

Prospective investors should review this Prospectus (the "Prospectus") and the Relevant Supplements carefully and in their entirety and, before making any investment decision with respect to an investment in a Fund, should consult a stockbroker, bank manager, lawyer, accountant or other financial adviser for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in their own countries in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and the Relevant Supplements.

## **PROSPECTUS WITH SUPPLEMENT**

### **THIS PROSPECTUS IS A PROSPECTUS FOR OFFERING IN SWITZERLAND ONLY AND IS NOT A PROSPECTUS PURSUANT TO APPLICABLE IRISH LAW**

#### **UBS (Irl) Fund Solutions II ICAV**

(an umbrella Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds registered in Ireland on 19 March 2021 under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank pursuant to the UCITS Regulations)

#### **PROSPECTUS FOR SWITZERLAND**

**31 March 2023  
(as of 02 September 2024)**

UBS (Irl) Fund Solutions II ICAV (the "**ICAV**") and the directors of the ICAV (the "**Directors**"), whose names appear in the "*Management*" section, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the ICAV and 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 importance of such information. The ICAV and the Directors accept responsibility accordingly.

**No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of the Shares, and, if given or made, the information or representations must not be relied upon as having been authorised by the ICAV.**

Investors should be aware that the price of Shares may fall as well as rise, and investors may not get back any of the amount invested. The difference at any one time between the subscription and redemption price of Shares means that an investment in any Fund should be viewed as medium to long term. Risk factors for each investor to consider are set out in the "*Risk Information*" section.

The authorisation of the ICAV by the Central Bank is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus. The authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV.

Shares are not being, and may not be, offered, sold or delivered directly or indirectly in the United States of America, its territories or possessions or in any State or the District of Columbia (the "U.S.") or to or for the account or benefit of any U.S. Person as defined in Schedule I hereto. Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under the securities laws of any of the States of the U.S. and the ICAV will not be registered under the U.S. Investment ICAV Act of 1940, as amended. Any re-offer or resale of any of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and is prohibited. The Shares have not been approved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The Directors and/or the Manager may impose restrictions on the holding of Shares by (and consequently to compulsorily redeem Shares held by) any person who appears to be in breach of any law or requirement of any country or governmental authority by virtue of which such person is not qualified to hold such Shares; or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors and/or the Manager to be relevant) which, in the opinion of the Directors and/or the Manager, might result in the ICAV or the relevant Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantages which the ICAV or the relevant Fund might not otherwise have incurred, suffered or breached; or any individual under the age of 18 (or such other age as the Directors and/or the Manager think fit) or of unsound mind. ("Prohibited Persons").

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorized firm selling the instruments will be required to also conduct an appropriateness test on its clients. UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

The Shares are not being offered, circulated or distributed for sale or subscription and shall not be sold or offered directly or indirectly to persons resident in India or for the account or benefit of any person resident in India (as the term is defined under the Foreign Exchange Management Act, 1999 ("FEMA")) who are not permitted to subscribe to the Shares under FEMA, but are being privately placed with a limited number of individual and institutional investors who are persons resident outside India. The Shares are not and will not be registered and / or approved by the Securities and Exchange Board of India and / or any other legal or regulatory authority in India. Any persons resident in India or investing for the account or benefit of any person resident in India shall be solely responsible for compliance with FEMA and procuring any approvals or registration required under FEMA or any other applicable Indian laws. The ICAV shall not be liable or responsible for such compliance, registration or approvals under FEMA or any other Indian laws with respect to any persons resident in India or investing for the account or benefit of any person resident in India.

Further, the Securities and Exchange Board of India ("SEBI") requires participation by a single Non-Resident Indian ("NRI"), Overseas Citizen of India ("OCI") or Resident Indian ("RI") (including those of an NRI / OCI / RI controlled investment manager) in an FPI to be limited to 25%. Accordingly, if an investor who is an NRI, OCI or RI would be required to immediately report to the ICAV, prior to its participation in the ICAV reaching 25%. In the event that the investor fails to do so, such investor shall indemnify the ICAV for any damages, losses, penalties, claims or any other liabilities arising to the ICAV due to the ICAV's non-compliance with SEBI's requirements pursuant to such investor's failure to inform the ICAV of its participation in the ICAV reaching 25%.

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## DIRECTORY

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**UBS (Irl) Fund Solutions II ICAV**  
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**5 Earlsfort Terrace**  
**Dublin 2**  
**Ireland**

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Audrey Collins  
Frank Muesel  
Marie Antoinette (Nina) Petrini  
Alan White

**Manager:**

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Ireland

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Ireland

**Investment Manager:**

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London, EC2M 2QS  
England

**Distributor:**

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**ICAV Secretary:**

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**Legal Advisors in Ireland:**

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**Securities Lending Agent:**

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Germany

**Auditors:**

EY  
EY Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

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## GENERAL INFORMATION

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This section is an introduction to this Prospectus and any decision to invest in the Shares should be based upon consideration of the Prospectus as a whole, including the Relevant Supplements. Capitalised terms used in this Prospectus are defined in Schedule I hereto.

### THE ICAV

The ICAV is an open-ended umbrella ICAV with segregated liability between its Funds established under the laws of Ireland and is authorised and regulated by the Central Bank as a UCITS. The object of the ICAV is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public, operating on the principle of risk spreading in accordance with the UCITS Regulations. The ICAV has been structured as an umbrella fund, with segregated liability between Funds, in that the Directors may from time to time, with the prior approval of the Central Bank, issue different series of Shares representing separate portfolios of assets, each comprising a Fund. The portfolio of assets maintained for each series of Shares and comprising a Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the Relevant Supplement and each Relevant Supplement shall include all such relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate and the Central Bank requires, to be included. Each Fund will bear its own liabilities and, under Irish law, none of the ICAV, any of the service providers appointed to the ICAV, the Directors, any receiver, examiner or liquidator, nor any other person will have access to the assets of a Fund in satisfaction of a liability of any other Fund.

Shares of any particular series may be divided into different Classes to accommodate different dividend policies, charges and/or fee arrangements (including different total expense ratios) and/or currencies. The ICAV may establish Classes that provide for foreign exchange hedging in accordance with the policies and requirements of the Central Bank from time to time. The Directors may decide to list or trade the Shares of a Fund on any Regulated Stock Exchanges. Investors should refer to the Relevant Supplement for information in this respect.

#### *Description of Classes*

Various Classes can be offered for the Funds. Information on which Classes are available for which Fund can be obtained at [www.ubs.com/funds](http://www.ubs.com/funds).

P	Shares in classes with "P" in their name are available to all investors. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
N	Shares in classes with "N" in their name (shares with restrictions on distribution partners or countries) are issued exclusively through distributors authorised by UBS Asset Management Switzerland AG and domiciled in Spain, Italy, Portugal and Germany, or in other distribution countries insofar as this has been decided by the ICAV. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
K-1	Shares in classes with "K-1" in their name are available to all investors. Their smallest tradable unit is 0.1. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 5 million, BRL 20 million, CAD 5 million, CHF 5 million, CZK 100 million, DKK 35 million EUR 3 million, GBP 2.5 million, HKD 40 million, JPY 500 million, NOK 45 million, NZD 5 million, PLN 25 million, RMB 35 million, RUB 175 million, SEK 35 million, SGD 5 million, USD 5 million or ZAR 40 million.
K-B	Shares in classes with "K-B" in their name are exclusively reserved for institutional investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distribution partners on investing in one or more sub-funds of this umbrella fund. The costs for asset management are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001.

	Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
K-X	Shares in classes with “K-X” in their name are exclusively reserved for investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised distributors on investing in one or more sub-funds of this umbrella fund. The costs for asset management, fund administration (comprising the costs incurred by the ICAV, the Administrator and the Depositary) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
F	Shares in classes with “F” in their name are exclusively reserved for UBS Group AG affiliates. These shares may only be acquired by UBS Group AG affiliates, either for their own account or as part of discretionary asset management mandates concluded with UBS Group AG companies. In the latter case, the shares will be returned to the ICAV upon termination of the mandate at the prevailing net asset value and without being subject to charges. The smallest tradable unit of these shares is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
Q	Shares in classes with “Q” in their name are exclusively reserved for financial intermediaries that (i) make investments for their own account, and/or (ii) receive no distribution fees in accordance with regulatory requirements, and/or (iii) can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements concluded with their clients. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The ICAV and the Manager are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100, NZD 100 or ZAR 1,000.
QL	Shares in classes with “QL” in their name are exclusively reserved for selected financial intermediaries that: (i) have received approval from the Manager prior to first subscription, and (ii) receive no distribution fees in accordance with regulatory requirements and/or can only offer their clients classes with no retrocessions, where these are available in the investment fund in question, in accordance with written agreements concluded with their clients. The Manager will require a minimum investment of CHF 200 million (or the equivalent in another currency). The Manager may waive the minimum investment temporarily or permanently. Investments that no longer meet the above conditions may be forcibly redeemed at the prevailing net asset value or exchanged for another class of the sub-fund. The ICAV and the Manager are not liable for any tax consequences that may result from a forcible redemption or exchange. The smallest tradable unit of these shares is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
A	Shares in classes with “A” in their name are available to all investors. The maximum flat fee for this class does not include distribution costs. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price for these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000,

	JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-A1	Shares in classes with "I-A1" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-A2	Shares in classes with "I-A2" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 10 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above; (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 30 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies.
I-A3	Shares in classes with "I-A3" in their name are exclusively reserved for institutional investors. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000. The minimum subscription amount for these shares is CHF 30 million (or foreign currency equivalent). Upon subscription (i) a minimum subscription must be made in accordance with the list above; (ii) based on a written agreement between the institutional investor and UBS Asset Management Switzerland AG (or one its authorised contractual partners), the investor's total assets managed by UBS or its holdings in UBS collective investment schemes must be more than CHF 100 million (or foreign currency equivalent); or (iii) the institutional investor must be an institution for occupational retirement provision that is part of UBS Group AG or must be one of its wholly-owned group companies.
I-B	Shares in classes with "I-B" in their name are exclusively reserved for institutional investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. A fee covering the costs for fund administration (comprising the costs of the ICAV, the Administrator and the Depositary) is charged directly to the sub-fund. The costs for asset management and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
I-X	Shares in classes with "I-X" in their name are exclusively reserved for institutional investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. The costs for asset management, fund administration (comprising the costs incurred by the ICAV, Administrator and the Depositary) and distribution are charged to investors under the aforementioned agreements. Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 100, BRL 400, CAD 100, CHF 100, CZK 2,000, DKK 700 EUR 100, GBP 100, HKD 1,000, JPY 10,000, NOK 900, NZD 100, PLN 500, RMB 1,000, RUB 3,500, SEK 700, SGD 100, USD 100 or ZAR 1,000.
U-X	Shares in classes with "U-X" in their name are exclusively reserved for institutional investors who have signed a written agreement with UBS Asset Management Switzerland AG or one of its authorised contractual partners. The costs for asset management, fund administration (comprising the costs of the ICAV, the Administrator and the Depositary) and distribution are charged to investors under the aforementioned

	agreements. This share class is exclusively geared towards financial products (i.e. funds of funds or other pooled structures under various legislative frameworks). Their smallest tradable unit is 0.001. Unless the ICAV decides otherwise, the initial issue price of these shares amounts to AUD 10,000, BRL 40,000, CAD 10,000, CHF 10,000, CZK 200,000, DKK 70,000, EUR 10,000, GBP 10,000, HKD 100,000, JPY 1 million, NOK 90,000, NZD 10,000, PLN 50,000, RMB 100,000, RUB 350,000, SEK 70,000, SGD 10,000, USD 10,000 or ZAR 100,000.
seeding	Shares in classes with "seeding" in their name are only offered for a limited period of time. At the end of this period, no further subscriptions are permitted unless the ICAV decides otherwise. However, shares in classes with "seeding" in their name can still be redeemed in accordance with the conditions for share redemptions as further set out in this Prospectus. Unless otherwise decided by the ICAV, the smallest tradeable unit, the initial issue price and the minimum subscription amount shall correspond to the characteristics of the share classes listed above.
dis	Shares in Classes with "dis" shall distribute their net income (e.g. from any interest or dividends received) at regular intervals.
acc	Shares in Classes with "acc" in their name shall automatically reinvest earnings on the corresponding Fund assets back into the corresponding Fund.
UKdis	For Classes with "UKdis" in their name, the ICAV intends to distribute a sum which corresponds to 100% of the reportable income within the meaning of the UK reporting fund rules where the Classes are subject to the reporting fund rules. Dividend payments may be made more frequently than semi-annually. The ICAV does not intend to prepare tax reporting in other countries in respect of these Classes which are intended for investors who are subject to UK taxation on their investment in the Class.
Currency	The Classes may be denominated in AUD, CAD, CHF, EUR, GBP, HKD, JPY, NOK, PLN, SEK, SGD or USD. The respective currency will be indicated in the Class name (for example: (USD) A-acc).
hedged	<p>For Classes whose reference currencies are not identical to the currency of account of the Fund, and which have "hedged" in their name, the fluctuation risk of the reference currency price for those Classes is hedged against the currency of account of the Fund. These Classes follow the monthly hedged methodology defined in the index methodology of the Class. Any such hedging will endeavour to hedge no less than 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month. Changes in the market value of the portfolio, as well as subscriptions and redemptions of share classes in foreign currencies, can result in the hedging temporarily surpassing the aforementioned range. The hedging described has no effect on possible currency risks resulting from investments denominated in a currency other than the Fund's currency of account.</p> <p><i>Intra-months inflows</i></p> <p>Classes which have "hedged" in their name will invest in two components: (1) in the underlying securities of the relevant Index; and (2) corresponding hedging instrument (e.g., a currency forward) at the beginning of each month. During the month, the hedging instrument will typically either show a profit or a loss (in cash). At the end of the month, the hedging instrument will be rolled to the next month. The Investment Manager shall invest any intra-month flows (e.g., subscriptions) in line with the actual exposure of the relevant Class. Therefore, if there is a profit on the hedging instrument the corresponding value cannot be invested in the underlying securities of the relevant Index as this would result in the Class being overexposed to the relevant Index. For this reason, the Investment Manager shall keep the corresponding amount either in cash or short-term money market instruments.</p>



ir-hedged	<p>For Classes whose reference currencies are not identical to the currency of account of the Fund, and which have "ir-hedged" in their name, the fluctuation risk of the reference currency price for those Classes is hedged against the currency of account of the Fund. Classes with "ir-hedged" in their name are designed to represent a close estimation of the return that can be achieved by hedging the currency exposures of the Classes using forward foreign exchange contracts at the end of month as well as intra-month if the unhedged exposure reaches a certain threshold defined in the index methodology during the month. These Classes follow the MSCI Select Corridor Hedged Methodology (further information available at <a href="https://www.msci.com/index-methodology">https://www.msci.com/index-methodology</a>) that, in addition to traditional monthly hedged indices, also involves intra-month adjustment of hedge positions based on thresholds, defined in the index methodology of the Class. Any such hedging will endeavour to hedge no less than 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class. The Investment Manager and/or the Sub-Investment Manager will seek to maintain a narrower hedged range in respect of the "ir-hedged" Classes which is defined by the MSCI Select Corridor Hedged Methodology but will at all times remain within the aforementioned range. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements immediately upon a position exceeding the permitted position levels disclosed above and is not carried forward from month to month.</p>
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As outlined above, the Investment Manager and/or Sub-Investment Manager will seek to achieve hedging in respect of the "hedged" and "ir-hedged" Classes by using derivative instruments, such as forward foreign exchange contracts and currency futures, within the condition and limits imposed by the Central Bank. The conditions in relation to the use of such hedging strategies are described in the section below entitled "Use of Currency Forwards and Futures". Investors' attention is also drawn to the risks relating to the adoption of unit class currency hedging strategies, which are described in the paragraph entitled "Currency Risk".

The ICAV is promoted by UBS Asset Management Switzerland AG.

## **INVESTMENT OBJECTIVES, POLICY AND STRATEGY**

The ICAV has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives, strategies and policies for each Fund will be set out in the Relevant Supplement.

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations, which are summarised in the "*Investment Restrictions*" section.

The ICAV may acquire real and personal property that is required for the purpose of its business.

The ICAV shall not acquire either precious metals or certificates representing them.

A Fund may borrow up to 10% of its Net Asset Value for temporary purposes.

Additional investment restrictions, if any, as may be adopted by the Directors and/or the Manager for any Fund and specified in the Relevant Supplement.

Generally, each Fund will seek to achieve its objective by pursuing a policy which seeks to track the performance of an Index and will use either a Replication Strategy or a Sampling Strategy (as described below) with the aim of minimising as far as possible the difference in performance between the Fund and the relevant Index. The Investment Manager and/or Sub-Investment Manager will determine whether a Replication Strategy or a Sampling Strategy is most appropriate for a Fund. The Relevant Supplement will specify and describe the strategy the applicable Fund intends to use.

The following is a summary description of each of the Replication Strategy and Sampling Strategy. More detailed information on each strategy is set forth in the Relevant Supplement, as appropriate.

- Replication Strategy – this strategy seeks to hold all of the securities of a particular Index, with the approximate weightings of that Index, so that the portfolio of the Fund is a near mirror-image of the components of the Index.
- Sampling Strategy – this strategy seeks to build a representative portfolio that provides a return comparable to that of an Index. This strategy is used for tracking certain equity or fixed income indices which are too broad to replicate (i.e. the Index contains too many securities for the Fund to be able to purchase them all efficiently) and/or which contain securities which are difficult to purchase in the open markets. Consequently, a Fund using this strategy will typically hold only a subset of the securities which comprise the Index.

A Fund may also on occasion hold securities which are not comprised in its Index where the Investment Manager and/or Sub-Investment Manager believes this to be appropriate in light of the investment objective and investment restrictions of the Fund, or other factors. The potential for any such proposed investment by a Fund will be disclosed in the Relevant Supplement.

Changes to the composition and/or weighting of the securities constituting an Index which is tracked by a Fund will ordinarily require that Fund to make corresponding adjustments or rebalancings to its investments in order to seek to track the Index. The Investment Manager and/or Sub-Investment Manager will accordingly seek to rebalance the composition and/or weighting of the securities held by a Fund from time to time to the extent practicable and possible to conform to changes in the composition and/or weighting of the Index. Other rebalancing measures may be taken from time to time to seek to maintain the correspondence between the performance of a Fund and the performance of the Index.

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

The Directors and/or the Manager may establish Funds that will seek to track an Index by:

- investing solely in Index Securities and transferable securities other than Index Securities;
- investing solely in FDI; or
- investing in a combination of Index Securities, transferable securities other than Index Securities and FDI.

