Wind Energy Equipment Manufacturing, Photovoltaic and Solar Cells and Systems Providers, Fuel Cell Equipment and Technology Providers, Smart Grid Technology and Smart Meter Products, Mixed Renewable Energy Generation Manufacturing, China Mixed Alternative Wholesale Power, China Biomass Wholesale Power, China Decentralized Wholesale Power, China Geothermal Wholesale Power, China Hydroelectric Wholesale Power, China Solar Wholesale Power, China Wind Wholesale Power, Process Plants, Utilities and Energy Construction, Electronic Materials Manufacturing, Other Front End Processing Equipment Makers, Flat Panel Display-Specific Equipment Makers, Hazardous/Industrial Waste Disposal, Wires and Cables Manufacturing, Machine Tools Manufacturing, Lasers and Optical Instrument Manufacturing, Backup, Emergency and Standby Power Products, Architectural Glass Manufacturing, Other Industrial Electrical Product Manufacturing, Transportation Construction, Power Generation/Support Products Manufacturing, Stamping and Forging Shops, Ball and Roller Bearings Products, Electrical Systems and Equipment Manufacturing.

FactSet is a financial data and software company that provides integrated data and software services for a variety of different industries.

The index constituents will be listed on one of the following exchanges:

- (a) Hong Kong: SEHK
- (b) Mainland China Stock Connect: SSE and SZSE
- (c) United States of America: the New York Stock Exchange and the NASDAQ stock market.

If a company has more than one share class then the most liquid (where liquidity is determined by reference to daily average turnover for the past 6 months) share class will be included in the Index Universe.

### **Constituent selection**

The initial composition of the Index as well as any rebalancing is based on the following rules:

On a Selection Day (as defined below), the Index Provider determines the securities that are eligible for inclusion in the Index Universe. The securities are selected for inclusion in the Index based on the following rules:

- a) All eligible securities are ranked based on their free float market capitalization in a descending order.
- b) Top 25 by free float market capitalization rank are selected for index inclusion.
- c) Existing constituents with rank from 26 to 40 are selected for index inclusion until the target constituent count of 35 is reached.
- d) If there are less than 35 stocks after step 3, non-constituents are selected with rank from 26 to 40 until the target constituent count of 35 is reached.

If less than 35 securities pass the selection criteria as described above, all such securities will be selected resulting in less than 35 index components.

### **Weighting**

On each Selection Day (as defined below), the constituents of the Index are weighted according to their free float market capitalisation such that the weight of each constituent in the Index does not exceed 9%. The excess weight will be distributed to the other constituents of the Index pro-rata in an iterative process meaning the use of a mathematical procedure based on an initial value to distribute the excess weight.

### **Index Rebalancing**

#### *Ordinary rebalancing*

The Index is rebalanced semi-annually effective as of second Friday in January and July (and if that day is not a trading day, the immediately following trading day) (a “**Rebalance Day**”). The Index constituents will be determined on the relevant “Selection Day” which is 10 weekdays (i.e. Monday to Friday) before each Rebalance Day.

The Index Provider shall publish any changes made to the composition of the Index with sufficient notice before the Rebalance Day at <https://www.solactive.com/new.announcements/>.

#### *Ongoing review*

Under certain circumstances, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action (as defined in the Index methodology, including, for example, cash distributions, stock distributions, share splits, capital increases etc.) in relation of an Index constituent occurs. Such adjustment may have to be done in relation to an Index constituent and/or may also affect the number of Index constituent and/or the weighting of certain Index constituents and will be made in compliance with the Solactive Equity Index Methodology, which available on the Index Provider's website <https://www.solactive.com/documents/equity-index-methodology/>.

The Index Provider will announce any such Index adjustment giving a notice period of at least two trading days (with respect to the affected Index constituent) on its website and such adjustment will be implemented on the effective day as specified in the relevant notice.

### **Index constituents**

You can obtain the list of the constituents of the Index and their respective weightings from the website of the Index Provider <https://www.solactive.com/>, and additional information of the Index from the website of the Index Provider <https://www.solactive.com/indices/?index=DE000SL0D0J1>.

### **Index Provider**

The Benchmark Administrator is Solactive AG and the Index is calculated by Solactive AG.

The Index is sponsored by Solactive AG as the Index Provider, which is an organisation that is independent of the Fund and the Investment Manager. The Index Provider determines the relative weightings of the securities in the Index and publishes information regarding the market value of the Index.

### **DISCLAIMERS**

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The ICAV is required to provide details of the Index Provider's website to enable Investors to obtain further details of the Index (including its constituents). None of the ICAV, the Manager or the Investment Manager has any responsibility for the contents of such website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment, maintenance or contents of the website.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or the use of Solactive trade mark or the index price/prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Investment Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Solactive trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund. Remember, the information in this Supplement and the Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Supplement and the Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

### **LISTINGS**

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**Euronext Dublin, Deutsche Borse Xetra and the London Stock Exchange Listings**

Application has been made to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange for the Shares of the Fund issued and available for issue to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. Admission to listing is expected to become effective on or about the date of this Fund Supplement or later date as the Directors may determine subject to the prior notification to Euronext Dublin/the London Stock Exchange. This Supplement, together with the Prospectus shall constitute listing particulars for the purpose of listing the Shares on Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange and includes all information required to be disclosed by the code of listing requirements and procedures of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange.

As of the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

At the date of this document, other than as disclosed below, no Director or any persons closely associated with any Director, has any interest, beneficial or non-beneficial, in the share capital of the ICAV, together with any options in respect of such shares, or any material interest in the ICAV or in any agreement or arrangement with the ICAV except that one or more of the Directors may hold Subscriber Shares as a nominee of the Marketing Agent. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

**This document is a Supplement to the Prospectus dated 15 December 2022 issued by Global X ETFs II ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.**

Investors' attention is drawn to the risk warnings contained in the section of the Prospectus entitled “Risk Factors” and, in particular, to the risk warnings contained in the section of this Supplement entitled “Risk Factors”.

Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

**SUPPLEMENT**

**in respect of**

**GLOBAL X CHINA CLOUD COMPUTING UCITS ETF  
(the “Fund”)**

**a UCITS ETF Sub-Fund of the Global X ETFs II ICAV**

an open-ended Irish collective asset-management vehicle having registration number C453081 and established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland as a UCITS

**Dated 15 December 2022**

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

## THE FUND

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### Investment Objective

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Solactive China Cloud Computing v2 USD Index NTR (the “Index”).

### Investment Policy

In seeking to achieve this investment objective, the Fund will aim to replicate the performance of the Index, subject to the deduction of the TER and other expenses associated with operating the Fund as further described in the “Fees and Expenses” section of the Prospectus. It will do so by investing primarily in a portfolio of equity securities that, as far as possible and practicable, consists of the constituent stocks of the Index in similar proportions to their weightings in the Index. The Fund may invest in (China A-Shares (shares of companies incorporated in China that are quoted in RMB and trade on the Shanghai and Shenzhen stock exchanges) of cloud computing companies. The Fund will invest in A-Shares included in the Index through Stock Connect, which may include stocks on the Small and Medium Enterprise Board (the “SME Board”) and/or ChiNext Board of the Shenzhen Stock Exchange.

The Fund may also seek to gain exposure to the component securities of the index indirectly and/or where consistent with its investment objective, the Fund may also invest in the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- Depository Receipts relating either to component securities of the Index or to equity securities of the type referred to above; and
- FDIs – namely, total return “unfunded” OTC Swaps and exchange-traded equity futures – which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index) in accordance with the terms set out in the sections entitled “Fund Investments”, “Unfunded OTC Swap Model” and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in total return “unfunded” OTC Swaps, it is not expected that this flexibility will be used. The Fund will only invest in FDIs as provided for in the RMP prepared by the Investment Manager in respect of the Fund and filed with the Central Bank.

The equity securities and FDI investments of the Fund will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule 1 to the Prospectus.

**By holding or gaining exposure to each equity security in approximately the same proportion as its weighting in the Index, the Fund may have exposure to or invest up to 20% of the Net Asset Value of the Fund in stocks issued by the same body.**

The Fund is not classified as an Article 8 or Article 9 fund pursuant to SFDR, however, disclosure in accordance with the requirements of Article 6 of SFDR in relation to the integration of sustainability risks is set out in the Prospectus. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on

the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.

It is currently not intended that the Fund will enter into total return swaps and securities lending transactions. Before the commencement of any stock lending programme by the Fund, further details including the revenue returned to the Fund will be set out in a revised supplement or a separate addendum to this supplement or the Prospectus.

The Fund may, in addition, employ other techniques relating to transferable securities, including entering into securities lending transactions, for the purpose of efficient portfolio management only, in accordance with the terms set out in the section entitled “**Efficient Portfolio Management Techniques**” and Schedule III of the Prospectus.

### **Hedging**

The Fund may enter into transactions for the purposes of hedging the foreign exchange exposure in any Hedged Class. The purpose of the hedging in the Hedged Classes is to limit, at a Share Class level, the profit or loss generated from foreign exchange exposure when holding an asset in a currency other than the Base Currency of the Fund. Although the Fund may utilise currency hedging transactions in respect of Share Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Share Classes, there can be no assurance that such strategies will be effective.

Further information on currency hedging at Share Class level is contained in the Prospectus under the heading " Currency Hedging Policy – Hedging at a Class Level".

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Manager**

The Investment Manager of the Fund is Mirae Asset Global Investments (Hong Kong) Limited.

**There is no guarantee that the Fund will achieve its investment objective.**

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### **PROFILE OF A TYPICAL INVESTOR**

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A typical investor in the Fund will be an informed investor who has taken professional advice and who understands (and is able to bear) the risk of losing their investment and who can accept the levels of risks associated with investing in global equity markets, in particular in cloud computing companies and in the Shares of the relevant Class of the Fund.

## SHARE CLASSES

Only ETF Shares will be issued in respect of the Fund and references to 'Shares' in this Supplement shall mean ETF Shares.

Details of the Classes available in the Fund are set out below along with the fees and expenses that will be incurred in respect of each Share Class.

<b>Classes</b>	<b>TER</b>	<b>Dividend Policy/Frequency</b>	<b>Unlaunched Classes of ETF Shares are indicated below</b>	<b>Hedged share class</b>	<b>Class Currency</b>
USD Accumulating	0.68%	Accumulating	Unlaunched	No	USD
EUR Accumulating	0.68%	Accumulating	Unlaunched	No	EUR
GBP Accumulating	0.68%	Accumulating	Unlaunched	No	GBP
CHF Accumulating	0.68%	Accumulating	Unlaunched	No	CHF
USD Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	USD
EUR Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	EUR
GBP Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	GBP
CHF Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	CHF
USD Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	USD
EUR Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	EUR
GBP Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	GBP
CHF Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	CHF
USD Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	USD
EUR Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	EUR
GBP Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	GBP
CHF Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	CHF

The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares in different Classes and to waive or reduce the Minimum Subscription Amount and Minimum Redemption Amount set out below for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

Additional Classes may be created in accordance with the requirements of the Central Bank.

## **TRACKING ERROR**

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The anticipated tracking error in normal market conditions for each of the Classes of the Fund is expected to be 0.5% (annualised). However, exceptional circumstances may arise which cause the Fund's Tracking Error to exceed 0.5%. Please note that, whilst the Fund has multiple Classes some of which are denominated in different currencies, some of which are distributing Classes and/or some of which are Hedged Classes, the anticipated tracking error is that applicable for the USD Accumulating (which is denominated in USD, unhedged and accumulates any applicable dividends) as against the Index (which is also denominated in USD, unhedged and accumulates any applicable dividends).

The anticipated tracking error of a Class is not a guide to its future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review.

## **DIVIDENDS**

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Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "Share Classes".

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "accumulating" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distributing" classes in this Supplement. Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund.

The Distribution Date for this Fund will be as noted on the distribution calendar available at <https://globalxetfs.eu>.

### Payments

With the authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, a paying agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Authorised Participants, they must look to their respective nominee, broker or Central Securities Depositary (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the

obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

## **DEALING IN SHARES OF THE FUND**

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Shares issued in respect of the Fund will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by private and institutional investors in the secondary market.

Only Authorised Participants may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled “**Subscriptions and Redemptions**” having regard to the information set out below:

<b>Business Day</b>	A weekday other than the Friday before Easter, Christmas Day and New Year's Day.
<b>Class Currency</b>	The dealing currency and the currency of denomination of the relevant Class.
<b>Dealing Day</b>	A day on which the Hong Kong Stock Exchange is open for normal business or such Business Day(s) as the Directors may from time to time determine for dealings in a Fund (and notify in advance to Shareholders).
<b>Dealing Cut-Off Time</b>	<p>4:00 p.m.(Dublin time) on the Business Day prior to the relevant Dealing Day or such earlier or later time as may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.</p> <p>The Investment Manager maintains an online “Dealing Day Calendar” at: <a href="https://globalxetfs.eu">https://globalxetfs.eu</a> where advance notice of all expected Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager. Please refer to the Dealing Day Calendar for updated dealing days.</p> <p>The Dealing Cut-Off Time for this Fund reflects that some, or all, of the Fund's underlying assets are traded in time zones earlier than the European time zone.</p>
<b>Initial Offer Period</b>	The Initial Offer Period shall commence at 9 a.m. (Dublin time) on 16 December 2022 and shall end at 5 p.m. (Dublin time) on 15 June 2023 or such other time as the Directors may determine.

<b>Initial Offer Price</b>	The price per Share is expected to be approximately USD 45, or its equivalent in the Class Currency. However, the actual initial price per Share will depend on the actual cost to the ICAV of purchasing the relevant Investments (please see the definition of “ <b>Duties and Charges</b> ” in the Prospectus). Details of the Initial Offer Price will be available from the Administrator and on <a href="https://globalxetfs.eu">https://globalxetfs.eu</a>
<b>Minimum Redemption Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Initial Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Minimum Subsequent Subscription Amount</b>	1 Creation Unit of 10,000 Shares or its cash equivalent
<b>Settlement Time</b>	Settlement of subscriptions shall generally occur within two Business Days after the relevant Dealing Day (unless otherwise stipulated by the Investment Manager or its delegate) and in any event will occur within a maximum of ten Business Days.  Settlement of redemptions shall generally occur within four Business Days after the relevant Dealing Day (unless otherwise agreed with the Investment Manager or its delegate).
<b>Subscription Fee</b>	Nil
<b>Redemption Fee</b>	Nil
<b>Valuation Point</b>	4:00 p.m. New York time on the relevant Business Day.