In each case, information in relation to the types of instruments or securities in which the relevant Fund will invest, including details in relation to the exchanges or markets on which the Fund's investments will be listed or traded, will be set out in the Relevant Supplement.

#### **CHANGES TO INVESTMENT OBJECTIVE, POLICIES AND STRATEGY OF A FUND**

Any change in the investment objectives and any material change in the investment policies of a Fund will require approval by ordinary resolution of the Shareholders in that Fund. In the event of a change of investment objectives and/or the investment policy, a reasonable notification period will be provided by the Fund to enable Shareholders to redeem their Shares prior to implementation of the change. Any proposal by the Directors to change an Index, for the reasons outlined below, shall be subject to the prior approval of the Shareholders of the relevant Fund by ordinary resolution only if it is deemed to be a change of investment objective or a material change of investment policy. Otherwise, it will simply be notified to Shareholders, in accordance with the requirements of the Central Bank.

The Directors may decide, if they consider it to be in the interests of any Fund, to change or substitute the existing Index of a Fund. The Directors may, for instance, decide to substitute such an Index in the following circumstances:

- (a) the transferable securities or other techniques or instruments described in the "*Investment Restrictions*" section which are necessary for the implementation of the relevant Fund's investment objective cease to be sufficiently liquid or otherwise be available for investment in a manner which is regarded as acceptable by the Directors;
- (b) the quality, accuracy and availability of data of a particular Index has deteriorated;
- (c) the components of the applicable Index would cause the Fund (if it were to follow the Index closely) to be in breach of the limits set out in the "*Investment Restrictions*" section and/or materially affect the taxation or fiscal treatment of the ICAV or any of its Shareholders;
- (d) the particular Index ceases to exist or, in the determination of the Directors, there is, or is expected to be, a material change in the formula for or the method of calculating a component of the Index or there is, or is expected to be, a material modification of a component of the Index;
- (e) the Index Provider increases its licence fees to a level which the Directors consider excessive;
- (f) there is a change of ownership of the relevant Index Provider to an entity not considered acceptable by the Directors and/or a change of name of the relevant Index; or
- (g) a new index becomes available which is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the shareholders than the existing Index.

The above list is indicative only and should not be understood as being exhaustive in respect of the ability of the Directors to change the Index in any other circumstances as they consider appropriate. The Prospectus and any of the Relevant Supplements will be updated in the case of substitution or change of the existing Index of a Fund for another Index.

The Directors will change the name of a Fund if its Index is changed. Any change to the name of a Fund will be approved in advance by the Central Bank and the relevant documentation will be updated.

## **TRACKING ACCURACY**

**Tracking difference:** The Investment Manager and/or Sub-Investment Manager aims to achieve a level of tracking accuracy whereby the anticipated annual difference in returns, after expenses, between the performance of the shares of a Fund and that Fund's Index will not exceed 1.5% under normal market conditions. However, exceptional circumstances may arise which cause a Fund's tracking accuracy to exceed 1.5%. Additionally, in relation to certain Funds through the composition of each of that Fund's Index, it may not be practicably possible, for example because of the ICAV's investment restrictions, to achieve such a level of tracking accuracy. It is anticipated for most Funds, especially those where the Index's component securities are listed on one or more highly liquid and efficient Recognised Markets, that the level of tracking accuracy will be significantly better than normal annual return differences of 1.5%. In relation to those certain Funds where such accuracy is not practicably possible, it is anticipated that the normal annual return differences will be no more than 5%.

**Tracking error:** Unless otherwise set out in the relevant Supplement, the Investment Manager and/or Sub-Investment Manager aim to keep the tracking error, defined as the volatility of the tracking difference between the performance of the shares of a Fund and that Fund's Index, below or equal to 1.5% under normal market conditions. However, exceptional circumstances may arise which cause a Fund's tracking error to exceed 1.5%. Additionally, in relation to certain Funds through the composition of that Fund's Index, it may not be practicably possible, for example because of the ICAV's investment restrictions, to achieve such a tracking error. It is anticipated for most Funds, especially those where the Index's component securities are listed on one or more highly liquid and efficient Recognised Markets, that the tracking error will be significantly lower than 1.5%. In relation to those certain Funds where such accuracy is not practicably possible, it is anticipated that the annual tracking error will be no more than 3%.

Internal restrictions, as detailed in the section entitled "*Investment Restrictions*", sub-section "*Other Restrictions*", which relate to certain investment securities exclusions, in respect of all Funds that physically replicate their relevant Index, may lead to a higher tracking error. In such circumstances, in order to minimise tracking error, the index weight of the excluded securities are distributed into other index constituents. Nevertheless, such exclusions may result in a higher tracking error.

For the avoidance of doubt any currency versions of a Fund's Classes may have a higher tracking error and tracking difference than those set out above.

The annual and half-yearly reports will state the size of the tracking difference and tracking error at the end of the period under review. The annual report will provide an explanation of any divergence between the anticipated and realised tracking error for the relevant period. The annual report will also disclose and explain the annual tracking difference between the performance of the Fund and the performance of the Index tracked.

Exposure to the Index through physical replication may be affected by rebalancing costs, in particular where the Index undergoes significant rebalancing or where constituents are not very liquid or have restrictions in terms of accessibility. Rebalancing costs are a factor of the rebalancing frequency of the underlying Index, the constituents' weighting adjustments and/or the number of constituents being replaced on each rebalancing day, and the transaction costs incurred to implement such changes. High rebalancing costs will generally deteriorate the relative performance between the Fund and the Index. The rebalancing frequency is detailed for each Fund in the Relevant Supplement.

## **USE OF FINANCIAL DERIVATIVE INSTRUMENTS**

The use of FDI by any Fund for investment purposes or for efficient portfolio management will be described in the Relevant Supplement. In this context, efficient portfolio management means the reduction of risks, including the risk of differences in the performance of a Fund and the performance of the Index tracked by the relevant Fund, the reduction of costs to the ICAV or the generation of additional capital or income for the ICAV with an appropriate level of risk, taking into account the risk profile of the relevant Fund and the risk diversification rules set out in the Central Bank Rules. In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add supplementary risks not covered in this Prospectus. Please refer to the section of this Prospectus entitled "Risk Information; Efficient Portfolio Management Risk" for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the ICAV's risk management process.

FDI may also be used for hedging against market movements, currency exchange or interest rate risks subject to the general restrictions outlined in the "*Investment Restrictions*" section below. Hedging is a technique used for minimising an exposure created from an underlying position by counteracting such exposure by means of acquiring an offsetting position. The positions taken for hedging purposes will not be allowed to exceed materially the value of the assets that they seek to offset.

In the event that a Fund uses FDI, there may be a risk that the volatility of the Fund's Net Asset Value may increase. The contribution of FDI to the risk profile of a Fund which uses FDI will be disclosed in its investment policies. Although a Fund may be leveraged as a result of use of FDI, the Fund's global exposure relating to the use of FDI may not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value. The global exposure and leverage of each Fund's which uses FDI will be calculated using either the commitment approach or an advanced value-at-risk approach, as specified in the Relevant Supplement. The commitment approach converts a Fund's FDI positions into the equivalent positions in the underlying assets and seeks to ensure that the FDI risk is monitored in terms of any future "commitments" to which it is (or may be) obligated. The alternative, value-at-risk approach is a risk measurement methodology commonly used to measure the "risk of loss" to an asset portfolio. It calculates the maximum loss in a portfolio of assets with a given probability of loss (defined as the confidence level), over a given period of time. Investors should refer to the "*Risk Information*" section for information in relation to the risks associated with the use of FDI.

A Fund may invest in OTC derivatives in accordance with the Central Bank Rules and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

## **RISK MANAGEMENT PROCESS**

The Manager will employ a risk management process (an "**RMP**") which will enable it to monitor, measure and manage the risks attached to FDI. The Investment Manager and/or Sub-Investment Manager will not utilise FDI which have not been included in the RMP until such time as the revised RMP has been updated and provided to the Central Bank. The Manager will on request provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

A Fund may enter into Securities Financing Transactions in accordance with normal market practice subject to the requirements of SFTR and the Central Bank Rules. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Any type of assets that may be held by each Fund in accordance with its investment objectives and policies can be subject to Securities Financing Transactions. In accordance with the Investment Restrictions section of this Prospectus such assets will be the constituents of the Reference Index of the relevant Fund unless otherwise stated in the supplement for the relevant Fund.

The most recent semi-annual and annual report of the ICAV will express as an absolute amount and as a percentage of each Fund's assets the amount of the relevant Fund assets subject to Securities Financing Transactions.

A Fund may enter Securities Financing Transactions only in accordance with normal market practice and provided that collateral obtained under the Securities Financing Transactions meets, at all times, the criteria for collateral as further outlined below.

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. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the ICAV or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the ICAV from time to time shall be included in the ICAV's semi-annual and annual reports. Currently, approximately 60% of the revenue received in the context of securities lending transactions is credited to the relevant Fund while UBS Asset Management Switzerland AG receive approximately 20% of the revenues to cover the due diligence and the Securities Lending Agent receives approximately 20% to cover operational costs resulting from the transactions carried out in relation to the securities lending. The breakdown of the final percentage amounts shall be disclosed in the annual accounts.

While the ICAV and/or the Manager will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating, and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre-trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

When selecting counterparties to securities lending transactions, the Investment Manager and/or Sub-Investment Manager may take into account such criteria as it determines appropriate, including but not limited to the legal status, country of origin and minimum credit rating (where relevant), notwithstanding that the Central Bank Rules do not prescribe any pre-trade eligibility criteria for counterparties to a Fund's securities lending transactions. A Fund may only enter into securities lending transactions with counterparties which have a minimum credit rating of A2 or equivalent from a Recognised Rating

Agency or which, if unrated, have, in the opinion of the Investment Manager and/or Sub-Investment Manager, an implied rating of A2 or better. Alternatively, an unrated counterparty is acceptable where the relevant Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty by an entity which maintains a rating of A2 or equivalent. Please refer to "Reference to Ratings" below for further information ratings.

Please refer to "Risk Information" in respect of the risks related to Securities Financing Transactions.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. The identity of any such related parties will be specifically identified in the ICAV's semi-annual and annual reports.

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

### **Securities Lending**

Unless otherwise stated in the Relevant Supplement, each Fund, in accordance with normal market practice and subject to the requirements of SFTR and the Central Bank Rules, may lend its portfolio securities via a securities lending program through an appointed securities lending agent, including the Depositary and the Administrator, to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. A securities lending program allows a Fund to receive a portion of the income generated by lending its securities and, if cash is received as collateral, investing the cash collateral.

Any returns or losses generated by securities lending transactions will be for the account of a Fund, subject to the terms agreed with the relevant securities lending agent which may provide for deductions for taxes and any fees, costs and expenses of the SFTR Counterparty, any depositary or third parties.

A Fund's exposure to securities lending transactions is set out in the Relevant Supplement (in each case as a percentage of Net Asset Value).

### **Repurchase Agreements**

A repurchase agreement is an agreement between a seller and a buyer of specified securities under which the seller agrees to repurchase securities at an agreed upon price and, usually, at a stated time (if the ICAV is the seller, the agreement is categorised by the ICAV as a repurchase agreement; if the ICAV is the buyer, the agreement is categorised by the ICAV as a reverse repurchase agreement). The difference between the purchase price and the repurchase price represents the yield to the buyer from the repurchase transaction. In contrast, in a stock lending transaction, the lender makes a loan of securities to the borrower upon terms that require the borrower to return equivalent securities to the lender within a specified period and the borrower pays the lender a fee for the use of the securities during the period that they are on loan.

Any Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

A Fund's exposure to repurchase agreements is set out in the Relevant Supplement (in each case as a percentage of Net Asset Value).

## **Collateral Policy**

In the context of efficient portfolio management techniques and Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the ICAV's collateral policy outlined below.

### **Collateral – received by the UCITS**

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the ICAV's collateral policy.

### **Non-cash collateral**

Non-cash collateral received must, at all times, meet with the following criteria:

- (i) 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 pre-sale valuation. The following types of securities are accepted as collateral provided they comply with the above requirements:
  - (1) Fixed Income Securities; and
  - (2) Equities in the form of world stock indices. Further information on the types of securities accepted as collateral is available on the Website.

Collateral received should also comply with the provisions of the Central Bank Regulations.

- (ii) Valuation: Collateral 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 (as referred to below) are in place.

Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles of the ICAV. Subject to any agreement on valuation made with the counterparty, collateral posted to a counterparty will be valued daily at mark-to-market value.

- (iii) Issuer credit quality: Collateral received should be of high quality.

- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) Diversification (asset concentration): Collateral 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. The criterion of sufficient diversification with respect of issuer concentration is considered to be respected if a Fund receives from a counterparty a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When the 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. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of the "Investment Restrictions" section of the Prospectus.
- (vi) 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.
- (vii) Safe-keeping: Collateral received on a title transfer basis (whether in respect of a Securities Financing Transaction, an OTC derivative transaction or otherwise) should be held by the Depository. For other types of collateral arrangement, the collateral can be held by a third-party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (viii) Haircuts: The ICAV (or its delegate), on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The ICAV has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the ICAV on an on-going basis. However, the application of such a haircut will be determined on a case-by-case basis, depending on the exact details of the assessment of the collateral. The ICAV, in its discretion, may consider it appropriate in certain circumstances to resolve to accept certain collateral with more conservative, less conservative or no haircuts applied if it so determines, on an objectively justifiable basis. Any extenuating circumstances that warrant the acceptance of relevant collateral with haircut provisions other than the guideline levels must be outlined in writing. Documentation of the rationale behind this is imperative. Collateral is marked to market on a daily basis. The value of collateral may change on an intra-day basis due to market movements resulting from corporate actions and other events which may result in the value of the collateral held falling below the 105% limit for over hedged positions or the 95% limit for under hedged positions of the value of the lent securities for a short duration until the next daily marking to market occurs. Collateral is likewise monitored on a daily basis to ensure the required diversification levels are maintained. Collateral is received in the context of OTC derivatives transactions where the exposure to the relevant OTC counterparty exceeds the applicable legal and regulatory limits as stated under section 2.8 Investment Restrictions (i.e. 10% when the counterparty is a credit institution, or 5% of its assets in any other case).
- (iv) Maturity: There are no restrictions on maturity provided the collateral is sufficiently liquid.

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

### **Cash collateral**

Cash collateral may not be invested other than in the following:

- (i) deposits with Relevant Institutions;
- (ii) high-quality government bonds;



- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral outlined above. Re-invested cash collateral may not be placed on deposit with the counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section of this Prospectus entitled "Risk Information; Reinvestment of Cash Collateral Risk" for more details.

### **Collateral – posted by the UCITS**

Collateral posted to a counterparty by or on behalf of the Fund must be taken into account when calculating counterparty risk exposure. Collateral posted to a counterparty and collateral received by such counterparty may be taken into account on a net basis provided the Fund is able to legally enforce netting arrangements with the counterparty. Assets provided by a Fund on a title-transfer basis shall no longer belong to the Fund and shall pass outside the custodial network. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Depositary or a duly appointed sub-custodian.

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund.

Until the expiry of a securities lending arrangement or repurchase agreement, collateral obtained must meet the criteria outlined above. The requirement for the collateral to be transferred to the Depositary is not applicable in the event that the ICAV uses tri-party collateral management services of international central securities depositories or Relevant Institutions which are generally recognised as specialists in this type of transaction and are subject to prudential supervision of the Depositary and which are unrelated to the provider of the collateral, the ICAV may enter into securities lending programmes organised by generally recognised international central securities depositories systems provided that the programme is subject to a guarantee from the system operator. The Depositary must be a named participant to the collateral arrangements.

Pursuant to the terms of the relevant securities lending agreement, the appointed lending agent will, on behalf of the ICAV, receive a securities lending fee from the borrower. The lending agent is entitled to retain a portion of the securities lending revenue to cover all costs associated with the securities lending activity including the delivery of loans, the management of collateral and the provision of the securities lending indemnity, in accordance with the provisions of the securities lending agreement. The income generated from the securities lending programme will be disclosed in the periodic reports of the ICAV and the fees paid will be at normal commercial rates. A Fund must have the right at any time to terminate any securities lending agreement entered into by it, and to demand the return of any or all securities lent within five (5) Business Days or such other period as normal market practice dictates.

### **USE OF CURRENCY FORWARDS AND FUTURES**

A Fund may be permitted to invest in securities denominated in a currency other than the Base Currency of the Fund and may seek to hedge its investments against currency fluctuations which are adverse to the Base Currency of the relevant Fund by entering into hedging arrangements.

Subject to the restrictions imposed on the use of FDI described above and by the UCITS Regulations, each Fund may enter into various currency transactions, i.e., forward foreign currency contracts or foreign currency exchange to protect against uncertainty in future exchange rates or to alter the exposure characteristics of transferable securities held by the Fund. Performance may be strongly

influenced by movements in FX rates because currency positions held by the relevant Fund may not correspond with the securities positions held.

Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Sterling for a certain amount of Euro - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Under the UCITS Regulations, uncovered positions in currency derivatives are not permitted however the ICAV may invest in currency derivative instruments for investment and efficient portfolio management purposes which are covered by liquid financial instruments. Any such currency transactions must be used in accordance with the investment objective and policies of the Fund.

A Fund may "cross-hedge" one foreign currency exposure by selling a related foreign currency into the Base Currency of that Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar, Euro or Japanese Yen. A Fund may hedge out the exposure to currencies other than its Base Currency in the basket by selling a weighted average of those currencies forward into the Base Currency. The use of any currency forwards and/or futures, including details of their impact on the risk profile of that Fund, will be disclosed in full in the Relevant Supplement.

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. Futures contracts may be sold on condition that either the security which is the subject of the contract remains at all times in the ownership of the ICAV for the account of the relevant Fund, or on condition that all of the assets of the relevant Fund or a proportion, which may not be less in value than the exercise value of the futures contract sold, can reasonably be expected to behave in terms of price movement, in the same manner as the futures contract. Futures contracts may be purchased on condition that the exercise value of the contract is at all times held by the ICAV for the account of the relevant Fund, in liquid assets or readily marketable securities. However, a Fund which invests directly in both fixed income and equity markets may purchase futures contracts on condition that the aggregate net exposure of the Fund is not greater than that which would be achieved through direct investment of all of the Fund's assets in the underlying securities. In such cases the Fund must clearly provide for such an active asset allocation strategy in its investment objectives.

As detailed in the sub-section entitled "*Description of Classes*", any such hedging will endeavour to hedge no less than 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.