## **FEES AND EXPENSES**

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A TER will be paid out of the assets of each Class to the ICAV. The TER for each Class is set out under the heading “TER” in the table included under the heading “**Share Classes**”.

This section should be read in conjunction with the section headed “**Fees, Costs and Expenses**” in the Prospectus.

## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus including particularly Securities Financing Transactions Risk, Single Region / Single Industry Sector / Concentration Risk, Risks Associated with Investment in an index tracking Fund and the following:

**Equity Market Risk:** The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

**Sector risk associated with Internet Companies:** Risks associated with internet companies and internet related industries. The internet industry may be at an early stage of development, and many of the companies in these industries have a relatively short operating history. Rapid changes could render obsolete the products and services offered by the companies in which the Fund invests, and cause declines in the prices of the securities of those companies. Additionally, companies in the internet sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.

**Undetected software errors risks:** Generally, the products and services offered by internet companies incorporate complex software. Such software has contained, and may now or in the future contain, errors, bugs or vulnerabilities. Some errors in the software code may only be discovered after the product or service has been released. Any errors, bugs or vulnerabilities discovered in the code of an internet company after release could result in damage to such company's reputation, loss of users, loss of platform partners, loss of advertisers or advertising revenue or liability for damages, any of which could adversely affect the business and operating results of such company. If the Fund invests in any of these companies, its investment may be adversely affected.

*Government intervention risk:* There may be substantial government intervention in the internet industry, including restrictions on investment in internet companies if such companies are deemed sensitive to relevant national interests. Some governments in the world have sought, and may in the future seek, to censor content available through internet, restrict access to products and services offered by internet companies that the Fund invests in from their country entirely or impose other restrictions that may affect the accessibility of such products and services for an extended period of time or indefinitely. In the event that access to the internet products and services is restricted, in whole or in part, in one or more countries, the ability of such internet companies to retain or increase their user base and user engagement may be adversely affected, and their operating results may be harmed. This may in turn affect the value of investment of the Fund.

*Changes in laws and regulations risk.* The internet business is subject to complex laws and regulations including privacy, data protection, content regulation, intellectual property, competition, protection of minors, consumer protection and taxation. These laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to the business practices, monetary penalties, increased cost of operations or declines in user growth, user engagement or advertisement engagement, or otherwise harm the internet business. They may also delay or impede the development of new products and services. Compliance with these existing and new laws and regulations can be costly and may require significant time and attention of management and technical personnel. All these may have impact on the business and/or profitability of the internet companies in which the Fund invests and therefore may adversely affect the Net Asset Value of the Fund.

**Sector Concentration Risk Associated with Internet Companies.** The concentration of the Fund's investments in Chinese companies in the cloud computing sector may result in greater volatility in the value of the Fund than more diverse portfolios which comprise broad-based global investments.

**SME Board and ChiNext Market Risks:** The Fund's investments in the SME Board and/or ChiNext board of the SZSE may result in significant losses for the Fund and its investors.

*Higher fluctuation on stock prices:* Listed companies on the SME Board and/or ChiNext board of the SZSE are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

*Over-valuation risk:* Stocks listed on SME Board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME Board.

*Delisting risk:* It may be more common and faster for companies listed on the SME Board and/or ChiNext market to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

**Risk Relating to the PRC.** Investment in the Fund is subject to the risks associated with investment in the PRC markets. Prospective investors should therefore refer to such specific risks that are specifically identified in the sub-section of this Prospectus titled “Risk Factors” – “Risks Associated with Mainland China”.

**Trading Differences Risk:** As the Relevant Stock Exchanges may be open when Shares in the Fund are not priced, the value of the securities in the Fund’s portfolio may change on days when investors will not be able to purchase or sell the Fund’s Shares. Furthermore, the market prices of underlying securities listed on the relevant stock exchanges may not be available during part of all of the Fund’s trading sessions due to trading hour differences. In addition, A-Shares are subject to trading bands which restrict increase and decrease in the trading price. Shares listed on the Relevant Stock Exchanges are not. This difference may also increase the level of premium or discount of the Shares price to its Net Asset Value.

**A-Share Market Suspension and Volatility Risk:** A-Shares may only be bought from, or sold to, the Fund from time to time where the relevant A-Shares may be sold or purchased on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, as appropriate. The A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention). A Participant is unlikely to buy or sell Shares if it considers that A-Shares may not be available. High market volatility and potential settlement difficulties in the A-Share market may also result in significant fluctuations in the prices of the securities traded on the A-Share market and thereby may adversely affect the value of the Fund.

**Currency Risk:** The Fund may invest in securities denominated in foreign currencies other than in the Base Currency of the Fund. Because the Fund's Net Asset Value is determined in U.S. dollars, the Fund's Net Asset Value could decline if currencies of the underlying securities depreciate against the U.S. dollar or if there are delays or limits on repatriation of such currencies. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the Fund's Net Asset Value may change quickly and without warning, which could have a significant negative impact on the Fund.

**Sustainability Risk:** Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund’s returns is expected to be low.

## **Borrowing and Leverage**

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The ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Further information on Borrowing and Leverage is contained in the Prospectus under the heading "Borrowings" and "Leverage Risk" respectively.

While it is not the Investment Manager's intention to leverage the Fund, any borrowing or leverage including from the use of FDIs will be done in accordance with the UCITS Regulations. The Fund's global exposure, being the incremental exposure and leverage generated by the Fund, shall be calculated on at least a daily basis using the commitment approach and, in accordance with the requirements of the Central Bank, may at no time exceed 100% of the Fund's Net Asset Value. As noted in the "Investment Policy" section above, the Fund's use of FDI is an ancillary element of the investment policy and may be used for hedging purposes only.

## **THE INDEX**

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### **General Description**

The Index of the Fund is the Solactive China Cloud Computing v2 USD Index NTR. The Index is compiled and published by Solactive AG (the "**Index Provider**"). The Investment Manager (and each of its affiliates) is independent of the Index Provider.

The Index is a free float market capitalisation weighted index that provides exposure to Chinese companies that are mainly active in the field of cloud computing.

The Index is a net total return index. A net total return index seeks to replicate the overall return from holding a portfolio consisting of the Index constituents and in the calculation of the Index considers payments such as dividends after the deduction of any withholding tax or other amounts to which an investor holding the Index constituents would typically be exposed. The Index is denominated and quoted in USD.

The index universe of the Index (the "**Index Universe**") includes listed shares of companies headquartered in mainland China or Hong Kong from the following industries according to the FactSet Industries and Economic Sectors:

- a) Internet retail: meaning companies that are categorised as being part of the consumer services sector by FactSet and specifically companies that are operating in the retail trade sector which provide internet retailing services.
- b) Internet software / services: meaning companies that are categorised as being part of the technology services sector by FactSet and specifically those that are engaged in providing internet software and associated services.
- c) Information technology services: meaning companies that are categorised as being part of the technology services sector by FactSet and specifically those that are engaged in providing information technology services.
- d) Packaged software: meaning companies that are categorised as being part of the technology services sector by FactSet and specifically those that are engaged in providing packaged software services.

e) Data processing services: meaning companies that are categorised as being part of the technology services sector by FactSet and specifically those that are engaged in data processing services.

The FactSet Industries and Economic Sectors is a proprietary industry classification matrix used by FactSet to determine the classification of securities. FactSet is a financial data and software company that provides integrated data and software services for a variety of different industries.

The index constituents will be listed on one of the following exchanges:

- (a) Hong Kong: SEHK
- (b) Mainland China Stock Connect: SSE and SZSE
- (c) United States of America: the New York Stock Exchange and the NASDAQ stock market.

If a company has more than one share class then the most liquid (where liquidity is determined by reference to daily average turnover for the past 6 months) share class will be included in the Index Universe.

### **Constituent selection**

The initial composition of the Index as well as any rebalancing is based on the following rules:

On a Selection Day (as defined below), the Index Provider determines the securities that are eligible for inclusion in the Index Universe. The securities are selected for inclusion in the Index based on the following rules:

- (a) Top 20 securities by total market capitalisation rank are selected for inclusion in the Index.
- (b) Eligible constituents ranked from 21 to 40 based on market capitalisation are selected for inclusion in the Index until the target constituent count of 30 is reached.
- (c) If there are less than 30 stocks after step (b), securities that are eligible for inclusion in the Index but have not yet been included with rank from 20 to 40 are selected until the target constituent count of 30 is reached.

### **Weighting**

On each Selection Day (as defined below), the constituents of the Index are weighted according to their free float market capitalisation such that the weight of each constituent in the Index does not exceed 9%. The excess weight that results from capping is redistributed to the other constituents of the Index in proportion to the free float market capitalisation of the other companies constituting the Index which do not exceed 9%.

### **Index Rebalancing**

#### *Rebalancing*

The Index is rebalanced semi-annually, effective as of second Friday in January and July (and if that day is not a trading day the immediately following trading day) (a “**Rebalance Day**”). v The Index constituents will be determined on the relevant “Selection Day” which is 10 weekdays (i.e. Monday to Friday) before each Rebalance Day.

The Index Provider shall publish any changes made to the composition of the Index with sufficient notice before the Rebalance Day at <https://www.solactive.com/new.announcements/>.

An additional rebalance may arise on the occurrence of an extraordinary event as set forth in the Guideline for Extraordinary Corporate Actions, which can be accessed at <https://www.solactive.com/document> and which would include a merger, a takeover bid, a delisting, the nationalisation of a company or an insolvency.

### *Ongoing Review*

Under certain circumstances, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action (as defined in the Index methodology, including, for example, cash distributions, stock distributions, share splits, capital increases etc.) in relation of an Index constituent occurs. Such adjustment may have to be done in relation to an Index constituent and/or may also affect the number of Index constituent and/or the weighting of certain Index constituents and will be made in compliance with the Solactive Equity Index Methodology, which available on the Index Provider's website <https://www.solactive.com/documents/equity-index-methodology/>.

The Index Provider will announce any such Index adjustment giving a notice period of at least two trading days (with respect to the affected Index constituent) on its website and such adjustment will be implemented on the effective day as specified in the relevant notice.

### **Index constituents**

You can obtain the list of the constituents of the Index and their respective weightings from the website of the Index Provider <https://www.solactive.com/>, and additional information of the Index from the website of the Index Provider <https://www.solactive.com/indices/?index=DE000SL0D0F9>.

### **Index Provider**

The Benchmark Administrator is Solactive AG and the Index is calculated by Solactive AG.

The Index is sponsored by Solactive AG as the Index Provider, which is an organisation that is independent of the Fund and the Investment Manager. The Index Provider determines the relative weightings of the securities in the Index and publishes information regarding the market value of the Index.

### **DISCLAIMERS**

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The ICAV is required to provide details of the Index Provider's website to enable Investors to obtain further details of the Index (including its constituents). None of the ICAV, the Manager or the Investment Manager has any responsibility for the contents of such website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment, maintenance or contents of the website.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or the use of Solactive trade mark or the index price/prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Investment Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Solactive trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund. Remember, the

information in this Supplement and the Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Supplement and the Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

## **LISTINGS**

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### **Euronext Dublin, Deutsche Borse Xetra and the London Stock Exchange Listings**

Application has been made to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange for the Shares of the Fund issued and available for issue to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. Admission to listing is expected to become effective on or about the date of this Fund Supplement or later date as the Directors may determine subject to the prior notification to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. This Supplement, together with the Prospectus shall constitute listing particulars for the purpose of listing the Shares on Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange and includes all information required to be disclosed by the code of listing requirements and procedures of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange.

As of the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

At the date of this document, other than as disclosed below, no Director or any persons closely associated with any Director, has any interest, beneficial or non-beneficial, in the share capital of the ICAV, together with any options in respect of such shares, or any material interest in the ICAV or in any agreement or arrangement with the ICAV except that one or more of the Directors may hold Subscriber Shares as a nominee of the Marketing Agent. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

**This document is a Supplement to the Prospectus dated 15 December 2022 issued by Global X ETFs II ICAV (the “ICAV”). This Supplement forms part of, and should be read in conjunction with, the Prospectus.**

Investors' attention is drawn to the risk warnings contained in the section of the Prospectus entitled “Risk Factors” and, in particular, to the risk warnings contained in the section of this Supplement entitled “Risk Factors”.

Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this Supplement.

## **SUPPLEMENT**

**in respect of**

## **GLOBAL X CHINA ELECTRIC VEHICLE AND BATTERY UCITS ETF (the “Fund”)**

### **a UCITS ETF Sub-Fund of the Global X ETFs II ICAV**

an open-ended Irish collective asset-management vehicle having registration number C453081 and established as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland as a UCITS

**Dated**

**15 December 2022**

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

## THE FUND

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### Investment Objective

The investment objective of the Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Solactive China Electric Vehicle and Battery v2 USD Index NTR (the “**Index**”).

### Investment Policy

In seeking to achieve this investment objective, the Fund will aim to replicate the performance of the Index, subject to the deduction of the TER and other expenses associated with operating the Fund as further described in the “Fees and Expenses” section of the Prospectus. It will do so by investing primarily in a portfolio of equity securities that, as far as possible and practicable, consists of the constituent stocks of the Index in similar proportions to their weightings in the Index. The Fund may invest in the following mainland China-related securities: A-Shares (shares of companies incorporated in China that are quoted in RMB and trade on the Shanghai and Shenzhen stock exchanges), H-Shares (shares of companies incorporated in mainland China that are traded on the Hong Kong stock exchange), N-Shares (shares of companies incorporated in China that are traded on the NYSE, NASDAQ, or the NYSE MKT), P-Chips and Red Chips (shares of companies incorporated outside of China and traded on the Hong Kong stock exchange, Red chips are usually controlled by the state or a province or municipality whereas P chips are non state-owned Chinese companies incorporated outside the mainland and traded in Hong Kong). The Fund will invest in A-Shares included in the Index through Stock Connect, which may include stocks on the Small and Medium Enterprise Board (the “SME Board”) and/or ChiNext Board of the Shenzhen Stock Exchange.