Any currency forwards and futures used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Given that there is no segregation of liability between classes, there is a risk that, under certain circumstances, currency hedging transactions in relation to classes which have "hedged" in their name could result in liabilities which might affect the Net Asset Value of other classes of the relevant Fund. Where a Class is to be hedged this will be disclosed in the Supplement for the relevant Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

## **BORROWING MONEY**

Each Fund may borrow money from a bank up to a limit of 10% of its Net Asset Value, but only for temporary or emergency purposes. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this way is not classified as borrowing for the purposes of the UCITS Regulations provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

## **POOLING**

Subject to the general provisions of Instrument and in accordance with the requirements of the Central Bank, the Directors and/or the Manager may, for the purpose of efficient portfolio management, where the investment policies of the funds so permit, choose that the assets of certain Funds be co-managed together with the assets of other Funds. In such cases, assets of different Funds will be managed in common. The assets which are co-managed shall be referred to as a "pool", notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the co-managed Funds shall be allocated its specific portion of assets. This Prospectus (if necessary), the Relevant Supplement and the material contracts to which the ICAV is a party (as appropriate) will be updated to reflect any such co-management arrangements prior to their implementation.

## **PORTFOLIO TRANSPARENCY**

Information on the calculation methodology, including the exact composition of each Fund's Index, is available on the website indicated in the Relevant Supplement.

In addition, for each Fund on each Dealing Day a statement prepared by the Administrator will be published by the ICAV on (or through a link on) the Website disclosing each of the securities and the number thereof which the ICAV will expect to be delivered to it by an investor when subscribing for Shares.

## **TAX INFORMATION**

The investments of the ICAV will be subject to the laws of the relevant country in which it invests. Levels and bases of taxation in those countries may change. The ICAV may be subject to withholding tax, capital gains tax or other taxes on income and / or gains arising from its investment portfolio, including without limitation taxes imposed by jurisdictions in which the issuer of securities held by the ICAV is incorporated, established or resident for tax purposes. The ICAV may also incur or bear transaction, transfer or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio. Where the ICAV invests in securities or assets or enters into transactions that are not subject to withholding tax, capital gains tax, transaction or other taxes at the time of acquisition or disposal, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable law, treaties, rules or regulations or the interpretation thereof. The ICAV may not be able to recover any such tax imposed and so any such change could have an adverse effect on the Net Asset Value of the Shares in the ICAV. The distribution policy of each Fund will be set out in the Relevant Supplement. The tax treatment applicable to a Shareholder will depend on its individual situation. Accordingly, Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.

Investors should refer to the "*Tax Information*" section for further details on the taxation risks associated with investing in the ICAV.

## REFERENCE TO RATINGS

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "**Amending Regulations**") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("**CRAD**") into Irish law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD (which amended the Regulations), notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanically rely on credit ratings in determining the credit quality of an issuer or counterparty.

## REFERENCE TO BENCHMARKS

UBS Asset Management Switzerland AG in its capacity as the Distributor has entered into licensing arrangements with certain Index Providers. These arrangements relate to the use of the trademarks, trade names and other intellectual property rights. The Distributor and each Index Provider have in turn agreed to licence those rights to the ICAV. As the investment objective of a sub-fund is to track a specified Index independently compiled by an Index Provider, the inclusion of the Index Provider's trade name or trademark in the name of a sub-fund is dependent on the licensing of those intellectual property rights to UBS Asset Management Switzerland AG and the sub-licensing to the ICAV. In relation to these arrangements investors should note the following matters.

Such Index Providers shall be listed on the ESMA's register of administrators and benchmarks in accordance with 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 (the "**Benchmark Regulation**").

MSCI Limited and Solactive AG, being the administrators of the MSCI and Solactive indices respectively, and any hedged variations thereof, as included in the relevant supplements, are included on the ESMA's register of administrators and reference indices. In addition, since 27 February 2019, many indices administered by S&P DJI (including the S&P 500®) were included on the ESMA register for third country benchmarks. The Dow Jones Global Select Dividend Composite Index and the S&P 500 ESG Index are also included on ESMA's register for third country benchmarks.

The indices used as benchmarks by the Funds (as "use" is defined in the Benchmark Regulation) are, as at the date of this Prospectus, provided by:

- (i) benchmark administrators who appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulations. Updated information on whether the benchmark is provided by an administrator included in ESMA's register of administrators and benchmarks is available from <https://registers.esma.europa.eu>; and/or
- (ii) benchmark administrators authorised under the UK's Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019 (the "**UK Benchmark Regulation**"), qualify as benchmark administrators located in a third country within the meaning of the Benchmark Regulation and are included on a register of administrators and benchmarks maintained by the FCA available from <https://register.fca.org.uk/BenchmarkRegister>; and/or
- (iii) provided by benchmark administrators who benefit from transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear yet on the register of administrators and benchmarks maintained by ESMA pursuant to the Benchmark Regulation.

The transition period for benchmark administrators and deadline by which they should apply for authorisation or registration as an administrator under the Benchmark Regulation, depends both on the classification of the relevant benchmark and the domicile of the benchmark administrator.

The Manager maintains a written plan, available without cost at the registered office, setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided.

## REFERENCES TO SECURITISATIONS

Regulation EU 2017/2402 (the "**Securitisation Regulation**") applies to UCITS such as the ICAV from 1 January 2019. Accordingly, where a Fund is exposed to securitisations, the Investment Manager of the Fund will carry out a due diligence process before becoming exposed to a securitisation and on an ongoing basis as long as they remain exposed to a securitisation. The Investment Manager will ensure that the securitisation is risk retention compliant with the originator retaining a material net economic interest of not less than 5% in the securitisation and on an ongoing basis, the originator of the securitisation will make available to holders of a securitisation position certain information on the transaction and underlying exposures in accordance with the Securitisation Regulation.

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## OTHER INFORMATION

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### MEETINGS

In accordance with the ICAV Act, the Directors may convene extraordinary general meetings of the ICAV at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period where required. However it is intended that the ICAV will dispense with the holding of an annual general meeting as permitted pursuant to, and in accordance with the requirements of, the ICAV Act.

Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.

Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the rights of Shares in a Fund or Class shall be two Shareholders holding or representing by proxy Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the relevant Fund or Class in question or his proxy. All general meetings will be held in Ireland.

The foregoing provisions with respect to the convening and conduct of meetings shall, save as otherwise specified with respect to meetings of Funds or Classes and subject to the ICAV Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Class is tabled.

### TYPICAL INVESTOR PROFILE

The ICAV has been established for the purpose of investing in transferable securities in accordance with the UCITS Regulations. The investment objectives and policies for each Fund will be set out in the Relevant Supplement. Unless otherwise disclosed in the Relevant Supplement, investors are expected to be retail and institutional investors. Further details regarding the profile of a typical investor for each Fund are set out in the Relevant Supplement.

### REPORT AND ACCOUNTS

The ICAV's accounting period will end on 31 December in each year. The ICAV will publish an annual report and audited annual accounts within four months of the end of the financial period to which they relate. The unaudited half-yearly reports of the ICAV covered the period to 30 June in each year. The unaudited half yearly reports will be published within two months of 30 June. The annual report and the half-yearly report will be made available on the Website and may be sent to Shareholders by electronic mail or other electronic means of communication, although Shareholders and prospective investors may also, on request, receive reports by hard copy mail. The first annual reporting date for the ICAV is 31 December 2021 and the first semi-annual reporting date is 30 June 2022.

### DIRECTORS' INTERESTS

At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the ICAV and, save as disclosed below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the ICAV.

At the date of this Prospectus none of the Directors nor any associated person have any beneficial interest in the share capital of the ICAV or any options in respect of such capital.

Frank Muesel, Marie Antoinette (Nina) Petrini and Alan White are employees of the UBS Group or affiliate companies.

## **ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING MEASURES**

In order to comply with the anti-money laundering and counter-terrorism financing regulations, the Administrator, on the ICAV's behalf, will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The ICAV and the Administrator each reserve the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner pursuant to the Beneficial Ownership Regulations 2019 (S.I. No. 110 of 2019) or as otherwise required.

Any natural person who ultimately owns or controls 25% plus one share or an ownership interest in the entity shall inform the Manager and the ICAV thereof. The percentage of 25% plus one share or an ownership interest of more than 25% are considered as an indication of direct or indirect ownership or control, which means that a natural person may also be considered as a beneficial owner of a corporate entity even if the 25% threshold of ownership or control in that corporate entity is not met.

In addition, any individual, who directly or indirectly, through any contract, arrangement, agreement, relationship or otherwise, owns 20% or more in the equity interests of the ICAV shall inform the Manager and the ICAV thereof.

## **INSTRUMENT OF INCORPORATION**

Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Instrument, copies of which are available as described in the "*Where To Learn More About The Funds*" section of this Prospectus.

## **SHARE CAPITAL**

The authorised share capital of the ICAV is 500,000,000,002 (five hundred billion, three hundred thousand) Shares of no par value divided into 2 (two) Subscriber Shares of no par value and 500,000,000,000 (five hundred billion) Shares of no par value. The Directors are empowered to issue up to all of the Shares of the ICAV on such terms as they think fit. The Shares entitle the holders to attend and vote at general meetings of the ICAV and to participate equally (subject to any differences between fees, charges and expenses applicable to different Classes) in the profits and assets of the Fund to which the Shares relate. The ICAV may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, sub-divide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each whole Share held by such Shareholder. Shareholders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up.

## **FUNDS**

Under the Instrument, the Directors are required to establish a separate Fund, with separate records, in the following manner:

- (a) the ICAV or the Manager acting on its behalf will keep separate books and records of account for each Fund. The ICAV or Manager may also rely on their delegates in order to fulfill this obligation. The proceeds from the issue of Shares issued in respect of a Fund will be applied to the Fund, and the assets and liabilities and income and expenditure attributable to that Fund will be applied to such Fund;
- (b) any asset derived from another asset in a Fund will be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset will be applied to the relevant Fund;
- (c) in the case of any asset which the Directors and/or the Manager do not consider as readily attributable to a particular Fund or Funds, the Directors and/or the Manager have the discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any such asset will be allocated between Funds and the Directors and/or the Manager may at any time and from time to time vary such basis;
- (d) any liability will be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not readily attributable to any particular Fund the Directors and/or the Manager will have discretion to determine, acting in a fair and equitable manner and with the consent of the Depositary, the basis upon which any liability will be allocated between Funds and the Directors and/or the Manager may at any time and from time to time vary such basis;
- (e) 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 that Fund affected, the Directors and/or the Manager, 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;
- (f) where the assets of the ICAV (if any) attributable to the Subscriber Shares give rise to any net profit, the Directors and/or the Manager may allocate assets representing such net profits to such Fund or Funds as they may deem appropriate, acting in a fair and equitable manner; and
- (g) subject as otherwise provided in the Instrument, the assets held for the account of each Fund shall be applied solely in respect of the Shares to which such Fund appertains and shall belong exclusively to the relevant Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder.

#### **COMMUNICATIONS WITH SHAREHOLDERS**

Communications with Shareholders may be effected by fax, email, or such other form of electronic communication as may be approved by the Directors and notices may also be given by way of advertisement containing the full text of the notice in at least one leading international newspaper and one daily newspaper in Dublin, Ireland or such other publication as the Directors may from time to time determine circulating in any country where the Shares of the ICAV are being issued and such notice shall be deemed to have been served at noon on the day on which such advertisement appears.

Copies of any documents sent to Shareholders will be available for inspection at the office of the Administrator. Communications with Shareholders will also be published on the Website. Investors should regularly visit the Website, or request that their stockbrokers or other financial agents or advisers do so on their behalf, to ensure that they obtain such information on a timely basis.



## **WINDING UP**

Generally, under Irish law, if a company is being wound up, a liquidator is appointed to settle outstanding claims and distribute the remaining assets of the liquidating entity. The liquidator will use the assets of the ICAV in order to satisfy claims of creditors. Thereafter, the liquidator will distribute the remaining assets among the Shareholders. The Instrument contains provision that will require, firstly, the distribution of assets to the Shareholders of each Fund after settlement of the liabilities of that Fund and, thereafter, distribution to the holders of Subscriber Shares of the nominal amount paid in respect of those Subscriber Shares. The liquidator may, if authorised by a special resolution, distribute assets of the ICAV in specie provided that, in such circumstances, Shareholders may request that the assets to be distributed to them be sold, with the net cash proceeds to be paid to them.

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## INVESTMENT RESTRICTIONS

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The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations which are summarised below and such additional investment restrictions, if any, as may be adopted by the Directors and further details in relation to which will be set out in the Relevant Supplement.

### 1 PERMITTED INVESTMENTS

Investments of a Fund are confined to:

- 1.1 transferable securities and money market instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2 recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 money market instruments, other than those dealt on a regulated market.
- 1.4 units of UCITS.
- 1.5 units of AIFs.
- 1.6 deposits with credit institutions.
- 1.7 FDI.

### 2 INVESTMENT RESTRICTIONS

- 2.1 A Fund may invest no more than 10% of its net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities provided that
  - such securities are issued with an undertaking to register with the U.S. Securities & Exchange Commission within one year of issue; and
  - the securities are not illiquid securities, i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of its 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 no more than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.

- 2.5 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in paragraph 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.7 A Fund may not invest more than 20% of its net assets in deposits made with the same credit institution.
- Deposits by a Fund with any one credit institution, other than with Relevant Institutions held as ancillary liquidity, must not exceed 10% of net assets.
- This limit may be raised to 20% in the case of deposits made with the Depository.
- 2.8 The risk exposure of a Fund to a counterparty to an OTC FDI may not exceed 5% of net assets.
- This limit is raised to 10% in the case of Relevant Institutions.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- (i) investments in transferable securities or money market instruments;
  - (ii) deposits; and/or
  - (iii) counterparty risk exposures arising from OTC FDI.
- 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 the net assets of the relevant Fund.
- 2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets of a Fund may be applied to investments in transferable securities and money market instruments within the same group.
- 2.12 A Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, or any local authority of a Member State, or non-Member States or public international bodies of which one or more Member States are members or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following: or by OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of 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 or Straight-A Funding LLC.

A Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its net assets.

### **3 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES ("CIS")**

- 3.1 A Fund may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 A Fund may not invest more than 10% of net assets in total in other CIS. Such CIS must themselves be prohibited from investing more than 10% of net assets in total in other CIS.
- 3.4 Where a Fund invests in the units of other CIS that are managed directly or by delegation by a UCITS management company or by any other company with which that 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 ICAV's investment in the shares of the other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the assets of the relevant Fund.

### **4 INDEX TRACKING UCITS**

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

### **5 GENERAL PROVISIONS**

- 5.1 A Fund, or management company acting in connection with all of the CIS which it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
  - (i) 10% of the non-voting shares of any single issuer;
  - (ii) 10% of the debt securities of any single issuer;
  - (iii) 25% of the shares or units of any single CIS;
  - (iv) 10% of the money market instruments of any single issuing body.

The limits laid down in paragraphs (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.

- 5.3 5.1 and 5.2 shall not be applicable to:
  - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (iv) shares held by a Fund in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies with the registered offices in that non-Member State, where under the legislation of that non-Member State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that non-Member 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;
  - (v) shares held by the ICAV 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 redemption of units at unit-holders' request exclusively on their behalf.
- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments, which form part of their assets.
- 5.5 The Central Bank has allowed each Fund to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for a period of up to six months from the date of authorisation of such Fund, provided that such Fund observes the principle of risk spreading.
- 5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, that Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7 A Fund may not carry out uncovered sales of:
- (i) transferable securities;
  - (ii) money market instruments\*;
  - (iii) units of collective investment undertakings; or
  - (iv) FDI.
- 5.8 A Fund may hold ancillary liquid assets.

## 6 FINANCIAL DERIVATIVE INSTRUMENTS

- 6.1 A Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
- 6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (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 Rules).

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

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

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

## 7 OTHER RESTRICTIONS

In addition to the above investment restrictions contained in the UCITS Regulations, the following investment restrictions shall apply with respect to each Fund:

7.1 United Nations Conventions on Cluster Munitions and Anti-Personnel Landmines: In respect of all Funds that physically replicate their relevant Index, the Investment Manager shall ensure that no investments are made in companies that are directly involved in the development, brokerage, acquisition, import, export, execution, production, storage or trading of nuclear, biological or chemical weapons (NBC weapons), cluster munitions and/or anti-personnel mines (prohibited war material), or that provide related services. In addition, these restrictions also exclude such Funds from securities of companies that are involved in the manufacture or sale of controversial weapons. Such exclusions are based on UBS's methodology (the "UBS AM Ethix List").

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## RISK INFORMATION

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This section provides information regarding some of the general risks applicable to an investment in the Funds. Additional risk information specific to individual Funds is specified in the Relevant Supplement. This section is not intended to be a complete explanation and other risks may be relevant from time to time. In particular, the ICAV's and each Fund's performance may be affected by changes in market, economic and political conditions, and in legal, regulatory and tax requirements.

**Before making an investment decision with respect to an investment in any Fund, prospective investors should carefully consider all of the information set out in this Prospectus and the Relevant Supplement, as well as their own personal circumstances, and should consult their own stockbroker, bank manager, lawyer, accountant and/or financial adviser. An investment in Shares is only suitable for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.**

**The price of Shares can go down as well as up and their value is not guaranteed. Shareholders may not receive, at redemption or liquidation, the amount that they originally invested in a Fund or any amount at all.**

### PRINCIPAL RISKS

#### *Cash Position Risk*

A Fund may hold a significant portion of its assets in cash or cash equivalents at the Investment Manager's and/or Sub-Investment Manager's discretion. If a Fund holds a significant cash position for an extended period of time, its investment returns may be adversely affected.

#### *Concentration Risk*

A Fund may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. In these cases, the Fund's performance will be closely tied to the market, currency, economic, political, or regulatory conditions and developments in that country or region or those countries, and could be more volatile than the performance of more geographically-diversified funds.

In addition, a Fund may concentrate its investments in companies in a particular industry, market or economic sector. When a Fund concentrates its investments in a particular industry, market or economic sector, financial, economic, business, and other developments affecting issuers in that industry, market or sector will have a greater effect on the Fund than if it had not concentrated its assets in that industry, market or sector.

Further, investors may buy or sell substantial amounts of a Fund's shares in response to factors affecting or expected to affect a particular country, industry, market or sector in which the Fund concentrates its investments, resulting in abnormal inflows or outflows of cash into or out of the Fund. These abnormal inflows or outflows may cause the Fund's cash position or cash requirements to exceed normal levels, and consequently, adversely affect the management of the Fund and the Fund's performance.