The Fund may also seek to gain exposure to the component securities of the index indirectly and/or where consistent with its investment objective, the Fund may also invest in the following additional assets subject to the conditions and within the limits laid down by the Central Bank:

- Depository Receipts relating either to component securities of the Index or to equity securities of the type referred to above; and
- FDIs – namely, total return “unfunded” OTC Swaps and exchange-traded equity futures – which may be used for investment purposes (such as gaining exposure to the Index and/or any particular constituents of the Index) in accordance with the terms set out in the sections entitled “Fund Investments”, “Unfunded OTC Swap Model” and Schedule II of the Prospectus. While the Fund may invest up to 100% of its Net Asset Value in total return “unfunded” OTC Swaps, it is not expected that this flexibility will be used. The Fund will only invest in FDIs as provided for in the RMP prepared by the Investment Manager in respect of the Fund and filed with the Central Bank.

The equity securities and FDI investments of the Fund will be listed, traded and dealt with on one or more of the Regulated Markets set out in Schedule 1 to the Prospectus.

**By holding or gaining exposure to each equity security in approximately the same proportion as its weighting in the Index, the Fund may have exposure to or invest up to 20% of the Net Asset Value of the Fund in stocks issued by the same body.**

The Fund is not classified as an Article 8 or Article 9 fund pursuant to SFDR, however, disclosure in accordance with the requirements of Article 6 of SFDR in relation to the integration of sustainability risks is set out in the Prospectus. The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.

It is currently not intended that the Fund will enter into total return swaps and securities lending transactions. Before the commencement of any stock lending programme by the Fund, further details including the revenue returned to the Fund will be set out in a revised supplement or a separate addendum to this supplement or the Prospectus.

The Fund may, in addition, employ other techniques relating to transferable securities, including entering into securities lending transactions, for the purpose of efficient portfolio management only, in accordance with the terms set out in the section entitled "**Efficient Portfolio Management Techniques**" and Schedule III of the Prospectus.

## **Hedging**

The Fund may enter into transactions for the purposes of hedging the foreign exchange exposure in any Hedged Class. The purpose of the hedging in the Hedged Classes is to limit, at a Share Class level, the profit or loss generated from foreign exchange exposure when holding an asset in a currency other than the Base Currency of the Fund. Although the Fund may utilise currency hedging transactions in respect of Share Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Share Classes, there can be no assurance that such strategies will be effective.

Further information on currency hedging at Share Class level is contained in the Prospectus under the heading "Currency Hedging Policy – Hedging at a Class Level".

## **Base Currency**

The Base Currency of the Fund is USD.

## **Investment Manager**

The Investment Manager of the Fund is Mirae Asset Global Investments (Hong Kong) Limited.

**There is no guarantee that the Fund will achieve its investment objective.**

**It is recommended that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## **PROFILE OF A TYPICAL INVESTOR**

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A typical investor in the Fund will be an informed investor who has taken professional advice and who understands (and is able to bear) the risk of losing their investment and who can accept the levels of risks associated with investing in global equity markets, in particular in electric vehicle and battery-related companies and in the Shares of the relevant Class of the Fund.

## **SHARE CLASSES**

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Only ETF Shares will be issued in respect of the Fund and references to 'Shares' in this Supplement shall mean ETF Shares.

Details of the Classes available in the Fund are set out below along with the fees and expenses that will be incurred in respect of each Share Class.

<b>Classes</b>	<b>TER</b>	<b>Dividend Policy/Frequency</b>	<b>Unlaunched Classes of ETF Shares are indicated below</b>	<b>Hedged share class</b>	<b>Class Currency</b>
USD Accumulating	0.68%	Accumulating	Launched	No	USD
EUR Accumulating	0.68%	Accumulating	Unlaunched	No	EUR
GBP Accumulating	0.68%	Accumulating	Unlaunched	No	GBP
CHF Accumulating	0.68%	Accumulating	Unlaunched	No	CHF
USD Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	USD
EUR Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	EUR
GBP Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	GBP
CHF Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	No	CHF
USD Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	USD
EUR Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	EUR
GBP Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	GBP
CHF Hedged Accumulating	0.68%	Accumulating	Unlaunched	Yes	CHF
USD Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	USD
EUR Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	EUR

GBP Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	GBP
CHF Hedged Distributing	0.68%	Distributing (Semi-annually)	Unlaunched	Yes	CHF

The Directors reserve the right to differentiate between persons who are subscribing for or redeeming Shares in different Classes and to waive or reduce the Minimum Subscription Amount and Minimum Redemption Amount set out below for any such person or to refuse an application for the subscription of Shares in their absolute discretion.

Additional Classes may be created in accordance with the requirements of the Central Bank.

## **TRACKING ERROR**

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The anticipated tracking error in normal market conditions for each of the Classes of the Fund is expected to be 0.5% (annualised). However, exceptional circumstances may arise which cause the Fund's Tracking Error to exceed 0.5%. Please note that, whilst the Fund has multiple Classes some of which are denominated in different currencies, some of which are distributing Classes and/or some of which are Hedged Classes, the anticipated tracking error is that applicable for the USD Accumulating (which is denominated in USD, unhedged and accumulates any applicable dividends) as against the Index (which is also denominated in USD, unhedged and accumulates any applicable dividends).

The anticipated tracking error of a Class is not a guide to its future performance. The annual and semi-annual report and accounts will set out the actual realised tracking error as at the end of the period under review.

## **DIVIDENDS**

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Where the ICAV intends to declare dividends with respect to one or more Classes of the Fund, the proposed frequency of such dividend declarations shall be as set out in the table in the section entitled "Share Classes".

It is not the current intention of the Directors to declare dividends in respect of the Classes identified as "accumulating" classes in this Supplement. The income and earnings and gains of the Funds will be accumulated and reinvested. Any change to this dividend policy shall be set out in an updated version of the Supplement and notified to the Shareholders in advance.

It is intended to declare dividends in respect of the Classes identified as "distributing" classes in this Supplement. Distributions in respect of these Classes will be declared on each Distribution Date in each year provided that if such dates are not Business Days, the declaration date will be the Business Day immediately following such date respectively. The distribution may comprise net income (if any) of the Fund.

The Distribution Date for this Fund will be as noted on the distribution calendar available at <https://globalxetfs.eu>.

### Payments

With the authorisation and upon the instruction of the Common Depositary's Nominee, any dividends declared and any liquidation and mandatory redemption proceeds are paid by the ICAV or its authorised agent (for example, a paying agent) to the applicable ICSD. Investors, where they are Participants, must look solely to the applicable ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not Authorised Participants, they must look to their respective nominee, broker or Central Securities Depository (as appropriate, which may be a Participant or have an arrangement with a Participant of the applicable ICSD) for any share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV that relates to their investment.

Investors shall have no claim directly against the ICAV in respect of dividend payments and any liquidation and mandatory redemption proceeds due on Shares represented by the Global Share Certificate and the obligations of the ICAV will be discharged by payment to the applicable ICSD with the authorisation of the Common Depositary's Nominee.

## **DEALING IN SHARES OF THE FUND**

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Shares issued in respect of the Fund will be listed and/or traded on the Relevant Stock Exchanges. It is envisaged that Shares will be bought and sold by private and institutional investors in the secondary market.

Only Authorised Participants may subscribe for and redeem Shares in the Fund directly with the ICAV in accordance with the section of the Prospectus entitled "**Subscriptions and Redemptions**" having regard to the information set out below:

<b>Business Day</b>	A weekday other than the Friday before Easter, Christmas Day and New Year's Day.
<b>Class Currency</b>	The dealing currency and the currency of denomination of the relevant Class.
<b>Dealing Day</b>	A day on which the Hong Kong Stock Exchange is open for normal business or such Business Day(s) as the Directors may from time to time determine for dealings in a Fund (and notify in advance to Shareholders).

<b>Dealing Cut-Off Time</b>	<p>4:00 p.m.(Dublin time) on the Business Day prior to the relevant Dealing Day or such earlier or later time as may be determined by the Manager or the Investment Manager at their discretion with prior notice to Authorised Participants.</p> <p>The Investment Manager maintains an online “Dealing Day Calendar” at: <a href="https://globalxetfs.eu/">https://globalxetfs.eu/</a>, where advance notice of all expected Dealing Days for each Fund is published on an ongoing basis. The Dealing Day Calendar is also available on request from the Investment Manager. Please refer to the Dealing Day Calendar for updated dealing days.</p> <p>The Dealing Cut-Off Time for this Fund reflects that some, or all, of the Fund’s underlying assets are traded in time zones earlier than the European time zone.</p>
<b>Initial Offer Period</b>	<p>The Initial Offer Period for any unlaunched share class shall commence at 9 a.m. (Dublin time) on 16 December 2022 and shall end at 5 p.m. (Dublin time) on 15 June 2023 or such other time as the Directors may determine.</p>
<b>Initial Offer Price</b>	<p>The price per Share is expected to be approximately USD 45, or its equivalent in the Class Currency. However, the actual initial price per Share will depend on the actual cost to the ICAV of purchasing the relevant Investments (please see the definition of “<b>Duties and Charges</b>” in the Prospectus). Details of the Initial Offer Price will be available from the Administrator and on <a href="https://globalxetfs.eu">https://globalxetfs.eu</a></p>
<b>Minimum Redemption Amount</b>	<p>1 Creation Unit of 10,000 Shares or its cash equivalent</p>
<b>Minimum Initial Subscription Amount</b>	<p>1 Creation Unit of 10,000 Shares or its cash equivalent</p>
<b>Minimum Subsequent Subscription Amount</b>	<p>1 Creation Unit of 10,000 Shares or its cash equivalent</p>
<b>Settlement Time</b>	<p>Settlement of subscriptions shall generally occur within two Business Day after the relevant Dealing Day (unless otherwise stipulated by the Investment Manager or its delegate) and in any event will occur within a maximum of ten Business Days.</p> <p>Settlement of redemptions shall generally occur within four Business Days after the relevant Dealing Day (unless otherwise agreed with the Investment Manager or its delegate).</p>
<b>Subscription Fee</b>	<p>Nil</p>

<b>Redemption Fee</b>	Nil
<b>Valuation Point</b>	4:00 p.m. New York time on the relevant Business Day.

## **FEES AND EXPENSES**

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A TER will be paid out of the assets of each Class to the ICAV. The TER for each Class is set out under the heading “TER” in the table included under the heading “**Share Classes**”.

This section should be read in conjunction with the section headed "**Fees, Costs and Expenses**" in the Prospectus.

## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, the risks described in the “**Risk Factors**” section of the Prospectus including particularly Securities Financing Transactions Risk, Single Region / Single Industry Sector / Concentration Risk, Risks Associated with Investment in an index tracking Fund and the following:

**Mainland China Concentration Risk:** The Fund is subject to concentration risk as a result of tracking the performance of a single geographical region or country (Mainland China). The Fund may likely be more volatile than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value of the Index resulting from adverse conditions in Mainland China.

**Sector Concentration Risk Associated with Electric Vehicle and Battery:** Due to the concentration of the Index in the field of electric vehicles and batteries related to electric vehicles, the performance of the Index may be more volatile when compared to other broad-based stock indices. The price volatility of the Fund may be greater than the price volatility of exchange traded funds tracking more broad-based indices.

**Sector risk associated with electric vehicle and battery:** The electric vehicle and battery field is in the early stages of development. Participants in this field may include companies from various industries: Industrial Specialties, Motor Vehicles, Electrical Products, Auto Parts, original equipment manufacturer (“OEM”), Chemicals: Specialty, Industrial Machinery, Metal Fabrication and Environmental Services. Therefore, until the field expands, it is likely to include companies which have only dedicated a proportion of their operations towards the production of electric vehicles (e.g. traditional car producers).

Many of the companies in the electric vehicle and battery sector have a relatively short operating history. Companies in the electric vehicle and battery sector typically face intense competition which may have an adverse effect on profit margins and the prices of the securities of these companies. Their profitability is particularly vulnerable and susceptible to rapid changes in technology, rapid obsolescence of products and services, the loss or breach of intellectual property rights, government regulation (including but not limited to tax incentives offered), domestic and international competition (including competition from foreign competitors which may have lower production costs), evolving industry standards, introduction of new product and service, fluctuations in supply and demand for their products and services and the company’s ability to manufacture electric vehicles and batteries on schedule to meet consumer demand.

Companies in the electric vehicle and battery sector typically have heavy and significant spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. Moreover, the businesses of companies with exposure to or investments in autonomous driving vehicle technology may be exposed to the risk of cybersecurity breaches, traffic accidents related to autonomous vehicles, and other issues that could result in increased regulation. Any errors or vulnerabilities that may be discovered in the products after release may adversely affect the business and operating results of such companies in the electric vehicle and battery sector.

Companies involved in the production and supply of batteries may be adversely impacted by the development of alternative sources of energy and the increasing demand for energy conservation. The revenues of companies in the electric vehicle and battery sector are cyclical by nature and can also be significantly affected by changes in government spending policies in the region.

**Industrial Sector Risk:** Companies in the electric vehicle and battery sector are often involved in the manufacturing of electric vehicles and batteries and therefore are also subject to the risks affecting the industrial sector. The profitability of companies in the industrial sector may be affected by supply and demand both for the specific product or service and for the industrial sector in general. Government regulations, labour relations, world events, economic conditions and taxes may affect the performance of companies in the industrials sector. Companies in the industrial sector may be adversely affected by product liability claims, liability for environmental damage and changes in exchange rates. The industrial sector may also be adversely affected by changes or movements in commodity prices, which may be influenced by unpredictable factors. Manufacturing companies need to keep up with technological advancements or may face the risk of their products becoming uncompetitive or obsolete.