#### *Conflicts Of Interest*

The Investment Manager and/or Sub-Investment Manager or its affiliates may provide services to the ICAV, such as securities lending agency services, custodial, administrative, bookkeeping, and accounting services, transfer agency and shareholder servicing, and other services. The ICAV may enter into repurchase agreements and FDI transactions with or through the Investment Manager and/or Sub-Investment Manager or one of its affiliates. The ICAV may invest in other pooled investment vehicles sponsored, managed, or otherwise affiliated with the Investment Manager and/or Sub-Investment Manager in which event the ICAV may not be charged subscription or redemption fees on account of such investment but will bear a share of the expenses of those other pooled investment

vehicles; those investment vehicles may pay fees and other amounts to the Investment Manager and/or Sub-Investment Manager or its affiliates, which might have the effect of increasing the expenses of the ICAV. It is possible that other clients of the Investment Manager and/or Sub-Investment Manager will purchase or sell interests in such other pooled investments at prices and at times more favourable than those at which the ICAV does so. There is no assurance that the rates at which the ICAV pays fees or expenses to the Investment Manager and/or Sub-Investment Manager or its affiliates, or the terms on which it enters into transactions with the Investment Manager and/or Sub-Investment Manager or its affiliates or on which it invests in any such other investment vehicles will be the most favourable available in the market generally or as favourable as the rates the Investment Manager and/or Sub-Investment Manager makes available to other clients. There will be no independent oversight of fees or expenses paid to, or services provided by, those entities. Because of its financial interest, the Investment Manager and/or Sub-Investment Manager may have an incentive to enter into transactions or arrangements on behalf of the ICAV with itself or its affiliates in circumstances where it might not have done so in the absence of that interest. Transactions and services with or through the Investment Manager and/or Sub-Investment Manager or its affiliates will, however, be effected in accordance with the applicable regulatory requirements.

The Investment Manager and/or Sub-Investment Manager and its affiliates serve as an investment adviser to other clients and may make investment decisions for their own accounts and for the accounts of others, including other funds that may be different from those that will be made by the Investment Manager and/or Sub-Investment Manager on behalf of the ICAV. In particular, the Investment Manager and/or Sub-Investment Manager may provide asset allocation advice to some clients that may include a recommendation to invest or redeem from a Fund while not providing that same recommendation to all clients invested in the same or similar Funds.

Other conflicts may arise, for example, when clients of the Investment Manager and/or Sub-Investment Manager invest in different parts of an issuer's capital structure, so that one or more clients own senior debt obligations of an issuer and other clients own junior debt of the same issuer, as well as circumstances in which clients invest in different tranches of the same structured financing vehicle. In such circumstances, decisions over whether to trigger an event of default or over the terms of any workout may result in conflicts of interest. When making investment decisions where a conflict of interest may arise, the Investment Manager and/or Sub-Investment Manager will endeavour to act in a fair and equitable manner, in accordance with its conflicts of interest policy, as between the relevant Fund and other clients. Subject to the foregoing, (i) the Investment Manager and/or Sub-Investment Manager and its affiliates may invest for their own accounts and for the accounts of clients in various securities that are senior, pari passu or junior to, or have interests different from or adverse to, the securities that are owned by the ICAV; and (ii) the Investment Manager and/or Sub-Investment Manager may at certain times (subject to applicable law) be simultaneously seeking to purchase (or sell) investments for the ICAV and to sell (or purchase) the same investment for accounts, funds or structured products for which it serves as asset manager now or in the future, or for its clients or affiliates, and may enter into cross trades in such circumstances. In addition, the Investment Manager and/or Sub-Investment Manager and its affiliates may buy securities from or sell securities to the ICAV, if permitted by applicable law. These other relationships may also result in securities laws restrictions on transactions in these instruments by the ICAV and otherwise create potential conflicts of interest for the Investment Manager and/or Sub-Investment Manager.

The Investment Manager and/or Sub-Investment Manager, in connection with its other business activities, may acquire material non-public confidential information that may restrict the Investment Manager and/or Sub-Investment Manager from purchasing securities or selling securities for itself or its clients (including the ICAV) or otherwise using such information for the benefit of its clients or itself.

The Manager may be involved in managing other investment funds which have similar or overlapping investment objectives to or with the ICAV.

There is no prohibition on dealing in assets of the ICAV by the Manager, the Depositary, the Administrator or Investment Manager and/or Sub-Investment Manager, or by any entities related to such parties, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arms' length and are in the best interests of Shareholders. Permitted transactions between the ICAV and such parties are subject to: (i) a certified valuation by a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent;



or (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms the Depositary (or the Directors in the case of a transaction involving the Depositary) is satisfied conform to the principles set out above.

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

The appointment of the Manager, the Investment Manager, Administrator and Depositary in their primary capacity as service providers to the ICAV are excluded from the scope of these connected party requirements.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the ICAV and/or other parties. The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the ICAV;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the ICAV either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the ICAV, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the ICAV;
- (iv) may provide the same or similar services to other clients including competitors of the ICAV;
- (v) may be granted creditors' rights by the ICAV which it may exercise.

The ICAV may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the ICAV. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the ICAV. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the ICAV. The affiliate shall enter into such transactions on the terms and conditions agreed with the ICAV. Where cash belonging to the ICAV is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the ICAV and will treat the ICAV and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the ICAV than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

There is no prohibition on the Manager, the Depositary, the Administrator, the Investment Manager and/or Sub-Investment Manager or any other party related to the ICAV acting as a "competent person" for the purposes of determining the probable realisation value of an asset of a Fund in accordance with the valuation provisions outlined in the "*Determination of Net Asset Value*" section below. Investors should note however, that in circumstances where fees payable by the ICAV to such parties are calculated based on the Net Asset Value, a conflict of interest may arise as such fees will increase if the Net Asset Value increases. Any such party will endeavour to ensure that such conflicts are resolved fairly and in the best interests of the Shareholders.

In selecting brokers to make purchases and sales for the ICAV, the ICAV will require the Investment Manager and/or Sub-Investment Manager to choose those brokers who provide best execution to the ICAV. In determining what constitutes best execution, the Investment Manager and/or Sub-Investment Manager will be required to consider the over-all economic result of the ICAV, (price of commission plus other costs), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information and the financial strength and stability of the broker. In managing the assets of the ICAV, the Investment Manager and/or Sub-Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager and/or Sub-Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the ICAV and/or other accounts for which the Investment Manager and/or Sub-Investment Manager exercises investment discretion. The benefits provided under any commission arrangements must assist in the provision of investment services to the ICAV and any such commission arrangements must be disclosed in the periodic reports of the ICAV. Where appropriate, any such arrangements will comply with the requirements of Article 11 of the MiFID II Delegated Directive.

Members of UBS Group AG, its affiliates, subsidiaries and parent (the "**UBS Group**") may act as approved counterparty and calculation agent to the swaps and other FDIs to which the ICAV is a party, counterparty to FX forwards, Index Provider, counterparty to any securities lending arrangements or repurchase transactions and/or the sub-custodian to the ICAV all in accordance with the relevant agreements which are in place. The Directors acknowledge that, by virtue of carrying-out these functions in connection with the ICAV, potential conflicts of interest are likely to arise. In such circumstances, each of the foregoing will use its reasonable endeavours to resolve any such conflicts of interest fairly (having regard to its respective obligations and duties) and to ensure that the interests of the ICAV and the Shareholders are not unfairly prejudiced. The Directors believe that such members of the UBS Group are suitable and competent to perform such functions.

Each connected party will provide the ICAV with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the ICAV discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all connected party transactions.

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the ICAV.

#### *Costs Of Buying Or Selling Shares*

Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges determined and imposed by the applicable broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will incur the cost of the difference between the price that an investor is willing to pay for Shares (the "**bid**" price) and the price at which an investor is willing to sell Shares (the "**ask**" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread." The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if a Fund's Shares have more trading volume and market liquidity and higher if Shares have little trading volume and market liquidity. Further, increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who wish to trade regularly in relatively small amounts.

### *Counterparty Risk*

The Funds are subject to credit risk with respect to the counterparties with which the ICAV, on behalf of the Funds, enters into FDI and other transactions such as repurchase agreements and securities lending transactions. If a counterparty becomes insolvent or otherwise fails to perform its obligations, a Fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganisation proceeding and may obtain only a limited recovery or may obtain no recovery.

### *Currency Risk*

A Fund may invest in securities that are denominated in currencies that differ from the Base Currency. Changes in the values of those currencies relative to the Base Currency may have a positive or negative effect on the values of the Fund's investments denominated in those currencies. A Fund may, but will not necessarily, invest in currency exchange contracts to help reduce exposure to different currencies, however there is no guarantee that these contracts will successfully do so. Also, these contracts may reduce or eliminate some or all of the benefit that a Fund may experience from favourable currency fluctuations.

A Class will not generally be leveraged as a result of the use of any of the efficient portfolio management techniques outlined above.

The Investment Manager and/or Sub-Investment Manager may try, but is not obliged, to mitigate this risk by using financial instruments such as those described under the heading "Use of Currency Forwards and Futures". Any such hedging will endeavour to hedge no less than 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the Net Asset Value of the relevant Class. Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the relevant Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above. Such review will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.

Although hedging strategies may not necessarily be used in relation to each Class within the ICAV, the financial instruments used to implement such strategies shall be assets/liabilities of the ICAV as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant hedged Class. Any currency exposure of a hedged Class may not be combined with or offset with that of any other Class of the ICAV. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Investors should be aware that this strategy may substantially limit Shareholders of the relevant hedged Class from benefiting if the Class Currency falls against the Base Currency of the relevant Fund and/or the currency/currencies in which the assets of the relevant Fund are denominated. In such circumstances, Shareholders of the hedged Class may be exposed to fluctuations in the Net Asset Value per Shares reflecting the gains/loss on and the costs of the relevant financial instruments.

### *Unhedged Classes*

A Fund may at any stage launch unhedged Classes comprising some or all of the Classes of that Fund. Investors should note that for unhedged classes, currency conversion in the case of subscriptions, redemptions, switching and distributions will take place at the prevailing exchange rate at that time. Fluctuations in that exchange rate may affect the performance of the Shares independent of the performance of the Fund's investments. The costs of currency exchange transactions in connection with the purchase, redemption and exchange of Shares will be borne by the relevant unhedged Class and will be reflected in the Net Asset Value of that Class. The value of the Share expressed in the Class Currency will be subject to exchange rate risk in relation to the Base Currency.

### *Currency Hedged Classes*

Fluctuations between the currency of a currency-hedged Class and the currency of an underlying Index constituents are reduced by the use of one-month foreign exchange forwards. The use of one-month foreign exchange forwards is in line with the Index methodology may not take into account the underlying Index constituents' intra-month price movements. As a result a risk of an intra-month under- or over-hedging may arise. Consequently the performance of an Index measured in its base currency may not exactly be achieved by the hedged Index measured in the hedged currency.

### *Custodial Risk*

There are risks involved in dealing with the custodians or brokers who hold or settle a Fund's trades. It is possible that, in the event of the insolvency or bankruptcy of a custodian or broker, a Fund would be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets. The Depositary will hold assets in compliance with applicable laws and such specific provisions as agreed in the Depositary Agreement. These requirements are designed to protect the assets against the insolvency in bankruptcy of the Depositary but there is no guarantee they will successfully do so. In addition, as the ICAV may invest in markets where custodial and/or settlement systems and regulations are not fully developed, including emerging markets, the assets of the ICAV which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of sub-custodians is necessary, may be exposed to risk in circumstances where the Depositary will have no liability. Investors should also refer to "*International Investment Risk*".

### *Depositary Risk*

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### *Inaction by the CSDs 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 such person is

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

#### *Settlement risk and CSDR cash penalty regime*

The European Union has adopted a settlement discipline regime under Regulation (EU) No 909/2014 ("CSDR"). CSDR aims to reduce the number of settlement fails that occur in CSDs and to address settlement fails where they occur. New rules under this regime have introduced, from 1st February 2022, a requirement on participants that cause settlement fails / delays to pay a cash penalty to the other ("failed-upon") participant of the transaction.

The implementation of the CSDR settlement discipline regime may result in increased operational and compliance costs (including penalties and related expenses in certain circumstances) being borne directly or indirectly by the ICAV. CSDR may also affect liquidity and increase trading costs associated with relevant securities.

#### *Payments*

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 ICSD. Investors, where they are ICSD Participants, must look solely to the ICSD for their share of each dividend payment or any liquidation or mandatory redemption proceeds paid by the ICAV or, where they are not ICSD Participants, they must look to their respective nominee, broker or CSD (as appropriate, which may be an ICSD Participant or have an arrangement with an ICSD 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 and the obligations of the ICAV will be discharged by payment to the ICSD.

#### *Derivatives Risk*

The Funds may use FDI for efficient portfolio management purposes. Each Fund's Relevant Supplement will indicate how or if the Fund intends to use FDI. A Fund's use of FDI involves risks different from, and possibly greater than, the risks associated with investing directly in securities. These risks include:

- Potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality;
- The potential for the FDI transaction not to have the effect the Investment Manager and/or Sub-Investment Manager anticipated;
- The failure of the counterparty to the FDI transaction to perform its obligations under the transaction or to settle a trade (Investors should also refer to "*Counterparty Risk*");
- Possible mispricing or improper valuation of the FDI;
- The potential for imperfect correlation in the value of FDI with the asset, rate, or index underlying the FDI;

- The risks specific to the asset underlying the FDI;
- Possible increase in the amount and timing of taxes payable by Shareholders;
- Lack of liquidity for a FDI if a secondary trading market does not exist;
- The potential for reduced returns to a Fund due to losses on the transaction and an increase in volatility; and
- Legal risks arising from the form of contract used to document FDI trading.

When a Fund invests in certain FDI, it could lose more than the stated amount of the instrument. In addition, some FDI transactions can create investment leverage and may be highly volatile and speculative in nature.

Further, when a Fund invests in FDI, it may not be required to post collateral equal to the amount of the FDI. Consequently, the cash held by the Fund (generally equal to the unfunded amount of the FDI) will typically be invested in money market instruments and therefore, the performance of the Fund will be affected by the returns achieved from these investments. It is possible that returns on the investment of this cash may have a negative impact on the performance and/or returns of the Fund.

#### *Fluctuation of Net Asset Value and Market Pricing*

The Net Asset Value per Share will generally fluctuate with changes in the market value of a Fund's securities holdings. The market prices of Shares will generally fluctuate in accordance with changes in a Fund's Net Asset Value and supply and demand of Shares on the Listing Stock Exchange. It cannot be predicted whether Shares will trade below, at or above the Net Asset Value per Share. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for Shares will be closely related to, but not identical to, the same forces influencing the prices of the securities of an Index trading individually or in the aggregate at any point in time. The market prices of Shares may deviate significantly from the Net Asset Value per Share during periods of market volatility. However, given that Shares can be created and redeemed in large volumes, large discounts or premiums to the Net Asset Value per Share should not be sustained. While the creation/redemption feature is designed to help make it likely that Shares normally will trade close to the Net Asset Value per Share, disruptions or suspensions to creations and redemptions may result in trading prices that differ significantly from the Net Asset Value per Share. Losses may be incurred, or profits reduced, if Shares are purchased at a time when the market price is at a premium to the Net Asset Value per Share or sold at a time when the market price is at a discount to the Net Asset Value per Share.

#### *Index Risk*

The ability of a Fund to achieve significant correlation between the performance of the Fund and the Index it tracks may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the Fund and the fees and expenses of the Fund. The Fund will seek to track Index returns regardless of the current or projected performance of the Index or of securities comprising the Index. As a result, the Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Fund.

#### *Index Tracking Risk*

There is no guarantee that the investment objective of any Fund will be achieved. In particular, no financial instrument enables the returns of any Index to be reproduced or tracked exactly. Changes in the investments of any Fund and re-weightings of the relevant Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact a Fund's tracking of the performance of an Index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. In addition, internal restrictions, as detailed in the section entitled "*Investment Restrictions*", sub-section "*Other Restrictions*", which relate to certain investment securities exclusions, in respect of all Funds that

physically replicate their relevant Index, may lead to a higher tracking error. In such circumstances, in order to minimise tracking error, the index weight of the excluded securities are distributed into other index constituents. Nevertheless, such exclusions may result in a higher tracking error. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing a Fund's investment portfolio may not be possible and may result in deviations from the return of the Index.

#### *International Investment Risk*

Investments in securities of companies from multiple countries and/or securities of companies with significant exposure to multiple countries can involve additional risks. Political, social, and economic instability, the imposition of currency or capital controls, or the expropriation or nationalisation of assets in a particular country can cause dramatic declines in that country's economy. Less stringent regulatory, accounting, and disclosure requirements for issuers and markets are common in certain countries. Enforcing legal rights can be difficult, costly, and slow in some countries, and can be particularly difficult against governments. Additional risks of investing in various countries include trading, settlement, custodial, and other operational risks due to different systems, procedures and requirements in a particular country, and varying laws regarding withholding and other taxes. These factors can make investments in multiple countries, especially investments in emerging or less developed markets, more volatile and less liquid than investments in a single country and could potentially result in an adverse affect on a Fund's performance. In addition, investment in emerging markets subjects a Fund to a greater risk of loss than investments in a developed market. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, high levels of inflation, deflation or currency devaluation, greater risk of market shut down, and more governmental limitations on foreign investment policy than those typically found in a developed market. In addition, the financial stability of issuers (including governments) in emerging market countries may be more precarious than in other countries. As a result, there will tend to be an increased risk of price volatility in a Fund's investments in emerging market countries, which may be magnified by currency fluctuations relative to the Base Currency of the Fund. Settlement practices for transactions in foreign markets may differ from those in developed markets. Such differences include delays beyond periods customary in the developed markets and practices, such as delivery of securities prior to receipt of payment, which increase the likelihood of a "failed settlement." Failed settlements can result in losses to a Fund. For these and other reasons, investments in emerging markets are often considered speculative.

#### *Investment Risk*

A Shareholder may lose the entire principal amount invested in a Fund. The value of the securities held in a Fund may increase or decrease, at times rapidly and unexpectedly. An investment in a Fund may at any point in the future be worth less than the original amount invested.

#### *Issuer Risk*

The values of securities purchased by a Fund may decline for a number of reasons which directly relate to the issuers of those securities, such as, for example, management performance, financial leverage and reduced demand for the issuer's goods and services.

#### *Leveraging Risk*

Certain transactions, including, for example, when-issued, delayed-delivery and forward commitment purchases, loans of portfolio securities and the use of FDI, can result in leverage. Leverage generally has the effect of increasing the amounts of loss or gain a Fund might realise, and creates the likelihood of greater volatility of the value of a Fund's portfolio. In transactions involving leverage, a relatively small market movement or change in other underlying indicator can lead to significantly larger losses to the Fund.

#### *Limited Investment Program Risk*

An investment in any Fund, or even in a combination of Funds, is not intended to be a complete investment program but rather is intended for investment as part of a diversified investment portfolio.

Investors should consult their own advisors as to the role of an investment in any of the Funds in their overall investment program.