**Technology Sector Risk:** Companies in the electric vehicle and battery sector are often involved in development of new technology and will therefore be affected by the risks affecting the technology sector. The products of these companies may become less competitive or obsolete due to technological developments and frequent new product innovation in the industry, unpredictable changes in growth rates and competition for qualified and skilled personnel. Certain technology companies may be reliant on limited product lines, markets, financial resources and/or certain key personnel. Other risk factors may include substantial capital investment requirements, increased government regulations and imposition of taxes. Price movements of company stocks within the technology sector may be more volatile than other sectors.

**SME Board and ChiNext Market Risks:** The Fund's investments in the SME Board and/or ChiNext board of the SZSE may result in significant losses for the Fund and its investors.

*Higher fluctuation on stock prices:* Listed companies on the SME Board and/or ChiNext board of the SZSE are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE.

*Over-valuation risk:* Stocks listed on SME Board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market are less stringent in terms of profitability and share capital than those in the main board and SME Board.

*Delisting risk:* It may be more common and faster for companies listed on the SME Board and/or ChiNext market to delist. This may have an adverse impact on the Fund if the companies that it invests in are delisted.

**Trading Differences Risk:** As the Relevant Stock Exchanges may be open when Shares in the Fund are not priced, the value of the securities in the Fund's portfolio may change on days when investors will not be able to purchase or sell the Fund's Shares. Furthermore, the market prices of underlying securities listed on the relevant stock exchanges may not be available during part of all of the Fund's trading sessions due to trading hour differences. In addition, A-Shares are subject to trading bands which restrict increase and decrease in the trading price. Shares listed on the Relevant Stock Exchanges are not. This difference may also increase the level of premium or discount of the Shares price to its Net Asset Value.

**Currency Risk:** The Fund may invest in securities denominated in foreign currencies other than in the Base Currency of the Fund. Because the Fund's Net Asset Value is determined in U.S. dollars, the Fund's Net Asset Value could decline if currencies of the underlying securities depreciate against the U.S. dollar or if there are delays or limits on repatriation of such currencies. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the Fund's Net Asset Value may change quickly and without warning, which could have a significant negative impact on the Fund.

**Sustainability Risk:** Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund's returns is expected to be low.

## **Borrowing and Leverage**

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The ICAV on behalf of the Fund may borrow up to 10% of the Net Asset Value of the Fund on a temporary basis. Further information on Borrowing and Leverage is contained in the Prospectus under the heading "Borrowings" and "Leverage Risk" respectively.

While it is not the Investment Manager's intention to leverage the Fund, any borrowing or leverage including from the use of FDIs will be done in accordance with the UCITS Regulations. The Fund's global exposure, being the incremental exposure and leverage generated by the Fund, shall be calculated on at least a daily basis using the commitment approach and, in accordance with the requirements of the Central Bank, may at no time exceed 100% of the Fund's Net Asset Value. As noted in the "Investment Policy" section above, the Fund's use of FDI is an ancillary element of the investment policy and may be used for hedging purposes only.

## **THE INDEX**

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### **General Description**

The Index of the Fund is the Solactive China Electric Vehicle and Battery v2 USD Index NTR. The Index is compiled and published by Solactive AG (the "Index Provider"). The Investment Manager (and each of its affiliates) is independent of the Index Provider.

The Index is a free float market capitalisation weighted index which is designed to represent companies domiciled in the People's Republic of China that are active in the field of electric vehicles and batteries related to electric vehicles.

The Index is a net total return index. A net total return index seeks to replicate the overall return from holding a portfolio consisting of the Index constituents and in the calculation of the Index considers payments such as dividends after the deduction of any withholding tax or other amounts to which an investor holding the Index constituents would typically be exposed. The Index is denominated and quoted in USD.

The index universe of the Index (the “Index Universe”) includes listed shares of companies headquartered in mainland China or Hong Kong from the following sub-industries according to the FactSet Revere Business Industry Classification System:

Alternative energy car manufacturers, multi-type car manufacturers, electric vehicle charging stations, battery charging equipment manufacturing, electric vehicle battery manufacturing, mixed heavy-duty and high-end battery makers, heavy-duty industrial battery manufacturing, traditional vehicle battery manufacturing, electric motor manufacturing, lithium compounds manufacturing, lithium ore mining, consumer battery manufacturing, other industrial electrical product manufacturing, multi-industry-specific factory machinery makers, electronic materials manufacturing, consumer electronics accessories manufacturing, diversified specialty/performance chemicals makers, general factory automation makers, powertrain manufacturing, motorcycle manufacturing, power transmission and distribution products, test, measurement and metrology equipment makers, other interconnect components, diversified industrial manufacturing, automotive and marine electronics manufacturing, auto interior comfort/safety/electronics products, general and mixed-type software, heating, ventilation and air conditioning products, chassis and body manufacturing, pan-powertrain and chassis manufacturing, film passive capacitor electronic components, other specialty and performance chemicals makers, other organic chemical manufacturers, other discrete semiconductors and rail equipment manufacturers.

FactSet is a financial data and software company that provides integrated data and software services for a variety of different industries.

The companies must have positive operating earnings before interest and taxes (“EBIT”) margin at least once in the last three fiscal years.

The index constituents will be listed on one of the following exchanges:

- (a) Hong Kong: SEHK
- (b) Mainland China Stock Connect: SSE and SZSE
- (c) United States of America: the New York Stock Exchange and the NASDAQ stock market.

The first trade date of an index constituent should not be within the last six months until and including the Selection Day (as defined below).

If a company has more than one share class then the most liquid (where liquidity is determined by reference to daily average turnover for the past 6 months) share class will be included in the Index Universe.

### **Constituent selection**

The initial composition of the Index as well as any rebalancing is based on the following rules:

On a Selection Day (as defined below), the Index Provider determines the securities that are eligible for inclusion in the Index Universe. The securities are selected for inclusion in the Index based on the following rules:

- a) All eligible securities are ranked based on their free float market capitalisation in a descending order.
- b) Top 25 securities by free float market capitalisation rank are selected for inclusion in the Index.
- c) Existing constituents ranked from 26 to 40 based on free float market capitalisation are selected for inclusion in the Index until the target constituent count of 35 is reached.

If there are less than 35 securities selected after step c), securities that are not existing constituents and ranked from 26 to 40 will be included in the Index until the target constituent count of 35 is reached. If less than 35 securities pass the selection criteria described above, those securities will be selected resulting in less than 35 Index constituents.

## **Weighting**

On each Selection Day (as defined below), the constituents of the Index are weighted according to their free float market capitalisation such that the weight of each constituent in the Index does not exceed 10%. The excess weight will be distributed to the other constituents of the Index pro-rata in an iterative process meaning the use of a mathematical procedure based on an initial value to distribute the excess weight.