#### *Liquidity Risk*

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out FDI transactions readily at a favourable time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities.

#### *Management Risk*

Each Fund is subject to management risk. The Investment Manager's and/or Sub-Investment Manager's judgments about the selection and application of indexing models and the most effective ways to minimise differences in performance between the Fund and the relevant Index may prove to be incorrect, and there can be no assurance that they will produce the desired results. Each Fund will be dependent to a substantial degree on the continued service of members of the Investment Manager and/or Sub-Investment Manager. In the event of the death, disability or departure of any such individuals, the performance of the applicable Fund may be adversely impacted.

#### *Market Risk*

The investments of a Fund are subject to general economic conditions, normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation in value will occur. Investment markets can be volatile and securities prices can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Even if general economic conditions do not change, the value of an investment in a Fund could decline if the particular industries, sectors or companies in which the Fund invests do not perform well or are adversely affected by events. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the Base Currency of a Fund, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

#### *External Factors may impact on Performance*

Each Fund's performance is influenced by a variety of external factors which are beyond the control of the Investment Manager, including: changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; political and economic events, policies and political unrest; changes in interest rates and rates of inflation; currency devaluations and re-evaluations; market sentiment; and force majeure events, including natural disasters (such as hurricanes, earthquakes or floods), pandemics or any other serious public health concern, war or terrorism or the threat of or perceived potential for these events, each of which or a combination of which may have a negative impact on the performance of each Fund. These events could adversely affect levels of business activity and precipitate sudden significant changes in regional and global economic conditions and cycles. These events also pose significant risks to people and physical facilities and operations around the world.

The outbreak of novel coronavirus, or COVID-19, has significantly increased risk within the global economy and investor uncertainty. In addition, significant declines in oil prices may have additional effects on the economy and certain sectors. As a result equity markets have experienced significant declines, market volatility has substantially increased and some markets have experienced disruptions in orderly function. In the short-term the ICAV may benefit from higher transaction volumes and increased volatility, although continuation of these trends is uncertain. Looking forward, lower asset prices would adversely affect invested assets with a consequent effect on recurring fee income, and



lower interest rates will reduce net interest income. The outbreak of COVID-19 and the measures being taken globally to reduce the peak of the resulting pandemic will likely have a significant adverse effect on global economic activity, including in China, the United States and Europe. In addition, these factors are likely to have an adverse effect on the credit profile of some of the Investment Manager's clients and other market participants, which may result in an increase in expected credit loss expense and credit impairments.

#### *No Prior Operating History*

Each Fund is a newly formed entity with limited operating history and there can be no assurance that it will be successful. Prior performance is no guarantee of future results. Further, the performance of other investment funds managed by the Investment Manager and/or Sub-Investment Manager should not be taken as any indicator of the likely performance of a Fund.

#### *Portfolio Turnover Risk*

Portfolio turnover generally involves a number of direct and indirect costs and expenses to the relevant Fund, including, for example, brokerage commissions, dealer mark-ups and bid/offer spreads, and transaction costs on the sale of securities and reinvestment in other securities. Nonetheless, a Fund may engage in frequent trading of investments in furtherance of its investment objective. The costs related to increased portfolio turnover have the effect of reducing a Fund's investment return, and the sale of securities by a Fund may result in the realisation of taxable capital gains, including short-term capital gains.

#### *Indian Capital Gains*

Indian capital gains tax applies to Indian securities sold or transferred at a gain under applicable law. Portfolio turnover caused by investor redemptions can trigger capital gains tax, this tax will therefore be deducted from the redemption proceeds before they are paid. The Indian capital gains tax charge will be estimated based on unrealised capital gains tax as a proportion of the Fund assets and may differ to the actual Indian capital gains tax charged to the relevant Fund based on the specific Fund assets that are sold. Where the amount charged to the redeeming investor is different, such as where an investor redemption is netted against an investor subscription, any difference will be paid or retained by the relevant Fund.

Capital gains tax incurred as a result of portfolio turnover, rather than investor redemptions, will be charged to the relevant Fund.

#### *Risk Of Investment In Other Pools*

If a Fund invests in another pooled investment vehicle, it is exposed to the risk that the other pool will not perform as expected. The Fund is exposed indirectly to all of the risks applicable to an investment in the other pool. The investment policies and limitations of the other pool may not be the same as those of the Fund; as a result, the Fund may be subject to additional or different risks, or may achieve a reduced investment return, as a result of its investment in another pool. Investors should also refer to "*Conflicts of Interest*" above.

#### *Securities Financing Transactions*

Securities Financing Transactions create several risks for the ICAV and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

#### *Securities Lending Risk*

The Investment Manager and/or Sub-Investment Manager intends to engage in securities lending on behalf of certain of the Funds and this carries with it a risk that the borrower may become insolvent or otherwise become unable to meet, or refuse to honour, its obligations to return equivalent securities to the loaned securities. In this event, the Fund could experience delays in recovering the securities and may incur a capital loss. In particular, if a counterparty defaults and fails to return equivalent securities

to those loaned the Fund may suffer a loss equal to the shortfall between the value of the realised collateral and the market value of the replacement securities. If cash is received as collateral in connection with securities lending, the cash may be reinvested. Any such reinvestment is not guaranteed by the Investment Manager and/or Sub-Investment Manager and any losses incurred on such investments will be borne by the relevant Fund.

#### *Counterparty Rating Downgrade Risk*

The ICAV will enter into OTC derivative transactions and Securities Financing Transactions only with those counterparties that it believes to be sufficiently creditworthy.

If a counterparty (which is not a Relevant Institution) engaged by the ICAV, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank Rules, a rating downgrade for a counterparty to an OTC derivative transaction or a Securities Financing Transaction to A-2 or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of that counterparty.

Regardless of the measures the ICAV, in respect of a Fund, may implement to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

#### *Repurchase Agreements:*

A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

#### *Insufficiency of Retention for Duties and Charges*

Each Fund makes an appropriate provision for Duties and Charges to pay the costs associated with the purchase and sale of securities. The Manager may set the level of Duties and Charges before the actual purchase or sale of the security or the conclusion of any related foreign exchange. In making such estimate, the Manager may rely on the charges associated with past transactions in similar securities on similar markets. This estimate will be reviewed periodically and adjusted, where necessary. Any shortfall between the estimate levied by the Fund and the actual charges incurred in the purchase or sale of the relevant securities will be paid out of the assets of the relevant Fund and which, pending the reimbursement of the balance by an Authorised Participant, will result in a reduction in the value of the Fund (and a corresponding reduction in the value of each Share). In the event that redemption proceeds have been paid to an Authorised Participant before the deduction from those proceeds of the full costs incurred or to be incurred by the Fund in selling securities attributable to such redemption, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall. Similarly, where an Authorised Participant is issued with Shares before their payment to the Fund of the full costs incurred or to be incurred by the Fund in purchasing securities attributable to such subscription, the Fund will have a credit exposure as an unsecured creditor to the Authorised Participant in respect of any shortfall.

#### *Absence of Regulation; Counterparty Risk*

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges (as referred to in the Prospectus). OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under EMIR that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some

exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

OTC derivatives are generally not regulated. OTC derivatives are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these derivatives will be the specific firm involved in the transaction rather than an exchange, and accordingly the bankruptcy or default of a counterparty with which the ICAV on behalf of a Fund trades OTC derivatives could result in substantial losses to that Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing that Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and that Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures that Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with that Fund's investment restrictions.

### *Brexit*

The United Kingdom withdrew from the EU and the EEA on 31 January 2020 ("**Brexit**").

Following Brexit, the United Kingdom entered into a transition period, during which period EU law continued to apply in the United Kingdom. New EU legislation that took effect before the end of the transition period also applies in the United Kingdom. The transition period ended on 31 December 2020. On 30 December 2020, the EU and United Kingdom signed an agreement on the terms governing certain aspects of the EU's and the United Kingdom's relationship following the end of the transition period, the EU-UK Trade and Cooperation Agreement (the "**TCA**") which, as at the date of this Prospectus, is currently in the process of being ratified. Notwithstanding the TCA, following the transition period, there is likely to be considerable uncertainty as to the United Kingdom's post-transition framework, and in particular as to the arrangements which will apply to the United Kingdom's relationships with the EU and with other countries, which is likely to continue to develop following 31 December 2020. This uncertainty may, at any stage, adversely affect the ICAV and its investments and/or the Investment Manager. There may be detrimental implications for the value of the ICAV's investments and/or its ability to implement its investment programme. This may be due to, among other things:

- (i) increased uncertainty and volatility in United Kingdom, EU and other financial markets;
- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the United Kingdom, the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the ICAV, the Investment Manager, certain of the ICAV's assets and/or service providers are or become subject.

Brexit has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue following the end of the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

### *Eurozone Crisis*

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the EU have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies

such as the International Monetary Fund (the "**IMF**") and the recently created European Financial Service Facility (the "**EFSF**"). The European Central Bank (the "**ECB**") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

#### *Subscriptions/Redemptions Account*

The ICAV operates a Subscriptions/Redemptions Account for each Fund. Monies in the Subscriptions/Redemptions Accounts are deemed assets of the respective Fund and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the ICAV in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the ICAV.

#### *Operational Risks (including Cyber Security and Identity Theft)*

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, Investment Manager, the Sub-Investment Manager or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

The Manager, Investment Manager, Sub-Investment Manager, Administrator and Depositary (and their respective groups) each maintain appropriate information technology systems. However, like any other system, these systems could be subject to cyber security attacks or similar threats resulting in data security breaches, theft, a disruption in the Manager's Investment Manager's, Sub-Investment Manager's, Administrator's and/or Depositary's service or ability to close out positions and the disclosure or corruption of sensitive and confidential information. Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the ICAV and its delegates, such security breaches may potentially also result in loss of assets and could create significant financial and or legal exposure for the ICAV.

#### *ESG Integration*

Unless otherwise specified in the Relevant Supplement, the Investment Manager aims to achieve the investment objective of the relevant Fund while incorporating sustainability into the investment process. The Investment Manager defines sustainability as the ability to leverage the environmental, social or governance (ESG) factors of business practices of target companies seeking to generate opportunities and mitigate risks that contribute to the long-term performance of issuers. ESG integration can also identify opportunities for engagement to improve a target company's ESG risk profile and thereby mitigate the potential negative impact of ESG issues on the company's financial performance.

Unless otherwise set out in the Relevant Supplement, the Funds are passively managed seek to track the performance of an Index. Sustainability characteristics and risks are considered as part of the Index selection process. The Index which is stated by the Index Provider to be screened against ESG criteria

and any methodology used by the Index Provider to assess sustainability characteristics and risks of the constituents of the Index can be found on the website of the Index Provider.

Investors should therefore make their own ethical assessment of the extent of ESG-related screening undertaken by the Index Provider prior to investment in the relevant Fund.

Unless otherwise set out in the Relevant Supplement, the Investment Manager will track the Index in line with the limits set down in the investment policy of the relevant Fund. Unless otherwise set out in the Relevant Supplement, the Investment Manager will use full replication based on the characteristics of the Index, the size of the portfolio sub-fund and the required tracking accuracy.

The results of the assessment of the likely impacts of the integration of these sustainable and ESG characteristics or risks on the returns of the Funds are that the Index methodologies described in the Relevant Supplement are likely to diminish the impact of these sustainable and ESG risks on the returns, and improve the overall risk profile, of the Funds.

Nether the Investment Manager nor the Manager monitors the screening criteria applied by the Index Provider or assesses the accuracy of the ESG-related ratings attributed by the Index Provider to each constitution of the Index.

#### *Sustainability Risks*

A 'sustainability risk' means 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. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.

#### *Climate-Focused Investing Risk*

As set out in the Relevant Supplement, a Fund may be subject to the risk that its climate-focused investment strategy may select or exclude securities of certain issuers for reasons other than investment performance considerations. As a result, the relevant Fund may underperform funds that do not utilise a climate focused investment strategy. Certain climate-focused investments may be dependent on government policies and subsidies, which are subject to change or elimination. Successful application of the relevant Fund's climate-focused investment strategy will depend on the success of the Index Provider in properly identifying and analysing material climate-related issues and related business practices, and there can be no assurance that the strategy or techniques employed will be successful.

#### **Efficient Portfolio Management Risk**

The ICAV on behalf of a Fund may employ techniques and instruments relating to transferable securities, money market instruments and/or other financial instruments in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising FDIs, as disclosed in the section entitled "**Derivatives Risk**" above, will be equally relevant when employing such efficient portfolio management techniques. In addition, particular attention is drawn to the sub-sections entitled "*Counterparty Risk*". Investors should also be aware that from time to time, a Fund may engage with repurchase / reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the ICAV. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the ICAV. Please refer to the "Conflicts of Interest" above for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the ICAV's semi-annual and annual reports.

State Street Bank International GmbH, Frankfurt Branch, which belongs to the same group as the Depositary bank, acts as securities lending agent for securities lending transactions entered into on behalf of the Funds. It may engage in activities that might result in conflicts of interests. In such circumstances, State Street Bank International GmbH has undertaken to use its reasonable endeavours to resolve any such conflicts of interest fairly and to ensure that the interests of the ICAV and the shareholders are not unfairly prejudiced.

## **Reinvestment of Cash Collateral Risk**

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

### *Collateral Risk*

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

### *Tax Risk*

The tax information provided in the "*Tax Information*" section is based on the best knowledge of the Directors of tax law and practice as at the date of this Prospectus and is subject to change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Fund is registered, listed, marketed or invested could affect the tax status of the ICAV and any Fund, affect the value of the relevant Fund's investments in the affected jurisdiction, affect the relevant Fund's ability to achieve its investment objective, and/or alter the after-tax returns to Shareholders. Where a Fund invests in FDI, these considerations may also extend to the jurisdiction of the governing law of the FDI and/or the relevant counterparty and/or to the markets to which the FDI provides exposure. The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of each Shareholder. The information in the "*Tax Information*" section is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders should consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Funds. Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the ICAV, the relevant Fund, the Investment Manager and/or Sub-Investment Manager, the Depositary and the Administrator shall not be liable to account to any Shareholder for any payment made or suffered by the ICAV or the relevant Fund in good faith to a fiscal authority for taxes or other charges of the ICAV or the relevant Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

### *FATCA*

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "**IGA**"). Under the IGA, an entity classified as a Foreign Financial Institution (an "**FFI**") that is treated as resident in Ireland is expected to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Provided the ICAV complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and should not be required to impose FATCA withholding on payments which it makes.

Although the ICAV or the Manager on behalf of the ICAV will attempt to satisfy any obligations imposed on it in respect of the FATCA withholding tax, no assurance can be given that the ICAV or the Manager on behalf of the ICAV will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the ICAV or the Manager on behalf of the ICAV will require certain information from investors in respect

of their FATCA status. If the ICAV becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

All prospective investors / Shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the ICAV.

#### *CRS*

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**").

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

The ICAV is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the ICAV will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

All prospective investors / Shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the ICAV.

#### *Section 871(m)*

Section 871(m) of the US Tax Code requires withholding (up to 30%, depending on whether a treaty applies) on certain financial instruments to the extent that the payments or deemed payments on the financial instruments are contingent upon or determined by reference to U.S.-source dividends. Under U.S. Treasury Department regulations, certain payments or deemed payments to the ICAV with respect to certain equity-linked instruments that reference U.S. stocks may be treated as dividend equivalents that are subject to U.S. withholding tax at a rate of 30% (or lower treaty rate). Under these regulations, withholding may be required even in the absence of any actual dividend-related payment or adjustment made pursuant to the terms of the instrument. If the ICAV becomes subject to a withholding tax as a result of 871(m), the value of the Shares held by the Shareholders may be materially affected. All prospective investors/Shareholders should consult with their own tax advisors regarding the possible implications of 871(m) on an investment in the ICAV.

#### *Trading Issues Risk*

Although Shares will be listed for trading on the relevant Listing Stock Exchange(s), there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares on a Listing Stock Exchange may be halted due to market conditions or for reasons that, in the view of the relevant Listing Stock Exchange, make trading in Shares inadvisable. In addition, trading in Shares on a Listing Stock Exchange is subject to trading halts caused by extraordinary market volatility pursuant to stock exchange "circuit breaker" rules. There can be no assurance that the requirements of a Listing Stock Exchange necessary to maintain the listing of a Fund will continue to be met or will remain unchanged or that the Shares will trade with any volume, or at all, on any stock exchange. Furthermore, any securities that are listed and traded on stock exchanges can also be bought or sold by members of those exchanges to and from each other and other third parties on terms and prices that are agreed on an "over-the-counter" basis and may also be bought or sold on other multi-lateral trading facilities or platforms. The ICAV has no control over the terms on which any such trades may take place.

### *Valuation Risk*

A Fund's investments will typically be valued at the relevant market value, in accordance with the Instrument and applicable law. In certain circumstances, a portion of a Fund's assets may be valued by the ICAV at fair value using prices provided by a pricing service or, alternatively, a broker-dealer or other market intermediary (sometimes just one broker-dealer or other market intermediary) when other reliable pricing sources may not be available. If no relevant information is available from those sources or the ICAV considers available information unreliable, the ICAV may value a Fund's assets based on such other information as the ICAV may in its discretion consider appropriate. There can be no assurance that such prices will accurately reflect the price a Fund would receive upon sale of a security, and to the extent a Fund sells a security at a price lower than the price it has been using to value the security, its Net Asset Value will be adversely affected. When a Fund invests in other funds or investment pools, it will generally value its investments in those funds or pools based on the valuations determined by the funds or pools, which may not be the same as if the net assets of the funds or pools had been valued using the procedures employed by the Fund to value its own assets.

### *Foreign Taxes*

The ICAV may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The ICAV may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The ICAV may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the ICAV obtains a repayment of foreign tax, the Net Asset Value of a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

## **RISKS ASSOCIATED WITH INVESTMENT IN EQUITIES**

### *Equity Risk*

The market prices of equity securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer (Investors should also refer to "*Issuer Risk*"). The values of equity securities also may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A Fund may continue to accept new subscriptions and to make additional investments in equity securities even under general market conditions that the Investment Manager and/or Sub-Investment Manager views as unfavourable for equity securities.

### *Investment Style Risk*

Equity securities generally fall into four broad categories – large-cap, mid-cap, small-cap and micro-cap. If a Fund invests primarily in one category, there is a risk that due to current market conditions, the Fund may perform less well than a Fund that is invested in another category or across several categories. General risks associated with these categories are set forth below:

- (a) Large-Cap Risk - Returns on investments in stocks of large companies could trail the returns on investments in stocks of smaller and mid-sized companies.
- (b) Mid-Cap Risk - Mid-sized companies may be more volatile and more likely than large-capitalisation companies to have relatively limited product lines, markets or financial resources, or depend on a few key employees. Returns on investments in stocks of mid-size companies could trail the returns on investments in stocks of larger or smaller companies.
- (c) Small-Cap Risk - Small-sized companies may be more volatile and more likely than large- and mid-capitalisation companies to have relatively limited product lines, markets or financial resources, or depend on a few key employees. Returns on investments in stocks of small companies could trail the returns on investments in stocks of larger companies. Investors should also refer to "*Small Companies Risk*".