## **Index Rebalancing**

### *Ordinary rebalancing*

The Index is rebalanced semi-annually effective as of second Friday in January and July (and if that day is not a trading day, the immediately following trading day) (a “**Rebalance Day**”). The Index constituents will be determined on the relevant “Selection Day” which is 10 weekdays (i.e. Monday to Friday) before each Rebalance Day.

The Index Provider shall publish any changes made to the composition of the Index with sufficient notice before the Rebalance Day at <https://www.solactive.com/new.announcements/>.

### *Ongoing review*

Under certain circumstances, an adjustment of the Index may be necessary between two regular Rebalance Days. Such adjustment has to be made if a corporate action (as defined in the Index methodology, including, for example, cash distributions, stock distributions, share splits, capital increases etc.) in relation of an Index constituent occurs. Such adjustment may have to be done in relation to an Index constituent and/or may also affect the number of Index constituent and/or the weighting of certain Index constituents and will be made in compliance with the Solactive Equity Index Methodology, which available on the Index Provider’s website <https://www.solactive.com/documents/equity-index-methodology/>.

The Index Provider will announce any such Index adjustment giving a notice period of at least two trading days (with respect to the affected Index constituent) on its website and such adjustment will be implemented on the effective day as specified in the relevant notice.

## **Index constituents**

You can obtain the list of the constituents of the Index and their respective weightings from the website of the Index Provider <https://www.solactive.com/>, and additional information of the Index from the website of the Index Provider <https://www.solactive.com/indices/?index=DE000SL0D0M5>.

## **Index Provider**

The Benchmark Administrator is Solactive AG and the Index is calculated by Solactive AG.

The Index is sponsored by Solactive AG as the Index Provider, which is an organisation that is independent of the Fund and the Investment Manager. The Index Provider determines the relative weightings of the securities in the Index and publishes information regarding the market value of the Index.

## **DISCLAIMERS**

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The ICAV is required to provide details of the Index Provider's website to enable Investors to obtain further details of the Index (including its constituents). None of the ICAV, the Manager or the Investment Manager has any responsibility for the contents of such website and are not involved in any way in sponsoring, endorsing or otherwise involved in the establishment, maintenance or contents of the website.

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or the use of Solactive trade mark or the index price/prices of the Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Investment Manager, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Solactive trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund. Remember, the information in this Supplement and the Prospectus does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. The information and opinions contained in this Supplement and the Prospectus have been obtained from public sources believed to be reliable, but no representation or warranty, express or implied, is made that such information is accurate or complete and it should not be relied upon as such. Solactive AG will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

## **LISTINGS**

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### **Euronext Dublin, Deutsche Borse Xetra and the London Stock Exchange Listings**

Application has been made to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange for the Shares of the Fund issued and available for issue to be admitted to the Official List and to trading on the Regulated Market of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. Admission to listing is expected to become effective on or about the date of this Fund Supplement or later date as the Directors may determine subject to the prior notification to Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange. This Supplement, together with the Prospectus shall constitute listing particulars for the purpose of listing the Shares on Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange and includes all information required to be disclosed by the code of listing requirements and procedures of Euronext Dublin, the Deutsche Borse Xetra and the London Stock Exchange.

As of the date of this document the Fund does not have any loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

At the date of this document, other than as disclosed below, no Director or any persons closely associated with any Director, has any interest, beneficial or non-beneficial, in the share capital of the ICAV, together with any options in respect of such shares, or any material interest in the ICAV or in any agreement or arrangement with the ICAV except that one or more of the Directors may hold Subscriber Shares as a nominee of the Marketing Agent. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

**GLOBAL X ETFS II ICAV**  
**(the “ICAV”)**

**ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

Information contained herein is selective, containing specific information in relation to the ICAV. This document forms part of and should be read in conjunction with the prospectus for the ICAV dated 15 December 2022 (the “Prospectus”). This document is for distribution in Switzerland only.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.

**Dated: 10 February 2023**

**Representative**

The representative in Switzerland is 1741 Fund Solutions AG, Burggraben 16, 9000 St. Gallen, Switzerland. [www.1741group.com](http://www.1741group.com)

**Paying Agent**

The paying agent in Switzerland is Tellco Ltd, Bahnhofstrasse 4, 6430 Schwyz, Switzerland.

**Publications**

1. Shareholder notices concerning the ICAV are made in Switzerland on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).
2. Each time Shares are issued or redeemed, the Net Asset Value Per Share, together with a reference stating “excluding commissions”, must be published daily for all Share Classes on the recognised electronic platform [www.fundinfo.com](http://www.fundinfo.com).

**Place where the relevant documents may be obtained**

Copies of the Prospectus, the key information documents, the ICAV’s instrument of incorporation as well as the annual and semi-annual reports of the ICAV may be obtained free of charge from the Representative.

**Payment of retrocessions and rebates**

The ICAV and its agents do not pay any retrocessions to third parties as remuneration for distribution activity in respect of Shares in Switzerland.

In respect of distribution in Switzerland, the ICAV and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the ICAV.

**Place of performance and jurisdiction**

In respect of the Shares offered in Switzerland, the place of performance is at the registered office of the representative in Switzerland. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

## Information for the purposes of the listing on SIX Swiss Exchange

### Security Number / ISIN / Trade Currency

Fund	Share class	ISIN	Security Number (Valor)	Dividend Policy/Frequency	Hedged share class	Trading Currency
Global X China Electric Vehicle and Battery UCITS ETF	(USD) Accumulating	IE00094FRAA6	115773950	Accumulating	No	CHF
Global X China Clean Energy UCITS ETF	(USD) Accumulating	IE000TMA7T63	115813271	Accumulating	No	CHF
Global X China Cloud Computing UCITS ETF	(USD) Accumulating	IE000HU1UG00	115809014	Accumulating	No	CHF
Global X China Biotech UCITS ETF	(USD) Accumulating	IE0004LIBFM2	115813273	Accumulating	No	CHF

### Clearing Agent

SIX SIS AG

### Form of Securities

The Directors have resolved that ETF Shares in a Fund will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or share certificates will be issued, other than the Global Share Certificate required for the ICSD (being the Recognised Clearing Systems through which a Fund's ETF Shares will be settled). A Global Share Certificate will be deposited with the Common Depository (being the entity nominated by the ICSD to hold the Global Share Certificate) and registered in the name of the Common Depository's Nominee (being the registered holder of the ETF Shares of a Fund, as nominated by the Common Depository) on behalf of Euroclear and accepted for clearing through Euroclear. Legal title to the ETF Shares of a Fund will be held by the Common Depository's Nominee. A purchaser of interests in ETF Shares will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such ETF Shares and the rights of such investors, where Participants, shall be governed by their agreement with their ICSD and otherwise by the arrangement with their nominee, broker or CSD, as appropriate. Interests in the ETF Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws and any rules and procedures issued by the ICSD.

### Information on the Net Asset Value (NAV) performance of the past three years

Not available yet.

### Declaration on annual and semi-annual reports

Not available yet.

### Market Maker

The Company has appointed Flow Traders B.V. as market maker for the Shares of all sub-funds.

### Declaration on primary / secondary listing

For the relevant Funds, the primary listing took place on the following stock exchanges:

Deutsche Borse Xetra