- (d) Micro-Cap Risk – Micro-cap companies may be newly formed or in the early stages of development with limited product lines, markets or financial resources. Therefore, micro-cap companies may be less financially secure than large-, mid- and small-capitalisation companies and may be more vulnerable to key personnel losses due to reliance on a smaller number of management personnel. In addition, there may be less public information available about these companies. Micro-cap stock prices may be more volatile than large-, mid- and small-capitalisation companies and such stocks may be more thinly traded and thus difficult for a Fund to buy and sell in the market. Investors should also refer to "*Small Companies Risk*".

#### *Small Companies Risk*

Small companies may offer greater opportunities for capital appreciation than larger companies, but they tend to be more vulnerable to adverse developments than larger companies, and investments in these companies may involve certain special risks. Small companies may have limited product lines, markets, or financial resources and may be dependent on a limited management group. In addition, these companies may have been recently organised and have little or no track record of success. Also, the Investment Manager and/or Sub-Investment Manager may not have had an opportunity to evaluate such newer companies' performance in adverse or fluctuating market conditions. The securities of small companies may trade less frequently and in smaller volume than more widely held securities. The prices of these securities may fluctuate more sharply than those of other securities and a Fund may experience some difficulty in establishing or closing out positions in these securities at prevailing market prices. There may be less publicly available information about the issuers of these securities or less market interest in such securities than in the case of larger companies, both of which can cause significant price volatility. Some securities of smaller issuers may be illiquid or may be restricted as to resale.

### **RISKS ASSOCIATED WITH INVESTMENT IN DEBT SECURITIES**

#### *Debt Securities Risk*

Fixed-income securities and other income-producing securities are obligations of their issuers to make payments of principal and/or interest on future dates. As interest rates rise, the values of debt securities or other income-producing investments are likely to fall. This risk is generally greater for obligations with longer maturities. Debt securities and other income-producing securities also carry the risk that the issuer or the guarantor of a security will be unable or unwilling to make timely principal and/or interest payments or otherwise to honour its obligations. This risk is particularly pronounced for lower-quality, high-yielding debt securities.

Additional general risks that may be part of debt securities include the following:

- (a) Credit Risk - The ability, or perceived ability, of the issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of an issuer to meet its obligations will decline substantially during the period when a Fund owns securities of that issuer or that the issuer will default on its obligations. Investors should also refer to "*Issuer Risk*". An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. With certain exceptions, credit risk is generally greater for investments issued at less than their face values and that require the payment of interest only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition and does not reflect an assessment of an investment's volatility or liquidity. Although investment-grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default. Consequently, there can be no assurance that investment grade securities will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities. If a security held by a Fund loses its rating or its rating is downgraded, the Fund may nonetheless continue to hold the security in the discretion of the Investment Manager and/or Sub-Investment Manager.

- (b) Extension Risk - During periods of rising interest rates, the average life of certain types of securities may be extended because of slower-than-expected principal payments. This may lock in a below-market interest rate, increase the security's duration, and reduce the value of the security. Extension risk may be heightened during periods of adverse economic conditions generally, as payment rates decline due to higher unemployment levels and other factors.
- (c) Income Risk - To the extent a Fund's income is based on short-term interest rates, which may fluctuate over short periods of time, income received by the Fund may decrease as a result of a decline in interest rates.
- (d) Interest Rate Risk - The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the values of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupon and deferred interest bonds. Interest rate risk also is relevant in situations where an issuer calls or redeems an investment before its maturity date. Investors should also refer to "*Prepayment Risk*". Adjustable rate instruments also generally react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).
- (e) Lower-Rated Securities Risk - Securities rated below investment grade (i.e. high-yield bonds or junk bonds) typically lack outstanding investment characteristics and have speculative characteristics and are subject to greater credit and market risks than higher-rated securities. The lower ratings of junk bonds reflect a greater possibility that adverse changes in the financial condition of the issuer or in general economic conditions, or an unanticipated rise in interest rates, may impair the ability of the issuer to make payments of interest and principal. If this were to occur, the values of such securities held by a Fund may become more volatile and the Fund could lose some or all of its investment.
- (f) Prepayment Risk - A debt security held by a Fund could be repaid or "called" before the money is due, and the Fund may be required to reinvest the proceeds of the prepayment at lower interest rates and therefore might not benefit from any increase in value as a result of declining interest rates. Intermediate-term and long-term bonds commonly provide protection against this possibility, but mortgage-backed securities do not. Mortgage-backed securities are more sensitive to the risks of prepayment because they can be prepaid whenever their underlying collateral is prepaid.

#### *Mortgage And Asset-Backed Securities Risk*

Mortgage-backed and asset-backed investments tend to increase in value less than other debt securities when interest rates decline, but are subject to similar risk of decline in market value during periods of rising interest rates. In a period of declining interest rates, a Fund may be required to reinvest more frequent prepayments on mortgage-backed and asset-backed investments in lower-yielding investments. Asset-backed securities in which the Fund invests may have underlying assets that include motor vehicle instalment sales or instalment loan contracts, leases of various types of real and personal property, and receivables from credit card agreements. Like mortgages underlying mortgage-backed securities, underlying automobile sales contracts or credit card receivables are subject to prepayment, which may reduce the overall return to asset-backed security holders. Holders may also experience delays in payment on the securities if the full amounts due on underlying sales contracts or receivables are not realised because of unanticipated legal or administrative costs of enforcing the contracts or because of depreciation or damage to the collateral (usually automobiles) securing certain contracts, or other factors. The values of mortgage-backed securities or asset-backed securities may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence or malfeasance by their servicers and to the credit risk of their servicers. In certain circumstances, the mishandling of related documentation may also affect the rights of security holders in and to the underlying collateral. The insolvency of entities that generate receivables or that utilise the assets may result in added costs and delays in addition to losses associated with a decline in the value of underlying assets. It is possible that many or all mortgage-backed securities and asset-

backed securities will fall out of favour at any time or over time with investors, affecting adversely the values and liquidity of the securities.

#### *Sovereign Risk*

A Fund may invest in debt securities issued by governments or by agencies, instrumentalities and sponsored enterprises of governments. The value of these securities may be affected by the creditworthiness of the relevant government, including any default or potential default by the relevant government. In addition, issuer payment obligations relating to securities issued by government agencies, instrumentalities and sponsored enterprises of governments may have limited or no support of the relevant government.

#### *Variable And Floating Rate Securities*

In addition to traditional fixed-rate securities, a Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to formulae intended to reflect market rates of interest. These securities allow the Fund to participate in increases in interest rates through upward adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

### **INVESTMENT IN RUSSIA AND OTHER EMERGING MARKETS**

#### *Political and Social Risks*

The value of a Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Since 1985, Russia has been undergoing a substantial political transformation from a centrally controlled command economy under communist rule to a pluralist market-oriented democracy. A significant number of changes were undertaken during these years but there is still no assurance that the political and economic reforms necessary to complete such a transformation will continue or will be successful.

Russia is a federation composed of republics, regions, areas, cities of federal importance, autonomous districts and one autonomous region. The delineation of authority among the constituent entities of the Russian Federation and federal governmental authorities is subject to change from time to time. This process exists alongside the structure of Presidential representatives in the regions. The lack of consensus between local and regional authorities and the federal governmental authorities often result in the enactment of conflicting legislation at various levels, and may result in political instability and legal uncertainty. It may lead to negative economic effects on a Fund, which could have a material adverse effect on its business, financial conditions or ability to fulfil its investment objective.

In addition, ethnic, religious, and other social divisions periodically give rise to tensions and, in certain cases armed conflicts. In Chechnya, Russian armed forces have conducted anti-terrorist operations for a number of years, and some of them still remain there to keep law and order. Any escalation of violence may entail grave political consequences, which may adversely impact the investment climate in the Russian Federation.

#### *Economic Risks*

Simultaneously with the enactment of political reforms, the Russian Government has been attempting to implement policies of economic reform and stabilisation. These policies have involved liberalising prices, reducing defence expenditures and subsidies, privatising state-owned enterprises, reforming the tax and bankruptcy systems and introducing legal structures designed to facilitate private, market-based activities, foreign trade and investment.

The Russian economy has been subject to abrupt downturns. The events and aftermath of 17 August 1998 (the date of the Russian government's default on its short-term Rouble denominated treasury bills and other Rouble-denominated securities, the abandonment by the Central Bank of Russia of its efforts to maintain the Rouble/US dollar rate within the Rouble currency band and the temporary moratorium on certain hard-currency payments to foreign counterparties) led to a severe devaluation of the Rouble, a sharp increase in the rate of inflation, a significant decrease in the credibility of the country's banking system with Western financial institutions, significant defaults on hard currency obligations, a significant decline in the prices of Russian debt and equity securities and an inability to raise funds on international capital markets. While the condition of the Russian economy has improved in a number of respects since 1998, there can be no assurance that this improvement will continue or that it will not be reversed.

The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

The Rouble is not convertible outside Russia. A market exists within Russia for the conversion of Roubles into other currencies, but it is limited in size and is subject to rules limiting the purposes for which conversion may be effected. There can be no assurance that such a market will continue indefinitely.

Accounting Standards: in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

#### *Legal Risks*

Risks associated with the Russian legal system include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards.

There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain.

Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the Share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy.

Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

#### *Ukraine Invasion*

Russia launched a large-scale invasion of Ukraine on 24 February 2022. The European Union, Switzerland, the United Kingdom and the United States along with the regulatory bodies of a number of countries have imposed economic sanctions on certain Russian individuals and Russian corporate and banking entities. These sanctions will impair the ICAV's ability to buy or sell Russian Securities and/or assets for the duration of the military action and imposition of the sanctions. The duration of the military action, sanctions and resulting market disruption (including decline in stock markets and the value of the Russian Rouble) are not possible to predict but may be significant and long-lasting. Sanctions might lead to Russia adopting retaliatory measures which may further impair the value and liquidity of Russian securities.

Russian stocks and bonds have been or are in the process of being removed from major indices. While Funds are managed as closely in line with their respective index as possible, performance deviations from the indices are expected and may result in significant tracking error between the performance of the Fund and the performance of the index. Where it is not possible to sell Russian stocks in line with the indices, due to given sanctions, volatility, thin liquidity and settlement restrictions, assets will remain on the relevant Fund's balance sheets. This means that a passive breach might exist for some time. The Investment Manager will continue to carefully monitor potential passive breaches and will remediate as is practicable, subject to applicable sanctions and prevailing markets, and in the best interests of investors.

### *Emerging Markets Risk*

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

Accounting Standards: in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

Business Risks: in some emerging markets, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

Country Risk: the value of a Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

Currency Risk: the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

Disclosure: less complete and reliable fiscal and other information may be available to investors.

Legal: the legal infrastructure and accounting, custodial, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

Market Characteristics/ Liquidity and Settlement Risks: in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of a Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

Political Risk: the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

Tax: The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

Frontier Markets Risk: Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations.

These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

#### *Risk of investing in the State of Kuwait*

Investing in issuers from the State of Kuwait involves risks of legal, regulatory, political and economic nature. As the State of Kuwait relies heavily on the income from the sale of oil and on the trade with other countries that also heavily rely on the sale of oil, its economy is thus vulnerable to changes in the market for oil and foreign currency values. As the international demand for oil fluctuates, the economy of the State of Kuwait may be significantly impacted.

In addition, any Shareholder who owns 5% plus one share or an ownership interest in the ICAV shall inform the Manager and the ICAV thereof. The Manager shall communicate such information to the KCC for the purposes of compliance with the requirements of the applicable legislation of the State of Kuwait. The Manager will disclose to the Kuwait CMA, Boursa Kuwait and KCC if any Fund investing in Kuwait reaches 5% ownership in any security in the market.

#### *Risk of investing in the PRC*

PRC Tax Risks: The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Although the PRC has issued tax circulars to clarify how capital gains realised through Stock Connect should be taxed, there are still various detailed implementation issues not clarified or clarified without any published guidance. Given the uncertainty surrounding a Fund's potential PRC tax liabilities or reimbursement obligations, the Net Asset Value on any Dealing Day may not accurately reflect such liabilities. In addition investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact on the performance of a Fund during the period of such under-accrual or over-accrual and following any subsequent adjustments to the Net Asset Value. Redemption proceeds or distributions may be paid to Shareholders without taking full account of tax that may be suffered by a Fund, which tax will subsequently be borne by the Fund and affect the Net Asset Value of the Fund and the remaining Shares in that Fund. In light of the uncertainty as to how gains or income that may be derived from investment in China will be taxed, the ICAV reserves the right to provide for withholding tax on such gains or income and withhold tax for the account of the ICAV. Accordingly, the Net Asset Value and profitability of a Fund may be affected.

Investing through Stock Connect: If a Fund is permitted by its investment policy to invest on a regulated market in China, there are various means of such Fund creating exposure, including using American depositary receipts and H shares (which are shares of a company incorporated in the Chinese mainland that are listed on the Hong Kong Stock Exchange). A Fund may also invest in certain eligible securities ("Stock Connect Securities") that are listed and traded on the Shanghai Stock Exchange ("SSE") through the Hong Kong – Shanghai Stock Connect program or the Shenzhen Stock Exchange ("SZSE") through the Hong Kong - Shenzhen Stock Connect program ("Stock Connect"). Unlike other means of foreign investment in Chinese securities, investors in Stock Connect Securities are not subject to individual investment quotas or licensing requirements. Additionally, no lock-up periods or restrictions apply to the repatriation of principal and profits.

However, a number of restrictions apply to Stock Connect trading that could affect a Fund's investments and returns. For example, the home market's laws and rules apply to investors in the Stock Connect program. This means that investors in Stock Connect Securities are generally subject to PRC securities regulations, disclosure requirements of the China A Shares market, and SSE or SZSE listing and trading rules as appropriate, among other restrictions. Any changes in laws, regulations, rules and policies of the China A Shares market may affect the trading of a Fund. Further, an investor may not dispose of its Stock Connect Securities which were purchased through the Stock Connect by any means other than through Stock Connect, in accordance with applicable rules. Although individual investment quotas do not apply, Stock Connect participants are subject to daily investment quotas, which could restrict or preclude a Fund's ability to invest in Stock Connect Securities. Trading China A Shares through the Stock Connect program is subject to risks relating to applicable trading, clearance and settlement procedures in the PRC.

Each of the Stock Exchange of Hong Kong Limited, SSE and SZSE reserves the right to suspend 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 is effected, a Fund's ability to access the PRC market (and hence its ability to pursue its investment strategy) will be adversely affected.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. In the unlikely event that China Securities Depository and Clearing Corporation Limited defaults on its obligation to deliver securities / make payment, a Fund may suffer delays in recovering its losses or may not be able to fully recover its losses.

A failure or delay by the Hong Kong Exchanges and Clearing ("HKEx") in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and a Fund and its investors may suffer losses as a result. Neither a Fund nor the Investment Manager shall be responsible or liable for any such losses.

Given that HKEx is only a nominee holder and not the beneficial owner of Stock Connect Shares, in the unlikely event that HKEx becomes subject to winding up proceedings in Hong Kong, investors should note that Stock Connect Shares will not be regarded as part of the general assets of HKEx available for distribution to creditors even under mainland China law.

HKEx is the "nominee holder" of the Stock Connect Securities acquired by Hong Kong and overseas investors through the Stock Connect. Foreign Investors like a Fund investing through the Stock Connect holding the Stock Connect Shares through HKEx are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee. Stock Connect Shares are uncertificated and are held by HKEx for its account holders. Physical deposit and withdrawal of Stock Connect Shares are not available currently for a Fund. Hong Kong and overseas investors such as a Fund can only hold Stock Connect Securities through their brokers/custodians. Their ownership of such is reflected in their brokers/custodians' own records such as client statements.

According to existing mainland China practices, a Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf.

### *PRC-Specific Risks*

PRC Governmental, Economic and Related Considerations: The PRC economy has been a planned economy since 1949. During the past 15 years, the PRC government has been reforming the economic systems of the PRC, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The operations and financial results of a Fund investing in the PRC could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

Corporate Disclosure, Accounting and Regulatory Standards: PRC's disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies from OECD countries. Such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Fund will invest.

The lower level of disclosure, transparency and reliability of certain material information may impact on the value of investments made by a Fund and may lead the Investment Manager or other service providers of a Fund to an inaccurate conclusion about the value of the investments of such Fund.

Business Conditions and General Economy: The profitability of the issuers of the A Shares could be adversely affected by the worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the on-balance sheet assets; and (b) a market downturn or worsening of the economy could reduce the income of such issuers.

Securities Markets: The PRC securities markets, including the SSE and the SZSE, are undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to markets in OECD countries. There may not be equivalent regulation and monitoring of the PRC securities market and activities by investors, brokers and other participants to that in certain OECD markets.

It is common for securities on PRC stock exchanges to suspend from trading or otherwise become an untradeable security as a result of routine corporate activity for a period of time. Where this occurs the affected securities may be fair value priced by the Investment Manager or its agent. In addition, in the case of a redemption, there may be additional delays in receiving cash proceeds in respect of any untradeable securities as at the relevant Dealing Day.

Volatility: The PRC stock market is still at its early stage of development. The A Share market is still very speculative where investors tend to trade frequently and have very short-term views. These factors have led to substantial price volatility in the PRC stock market and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect a Fund's Net Asset Value, the ability to redeem Shares and the price at which the Shares may be redeemed.

RMB Currency Risk: Renminbi is not a freely convertible currency and it is subject to foreign exchange control policies of and repatriation restrictions imposed by the PRC central government. If such policies or restrictions change in the future, the position of a Fund or its investors may be adversely affected.



**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in purchasing Shares. Prospective investors should read this entire Prospectus and the Relevant Supplements and consult with their own advisers before deciding whether to purchase Shares.**

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## PURCHASE AND SALE INFORMATION

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### Purchase Information

#### *Subscription for Shares*

The Directors and/or the Manager may issue Shares of any Class in the ICAV. Subscriptions for Shares may be made in cash, in kind or in a combination of both.

Except as disclosed in this Prospectus, the Funds do not impose any restrictions on the frequency of subscriptions and redemptions; however, the Directors and/or the Manager may in their absolute discretion refuse to accept any subscription for Shares, in whole or in part.

#### *Initial Subscriptions*

Shares will be issued initially at the price specified in the Relevant Supplement and all Duties and Charges (if applicable and subject to any applicable regulations), and, thereafter, at the Net Asset Value per Share as specified in the Relevant Supplement and all Duties and Charges (if applicable and subject to any applicable regulations). If the Directors so determine and where provided for in the relevant Supplement, an Anti-Dilution Levy be added to the price at which Shares will be issued. Subscriptions for Shares will be considered upon receipt by the Administrator of completed share applications which satisfy the application requirements including, but not limited to, anti-money laundering documentation and must be settled with, cleared funds and/or any other appropriate consideration as specified in the Relevant Supplement. In exceptional circumstances, the Directors and/or the Manager may decide to accept subscription requests after the relevant Dealing Deadline provided that they are received before the relevant Valuation Point. Initial subscriptions for Shares may be made either by post, by fax or electronically in accordance with the requirements of the Central Bank.

Fractions of up to 4 decimal places of a Share may be issued. Subscription monies representing smaller fractions of Shares will not be returned to the application but will be retained as part of the assets of the relevant Fund.

#### *Subsequent Subscriptions*

Shareholders may submit subsequent applications for Shares to the Administrator either by fax or electronically in such format or method as shall be agreed in advance in writing with the Administrator in accordance with the requirements of the Central Bank. Subsequent subscriptions will be accepted at a price corresponding to the Net Asset Value per Share as determined as at the Valuation Point for the relevant Dealing Day and all Duties and Charges (if applicable and subject to any applicable regulations).

#### *Minimum Subscription Amounts*

Shareholders who subscribe for Shares, in any of the ways described below, must subscribe an amount that is at least equal to the Minimum Subscription Amount. The Minimum Subscription Amount may differ for initial subscriptions and subsequent subscriptions and may be waived by the Directors in their absolute discretion. The Minimum Subscription Amount for any Fund will be specified in the Relevant Supplement.

#### *Application Forms*

Signed, original subscription application forms and supporting anti-money laundering documentation should be sent by post to the Administrator in accordance with the details set out in the subscription application form. Completed application forms may also be accepted by fax or electronically, provided that the original application form and the supporting documentation required for anti-money laundering purposes is received by post promptly thereafter. Amendments to a Shareholder's registration details and payment instructions will only be effected upon receipt of original documentation.

### *Cash Subscriptions*

Investors may subscribe for Shares for cash (unless specified otherwise in the Relevant Supplement) on each Dealing Day by making an application before the Dealing Deadline. Any properly made application received by the Administrator after the time specified in the Relevant Supplement will not be deemed to have been accepted until the following Dealing Day, provided always that the Directors and/or the Manager may in exceptional circumstances decide to accept subscriptions after the relevant Dealing Deadline, provided that they are received before the relevant Valuation Point.

Subscription monies in the currency in which the relevant Shares are denominated should be sent by wire transfer to the Subscriptions/Redemption Account specified in the subscription application form no later than the time specified in the Relevant Supplement. If cleared funds representing the subscription monies (and all Duties and Charges) are not received by the ICAV by the time and date specified in the Relevant Supplement, the Directors and/or the Manager reserve the right to cancel any provisional allotment of Shares.

Upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

### *In-Kind Subscriptions*

Each Fund may allow investors to subscribe for Shares in-kind on each Dealing Day, unless specified otherwise in the Relevant Supplement. In this context, "in-kind" means that, rather than receiving cash in respect of a subscription, the ICAV will receive securities (or predominantly securities) and a cash component. Applications for Shares received by the Administrator before the Dealing Deadline are accepted on that Dealing Day and processed in accordance with the Relevant Supplement, provided always that in exceptional circumstances the Directors and/or the Manager may decide to accept subscriptions after the relevant Dealing Deadline, provided that they are received before the relevant Valuation Point. At the discretion of the Directors and/or the Manager, in-kind subscriptions may be made by the investors in two ways, as follows. Firstly, settlement may take the form of a basket of securities and a cash component that is designed by the Investment Manager and/or Sub-Investment Manager to be closely aligned with the composition of the relevant Fund (so that the Investment Manager and/or Sub-Investment Manager will not be required, following completion of the subscription, to take any further material steps in the form of additional purchases or sales of securities or adjustment(s) of any other positions maintained in respect of the relevant Fund to re-balance the composition of the Fund) (a "**Fixed Portfolio Basket**"). The composition of the Fixed Portfolio Basket to be delivered by an investor and an estimated amount of the balance in cash are published every Dealing Day on the Website. Secondly, at the discretion of the Directors and/or the Manager, settlement may be in the form of a basket of securities selected by the investors from a list identified by the Investment Manager and/or Sub-Investment Manager as appropriate for the Fund in the implementation of its investment policy (but which, in order to enable the Fund to fully achieve its investment objective, may require the Investment Manager and/or Sub-Investment Manager to take further steps in the form of additional purchases or sales of securities or adjustment(s) of any other positions maintained in respect of the relevant Fund to re-balance the composition of the Fund) and a cash component (a "**Negotiated Portfolio Basket**"). The list of acceptable securities that may be delivered by an applicant as part of a Negotiated Portfolio Basket will be notified to any investor wishing to subscribe in this way on the relevant Dealing Day. The exact value of the cash balance in the case of each of a Fixed Portfolio Basket and a Negotiated Portfolio Basket is determined after calculation of the Net Asset Value of the relevant Fund for the relevant Dealing Day, established on the basis of the prices used in calculating the Net Asset Value per Share and equals the difference between the value of the Shares to be issued and the value of the Fixed Portfolio Basket or Negotiated Portfolio Basket, as the case may be, using the same valuation methodology as that used to determine the Net Asset Value per Share. Settlement/delivery of subscriptions is made no later than three (3) Business Days after the relevant Dealing Day or such lesser period as may be set out in the Relevant Supplement. If the Fixed Portfolio Basket or the Negotiated Portfolio Basket, as the case may be, is not delivered to the ICAV, in exactly the form agreed with the ICAV, together with the relevant cash component, by the time and date specified in the Relevant Supplement, the Directors and/or the Manager reserve the right to cancel any provisional allotment of Shares. For all in-kind subscriptions, (i) the nature of the assets to be transferred

to the relevant Fund must be such that they would qualify as investments of the relevant Fund in accordance with its investment objectives, policies and restrictions; (ii) the assets must be vested with the Depositary or arrangements be made to vest the assets with the Depositary; (iii) the number of Shares to be issued must not exceed the amount that would be issued for the cash equivalent; and (iv) the Depositary is satisfied that there is unlikely to be any material prejudice to the existing Shareholders.

#### *Duties and Charges for Cash and in kind Subscriptions*

The Directors and/or the Manager may, in their absolute discretion, include an appropriate provision for Duties and Charges in respect of each subscription.

#### *Registration of Shares*

All Shares issued will be in registered form. Written confirmation of ownership will be sent to investors that have subscribed for Shares. Shares may only be issued as fully paid and in whole units. Generally, Shares will be issued in or converted to Dematerialised Form in one or more Recognised Clearing and Settlement Systems, subject to the issue of a global certificate where required by a clearing system in which Shares are held. No individual certificates for Shares will be issued by the ICAV.

### **Sale Information**

#### *Redemption of Shares*

Shareholders may request the ICAV to redeem their Shares on any Dealing Day in accordance with the following redemption procedures and as specified in the Relevant Supplement. The redemption proceeds will correspond to the Net Asset Value per Share as determined as at the Valuation Point for the relevant Dealing Day, less any redemption charge and all Duties and Charges (if applicable and subject to any applicable regulations). In exceptional circumstances, the Directors may decide to accept redemption requests after the relevant Dealing Deadline provided that they are received before the relevant Valuation Point. A properly completed signed redemption instruction must be received by the Administrator by fax or (if agreed in advance with the Administrator) electronic instruction before the Dealing Deadline provided that, in the case of faxed redemption requests or electronic instruction, payment of redemption proceeds will be made only to the account of record. The Directors and/or the Manager may, in their absolute discretion, reject a request to redeem Shares, in whole or in part where the Directors and/or the Manager have reason to believe that the request is being made fraudulently.

#### *Minimum Redemption Amount.*

Shareholders who wish to redeem Shares may only redeem Shares with a value that is at least equal to the Minimum Redemption Amount. The Minimum Redemption Amount may be waived by the Directors and/or the Manager in their absolute discretion. The Minimum Redemption Amount for any Fund will be specified in the Relevant Supplement.

#### *Redemptions for Cash*

Shareholders may request the redemption, in cash, of Shares on any Dealing Day at the Net Asset Value per Share as of the relevant Dealing Day.

The Administrator or the Directors may refuse to process a redemption request until proper information has been provided. Any amendments to a Shareholder's registration detail or payment instructions will only be effected upon receipt of original documentation by the Administrator. All redemptions for cash will be subject to an appropriate provision for Duties and Charges. Payment for Shares redeemed will be effected no later than three (3) Business Days after the relevant Dealing Deadline or such lesser period as may be set out in the Relevant Supplement. Redemption proceeds in the Class Currency will be paid by wire transfer to the appropriate bank account as notified by the redeeming Shareholder. The cost of any transfer of proceeds by wire transfer will be deducted from such proceeds. Payment will be made only to an account in the name of the registered Shareholder. The Shares shall be redeemed at the Net Asset Value per Share on the Dealing Day on which redemption is effected.

### *Redemption of Shares In-Kind*

Each Fund may allow Shareholders to redeem Shares in-kind on each Dealing Day, unless otherwise specified in the Relevant Supplement. In this context, "in-kind" means that, with the consent of the Shareholder, rather than delivering cash proceeds in respect of a redemption, the ICAV will deliver securities or a combination of cash and securities, provided that the asset allocation is subject to the approval of the Depositary. Redemption requests must be received by the Administrator before the Dealing Deadline. The composition of the basket of securities to be delivered by the ICAV and an estimated amount of the balance in cash are published every Dealing Day on the Website. The exact value of the cash balance is determined after calculation of the Net Asset Value on the relevant Dealing Day, established on the basis of the prices used in calculating the Net Asset Value per Share, and equals the difference between the value of the Shares to be redeemed and the value of the basket of securities at the prices used in calculating the Net Asset Value per Share on the same date. All redemptions in-kind will be subject to an appropriate provision for Duties and Charges. A determination to provide redemption in-kind shall be at the sole discretion of the ICAV where the redeeming Shareholder requests redemption of Shares in a Fund representing 5% or more of the Net Asset Value. Further, a determination to provide redemption in-kind shall be at the sole discretion of the ICAV where the Shares being redeemed were originally subscribed for in specie. The assets to be transferred shall be selected at the discretion of the Directors and/or the Manager, subject to the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so repurchased. In this event the ICAV will, if requested, sell the assets on behalf of the Shareholder at the Shareholder's expense and give the Shareholder cash. Such distributions will not materially prejudice the interests of remaining Shareholders. The cost of any such disposal shall be borne by the redeeming Shareholder.

Where Shareholder subscribed in cash, the corresponding redemption will be satisfied in cash unless otherwise agreed with the Shareholder (with relevant asset allocation being approved by the Depositary).

### *Redemption Proceeds*

Redemptions proceeds (in-kind and/or in cash) will only be released where the Administrator has received the original subscription application form in respect of the Shares being redeemed (including all requested supporting anti-money laundering documentation and the anti-money laundering procedures have been completed). Where Shares are issued in Dematerialised Form in one or more Recognised Clearing and Settlement Systems, redemption of these Shares can only be completed by the delivery of those Shares back through that Recognised Clearing and Settlement System. Redemption instructions received after the Dealing Deadline will be held over and dealt with on the following Dealing Day, unless the Directors and/or the Manager in exceptional circumstances determine otherwise and the instruction is received prior to the Valuation Point. Redemption instructions should be sent by facsimile (or by electronic means if agreed with the Administrator) to the Administrator. Shareholders will not be entitled to withdraw redemption requests unless otherwise agreed by the Directors in consultation with the Administrator.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the ICAV or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the ICAV.

### *Redemption Limits*

If redemption requests received in respect of Shares of a particular Fund on any Dealing Day total, in aggregate, more than 10% of all of the issued Shares of that Fund on that Dealing Day, the Directors shall be entitled, at their absolute discretion, to refuse to redeem such number of Shares of that Fund on that Dealing Day, in excess of 10% of the issued Shares of the Fund, in respect of which redemption requests have been received, as the Directors and/or the Manager shall determine. If the ICAV refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably

and the Shares to which each request relates which are not redeemed shall be redeemed on each subsequent Dealing Day, provided that the ICAV shall not be obliged to redeem more than 10% of the number of Shares of a particular Fund outstanding on any Dealing Day, until all the Shares to which the original request related have been redeemed.

**Use of Subscriptions/Redemptions Accounts**

The ICAV operates a Subscriptions/Redemptions Account for each Fund in accordance with the Central Bank's requirements. Accordingly, monies in each Subscriptions/Redemptions Account are deemed assets of the respective Fund and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Subscriptions/Redemptions Accounts in performing its cash monitoring obligations and ensuring effective and proper monitoring of the ICAV's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the ICAV in a Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the ICAV) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the ICAV.

The Manager in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Accounts, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Manager and the Depositary at least annually.

**CONVERSIONS**

A transfer of Shares, which may only occur between Classes of a Fund at the instance of a Shareholder, is executed by a redemption of the Shares of the original Class and a subscription for Shares in the new Class. On this basis and unless otherwise stated in the Relevant Supplement, Shareholders will be entitled on any Dealing Day to convert any or all of their Shares in a Class into Shares of any other Class in the Fund, provided that they meet all of the normal criteria for subscriptions into that Class, except where dealings in the relevant Shares have been temporarily suspended in the circumstances described in this Prospectus. Shareholders should consider the terms of the Relevant Supplement for further details.

The number of Shares into which the Shareholder would like to convert his/her Shares is calculated according to the following formula:

$$\alpha = \frac{\beta * \chi * \delta}{\epsilon}$$

where:

α = number of Shares of the new Class into which conversion is required

β = number of Shares of the original Class from which conversion is required

χ = Net Asset Value of the Shares presented for conversion

δ = foreign exchange rate between the Classes concerned. If both Classes are valued in the same currency of

account, this coefficient equals 1

ε = Net Asset Value of the shares in Class into which the conversion is to be performed plus any taxes, commissions or other fees.

Any fees, taxes and stamp duties incurred in the individual countries for a conversion are charged to the Shareholders.

**RESTRICTIONS ON TRANSFER OF SHARES**

Shares may not be transferred to a U.S. Person. Registration of any transfer may be refused by the Directors if (i) following the transfer either the transferor or the transferee would hold Shares having a value less than the minimum holding for the relevant Fund (if any) specified in the Relevant Supplement (ii) the payment of taxation remains outstanding (iii) the person to whom the transfer is to be made does

not clear such money laundering checks as the Directors and/or the Manager determine and (iv) the transfer is to be a Prohibited Person. Persons dealing through a clearing system may be required to provide a representation that any transferee is not a Prohibited Person.

## **COMPULSORY REDEMPTIONS OF SHARES**

A Fund is established for an unlimited period and may have unlimited assets. However, a Fund may (but is not obliged to) redeem all of the Shares of any series or Class in issue if:

- (a) the Shareholders of the relevant Fund pass a special resolution providing for such redemption at a general meeting of the holders of the Shares of that Class;
- (b) the redemption of the Shares in that Class is approved by a resolution in writing signed by all of the holders of the Shares in that Class;
- (c) the Directors and/or the Manager deem it appropriate because of adverse political, economic, fiscal or regulatory changes affecting the relevant Fund in any way;
- (d) the Net Asset Value of the relevant Fund falls below US\$100,000,000 or the prevailing currency equivalent in the currency in which Shares are denominated;
- (e) the Shares, if listed, cease to be listed on a Listing Stock Exchange;
- (f) the Shares are or become owned directly or indirectly by a U.S. Person or a Prohibited Person; or
- (g) the Directors and/or the Manager deem it appropriate for any other reason.

If the Depositary has given notice of its intention to retire and no new depositary acceptable to the ICAV and the Central Bank has been appointed within ninety (90) days of such notice, the ICAV shall apply to the Central Bank for revocation of its authorisation and shall redeem all of the Shares of any series or Class in issue.

In every case in which Shares are redeemed compulsorily in accordance with this section, the Shares shall be redeemed after giving not less than two (2) week's but not more than three (3) months' prior notice to all holders of such Shares. The Shares will be redeemed at the Net Asset Value per Share on the relevant Dealing Day, less such sums as the Directors and/or the Manager in their discretion may from time to time determine as an appropriate provision for estimated realisation costs of the assets of the ICAV and/or any costs associated with the termination of the relevant Fund or the ICAV.

## **CLEARING AND SETTLEMENT**

### *Clearing and Settlement*

The settlement of trading in Shares of the Funds is centralised in the ICSD+ settlement structure operated by Clearstream which provides centralised issuance in Clearstream and allows for centralised settlement in the ICSD structure jointly operated by Clearstream and Euroclear (these ICSDs being the Recognised Clearing and Settlement Systems through which the Funds' Shares will be settled). Shares in the Funds that are issued in Dematerialised Form and no temporary documents of title or share certificates will be issued in respect of Shares of the Funds. The Funds will apply for admission for clearing and settlement through the ICSD.

Under the ICSD+ settlement model, all Shares in the Funds will ultimately settle in an ICSD but investors may have their holdings within CSDs which will be Participants. Accordingly, an Investor will either hold its beneficial interests in Funds Shares within the ICSD (as an ICSD Participant) or within other CSDs which are ICSD Participants.

A purchaser of interests in Shares in the Funds will not be a registered Shareholder in the ICAV, but will hold an indirect beneficial interest in such Shares. Legal title to the Shares of the Funds will be held by the ICSD as the registered holder of the Funds Shares. The rights of the holder of the indirect

beneficial interests in the Shares, where such person is a Participant in the ICSD, shall be governed by the terms and conditions applicable to the arrangement between such Participant and their ICSD and where the holder of the indirect beneficial interests in the Shares is not an ICSD Participant, shall be governed by their arrangement with their respective nominee, broker or CSD (as appropriate) which may be an ICSD Participant or have an arrangement with an ICSD Participant. The extent to which, and the manner in which, Participants may exercise any rights arising under the Shares will be determined by the respective rules and procedures of their ICSD. All references herein to actions by holders of the Funds Shares will refer to actions taken by the ICSD as registered Shareholder following instructions from the ICSD Participants. All distributions, notices, reports, and statements issued to such Shareholder by the ICAV shall be distributed to the ICSD Participants in accordance with such applicable ICSD's procedures.

Interests in the Shares represented by the Global Share Certificate will be transferable in accordance with applicable laws, any rules and procedures issued by the ICSDs and this Prospectus. Beneficial interests in such Shares will only be transferable in accordance with the rules and procedures for the time being of the relevant ICSD and this Prospectus.

#### *International Central Securities Depository*

Each ICSD Participant must look solely to its ICSD for documentary evidence of the amount of such Participant's interests in any Shares. Any certificate or other document issued by the relevant ICSD, as to the interest in such 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 (and therefore any person with an interest in the Shares) portion of each payment or distribution made by the Funds to or on the instructions of the ICSD and in relation to all other rights arising under the Shares.

ICSD Participants shall have no claim directly against the ICAV, the Funds, any Paying Agent or any other person (other than their ICSD) relating to payments or distributions due in respect of the Shares which are made by the ICAV or the Funds to or on the instructions of the ICSD 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 Shares to provide them with information relating to: (i) the capacity in which they hold an interest in Shares; (ii) the identity of any other person or persons then or previously interested in such Shares; (iii) the nature of any such interests; and (iv) 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 ICSD to provide the ICAV with certain details in relation to ICSD Participants that hold interests in Shares in each Fund including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type (e.g. fund/bank/individual), residence of ICSD Participants, number of holdings of the Participant within the ICSD, as appropriate including which Funds, types of Shares and the number of such interests in the Shares held by each such Participant, and details of any voting instructions given and the number of such interests in the Shares held by each such Participant. Participants that are holders of interests in Shares or intermediaries acting on behalf of such account holders will provide such information upon request of the ICSD or its duly authorised agent and have been authorised pursuant to the respective rules and procedures of each ICSD to disclose such information to the ICAV of the interest in Shares or to its duly authorised agent. Similarly, the ICAV or its duly authorised agent may from time to time request any CSD to provide the ICAV with details in relation to Shares in each Fund or interests in Shares in each Fund held in each CSD and details in relation to the holders of those Shares or interests in Shares, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Shares and interests in Shares in a CSD or intermediaries acting on behalf of such holders agree to the CSD, pursuant to the respective rules and procedures of the relevant CSD, disclosing such information to the ICAV or its duly authorised agent.

The holder of the indirect beneficial interest in the Shares may be required to agree to the ICSD providing the identity of a Participant or investor to the ICAV upon their request.



### *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 Shares i.e. the ICSD. 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 ICSD has a contractual obligation to promptly notify the ICSD Participants of any Shareholder meetings of the ICAV and to relay any associated documentation issued by the ICAV to ICSD 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 ICAV and is obligated to vote in accordance with the ICSD Participants' voting instructions.

### *Settlement of Subscriptions And Redemptions*

Shares in the Funds may be issued in Dematerialised Form (or uncertificated) and the Funds may apply for admission for clearing and settlement through Recognised Clearing and Settlement System. To facilitate this arrangement, the Depository (or its delegate) will maintain a Depot Account at the relevant Recognised Clearing and Settlement System. Settlement of subscriptions for Shares by an Authorised Participant will take place on a delivery versus payment ("**DVP**") basis at the relevant Recognised Clearing and Settlement System. An Authorised Participant will arrange for delivery of the subscription monies to the Depot Account maintained by the Depository (or its delegate) who, in turn, will arrange for the simultaneous delivery to the Authorised Participant of the shares for which it has subscribed.

Upon a redemption of Shares by an Authorised Participant, such transaction will also take place on a DVP basis at the relevant Recognised Clearing and Settlement System. The Authorised Participant will arrange for the delivery of Shares to the Depository's (or its delegate's) Depot Account who, in turn, will arrange for the simultaneous credit of the redeeming investor's Depot Account with the redemption proceeds.

### **DATA PROTECTION INFORMATION**

Prospective investors should note that, by virtue of making an investment in the ICAV and the associated interactions with the ICAV and its affiliates and delegates (including completing the subscription application form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the ICAV with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the ICAV and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The ICAV shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator, the Investment Manager and any Sub-Investment Manager, may act as data processors (or joint data controllers in some circumstances).

The ICAV has prepared a document outlining the ICAV's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the ICAV and a copy of the Privacy Notice was sent to all existing investors in the ICAV that subscribed before the Data Protection Legislation came into effect.

The Privacy Notice contains information on the following matters in relation to data protection:

- that investors will provide the ICAV with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;

- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the ICAV;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the ICAV's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the ICAV and its affiliates and delegates envisage using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the Privacy Notice, individuals have the right to object to the processing of their data where the ICAV has considered this to be necessary for the purposes of its or a third party's legitimate interests.

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## DETERMINATION OF NET ASSET VALUE

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The Manager has delegated the calculation of the Net Asset Value of each Fund and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Fund shall be calculated by ascertaining the value of the assets of the relevant Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Fund.

The Net Asset Value per Share of a Fund shall be calculated by dividing the Net Asset Value of the relevant Fund by the total number of Shares issued in respect of that Fund or deemed to be in issue as of the relevant Business Day.

The Net Asset Value per Share in each Fund shall be calculated to the nearest four decimal places in the Class Currency of the relevant Fund on each Business Day in accordance with the valuation provisions set out in the Instrument and summarised below.

In the event that a Fund is divided into different Classes to accommodate different dividend policies and/or charges and/or fee arrangements and/or currencies and/or investments in FDI in accordance with the requirements of the Central Bank, the amount of the Net Asset Value of the Fund attributable to a Class shall be determined by establishing the number of Shares issued in the Class at the relevant Valuation Point and by allocating the relevant fees and expenses and any costs, liabilities and/or benefits of any foreign exchange hedging or any investments in FDI entered into in respect of a Class, to the Class, making appropriate adjustments to take account of distribution, subscriptions, redemptions, gains and expenses of that Class and apportioning the Net Asset Value of the Fund accordingly. The Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class in issue. The Net Asset Value of a Fund attributable to a Class and the Net Asset Value per Share in respect of a Class will be expressed in the relevant Class Currency, if different to the Base Currency.

The Net Asset Value per Share in the ICAV will be calculated at the Valuation Point on each Business Day.

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued using the Index method of first valuation. Accordingly, depending on the terms of the relevant Index, such assets will be valued at (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price on the relevant Recognised Market at the close of business on such Recognised Market on each Dealing Day. The Index method of valuation applied to determine the Net Asset Value per Share for each Fund will be specified in the Relevant Supplement. The Index method of valuation may consist of any one of the options specified at (a) to (e) above and will be applied consistently in the valuation of all assets of that asset class. Prices will be obtained for this purpose by the Administrator from independent sources, such as recognised pricing services or brokers specialising in the relevant markets. If the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be either (a) that which is the main market for the investment or (b) the market which the Manager determine provides the fairest criteria in a value for the security, as the Manager may determine. If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Manager, such investment shall be valued at such value as shall be estimated with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary. If the investment is quoted, listed or traded on a Recognised Market but acquired or traded at a premium or discount outside of or off the Recognised Market, the investment shall be valued taking into account the level of premium or discount as of the date of valuation of the instrument and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Neither the Manager or their delegates nor the Depositary shall be under any liability if a price reasonably believed by them to be the (a) closing bid price, (b) last bid price, (c) last traded price, (d) closing mid-market price or (e) last mid-market price for the time being, may be found not to be such.

The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Manager in consultation with the Administrator or by a competent person, firm or corporation appointed by the Manager and approved for such purpose by the Depositary.

Cash in hand or on deposit shall be valued at face value together with accrued interest where applicable, unless in the opinion of the Directors (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with the value of any investment which is not normally quoted, listed or traded on or under the Rules of a Recognised Market above, i.e. being the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager (and approved for such purpose by the Depositary).

Over-the-counter ("OTC") FDI will be valued either using the counterparty's valuation or an alternative valuation provided by the ICAV or by an independent pricing vendor appointed by the Directors and/or the Manager and approved for this purpose by the Depositary. OTC FDI shall be valued at least daily. If using the counterparty's valuation, such valuation must be approved or verified by a party independent of the counterparty and approved by the Depositary (which may include the ICAV or a party related to the OTC counterparty provided that it is an independent unit within the same group and which does not rely on the same pricing models employed by the counterparty) on a weekly basis. In the event that the ICAV opts to use an alternative valuation, the ICAV will use a competent person appointed by the Directors and/or the Manager, approved for this purpose by the Depositary, or will use a valuation by any other means provided that the value is approved by the Depositary. All alternative valuations will be reconciled with the counterparty's valuation on at least a monthly basis. Any significant differences to the counterparty valuation will be promptly investigated and explained.

Forward foreign exchange and interest rate swap contracts may be valued by reference to freely available market quotations or, if such quotations are not available, in accordance with the provisions in respect of exchange-traded derivative instruments.

In calculating the Net Asset Value of each Fund and the Net Asset Value per Share in each Fund, the Administrator may rely on such automatic pricing services as it shall determine and the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the ICAV or any Shareholder by reason of any error in calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager and/or Sub-Investment Manager or any connected person including a connected person who is a broker or other intermediary, however in certain circumstances it may not be possible or practicable for the Administrator to verify such information and in such circumstances the Administrator shall not be liable (in the absence of fraud, negligence or wilful default) for any loss suffered by the ICAV or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager and/or Sub-Investment Manager or its delegates provided that the use of such information in the circumstances was reasonable.

Certificates of deposit shall be valued by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk on each Dealing Day or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative of the value of such certificate of deposit in the opinion of the Manager, at probable realisation value estimated with care and in good faith by a competent person appointed by the Manager and approved for the purpose by the Depositary. Treasury bills and bills of exchange shall be valued with reference to prices ruling in the relevant markets for such instruments of like maturity, amount and credit risk at close of business on such markets on the relevant Dealing Day.

Units or shares in collective investment schemes shall be valued on the basis of the latest available net asset value per unit as published by the collective investment scheme. If units or shares in such collective investment schemes are quoted, listed or traded on or under the rules of any Recognised Market then such units or shares will be valued in accordance with the rules set out above for the

valuation of assets which are quoted, listed or traded on or under the rules of any Recognised Market. If such prices are unavailable, the units will be valued at their probable realisation value estimated with care and in good faith by the Manager in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Manager and approved for the purpose by the Depositary.

Notwithstanding the above provisions the Manager may, with the approval of the Depositary (a) adjust the valuation of any listed investment where such 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; or (b) in relation to a specific asset permit an alternative method of valuation approved by the Depositary to be used if they deem it necessary.

In determining the ICAV's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Class Currency of the relevant Fund at market rates. If such quotations are not available, the rate of exchange will be determined to be the probable realisation value estimated with care and in good faith by the Manager.

Save where the determination of the Net Asset Value per Share in respect of any Fund has been temporarily suspended in the circumstances described under "Temporary Suspension of Dealings" below, the Net Asset Value per Share shall be made public as soon as practicable following calculation at the registered office of the Investment Manager and on the Website. It shall also be published by the Administrator in various publications as required and will be notified to any Listing Stock Exchange in accordance with the rules of the relevant Listing Stock Exchange.

#### **TEMPORARY SUSPENSION OF DEALINGS**

The Directors and/or the Manager may at any time temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of any Classes, or the payment of redemption proceeds, during:

- (a) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the ICAV are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (b) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors and/or the Manager, the disposal or valuation of investments for the time being comprised in the ICAV cannot, in the opinion of the Directors and/or the Manager, be effected or completed normally or without prejudicing the interests of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the ICAV or during any period when for any other reason the value of investments for the time being comprised in the ICAV cannot, in the opinion of the Directors and/or the Manager, be promptly or accurately ascertained;
- (d) any period when the ICAV is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the ICAV, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors and/or the Manager, be effected at normal prices or normal rates of exchange;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors and/or the Manager, have an adverse impact on the ICAV or the remaining Shareholders in the ICAV; and
- (f) any period when the Directors and/or the Manager determine that it is in the best interests of the Shareholders to do so.

Notice of any such temporary suspension shall be published by the ICAV at its registered office and in such newspapers and through such other media as the Directors and/or the Manager may from time to time determine, if in the opinion of the Directors and/or the Manager, such temporary suspension is

likely to exceed thirty (30) days, and shall be transmitted immediately, and in any event within the same Business Day, to the Central Bank and the Shareholders. Shareholders who have requested the issue or redemption of Shares of any series or class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

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## DISTRIBUTIONS

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Shareholders are entitled to their share of the relevant Fund's income and net realised gains on its investments. Each Fund typically earns income in the form of dividends from stocks, interest from debt securities and, if any, securities lending income. Each Fund realises capital gains or losses whenever it sells securities. Depending on the underlying market, if there are capital gains, the Fund may be subject to a capital gains tax in that underlying market.

Each Fund may have accumulating Classes, in respect of which income and capital gains are reflected in the Net Asset Value per Share, or distributing Classes, in respect of which, at the discretion of the Directors and/or the Manager, any combination of income and capital gains may be distributed to Shareholders on a periodic basis, or both. The distribution policies applicable to each Class will be specified in the Relevant Supplement.

Dividends will be declared in the Class Currency of the applicable Fund. Shareholders who wish to receive dividend payments in any other currency should contact the Administrator to ascertain whether this service will be available. Any such foreign exchange conversions of dividend payments will be at the cost and risk of Shareholders. Any dividend paid on a Share that has not been claimed within six years of its declaration shall be forfeited and shall be retained for the benefit of the relevant Fund. No interest shall be paid on any dividend.

Investors should note that any dividend income being paid out by a Fund and held in a Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the ICAV.

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## FEES AND EXPENSES

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### Establishment Expenses

All fees and expenses relating to the establishment and organisation of the ICAV and the initial Fund of the ICAV including the fees of the ICAV's professional advisers will be borne by the ICAV. Such fees and expenses are estimated to amount to €50,000 and may be amortised over the first Accounting Period of the ICAV or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

The fees and expenses relating to the establishment of a Fund shall be borne by the relevant Fund (unless set out otherwise in the relevant supplement for that Fund) and may also be amortised over the first Accounting Period or such other period as the Directors and/or the Manager may determine and in such manner as the Directors and/or the Manager in their absolute discretion deem fair. Furthermore, each Fund shall bear the fees and expenses relating to its registration for sale in various markets and its attributable portion of the fees and operating expenses of the ICAV.

### Flat Fee

All of the fees and expenses payable in respect of a Fund are paid as one single fee. This is referred to as the "**Total Expense Ratio**" ("**TER**") or "**Flat Fee**". Out of the aforementioned Flat Fee, the ICAV will bear all costs incurred in connection with the ICAV's assets. This includes, but is not limited to, fees and expenses of the Manager, Investment Manager or Sub-Investment Manager, Depositary, Administrator, Directors, Distributor or sub-distributor and ICAV Secretary. The Flat Fee is allocated by the ICAV and paid directly to the Depositary, the Distributor and to the Manager. The Manager will pay out of its fees the Administrator and the Investment Manager, each of which is a service provider. The ICAV may pay, subject to any applicable regulations, part or all of its fees to any person that invests in or provides services to the ICAV or in respect of any Fund. Directors' fees will not exceed the sum of €20,000 per annum per Director (or its equivalent) or such other amount as the Directors may from time to time determine (with each Director abstaining in respect of any resolution relating to that Director's remuneration) and disclose to the Shareholders. Mr. Muesel, Ms. Peltrini and Mr. White currently do not receive a fee. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. The following fees and expenses will also be discharged out of the Flat Fee:

- (i) the cost of listing and maintaining a listing of Shares on any Listing Stock Exchange;
- (ii) the cost of convening and holding Directors' and Shareholders' meetings;
- (iii) professional fees and expenses for legal and other consulting services;
- (iv) the costs and expenses of preparing, printing, publishing and distributing prospectuses, supplements, annual and semi-annual reports and other documents to current and prospective Shareholders;
- (v) the costs and expenses arising from any licensing or other fees payable to any Index Provider or other licensor of intellectual property, trademarks or service marks used by the ICAV;
- (vi) the costs and expenses of any investment adviser appointed by the Investment Manager and/or Sub-Investment Manager; and
- (vii) such other costs and expenses (excluding non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the ICAV or of any Fund.

The Flat Fee does not include extraordinary costs and expenses (including but not limited to transaction charges, stamp duty or other taxes on the investments of the ICAV including duty charges for portfolio re-balancing, withholding taxes, commissions and brokerage fees incurred with respect to the ICAV's investments, interest on borrowings and bank charges incurred in negotiating, effecting or varying the



terms of such borrowings, any commissions charged by intermediaries in relation to an investment in the Fund and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the ICAV all of which will be paid separately out of the assets of the relevant Fund).

The Flat Fee is calculated and accrued daily from the Net Asset Value of each Fund and payable monthly in arrears. The Flat Fee of each Fund is as listed in the Relevant Supplement. If a Fund's fees and expenses discharged by the Flat Fee do not reach the maximum Flat Fee disclosed in the relevant Supplement, the remaining amount is retained by the Fund. If a Fund's expenses exceed the Flat Fee outlined above in relation to operating the Funds, the Distributor or its affiliate will cover any shortfall from its own assets.

Fees and expenses relating to the services performed for share classes I-X, K-X and U-X for asset management, fund administration (comprising the costs of the ICAV, the administrative agent and the Depositary) and distribution are covered by the compensation to which UBS Asset Management Switzerland AG is entitled to under a separate contract with the shareholder.

Fees and expenses relating to the asset management services to be provided for share classes "K-B" are covered by the compensation to which UBS Asset Management Switzerland AG or one of its authorised distributors is entitled under a separate agreement with the investor.

Fees and expenses relating to the asset management and distribution services to be provided for share classes "I-B" are covered by the compensation to which UBS Asset Management Switzerland AG or one of its authorised distributors is entitled under a separate agreement with the investor.

All costs that can be allocated to specific Funds will be charged to those Funds.

Costs that can be allocated to individual share classes will be charged to those share classes. Costs pertaining to some or all Funds/share classes will be charged to those Funds/share classes in proportion to their respective net asset values.

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## TAX INFORMATION

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Investors in the Shares should be aware that they may suffer income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Fund, capital gains within the Fund whether realised or unrealised, income received or accrued or deemed received within the Fund, subject to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and subject to the country of tax residence or nationality of the Shareholder.

Investors should be aware of the fact that taxes may be calculated based on income received and/or deemed to be received and/or accrued in the Fund in relation to the assets of a Fund, whereas the performance of the Fund, and subsequently the return investors received after redemption of the Shares, might partially or fully depend on the performance of a reference index or reference asset.

The Directors recommend that investors consult their own independent tax advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities' change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities). The summary is based on Irish tax laws and the practice of the Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

### Taxation of the ICAV

The Directors have been advised that the ICAV is an 'investment undertaking' within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the ICAV is resident for tax purposes in Ireland. Provided the Shares remain held in a Recognised Clearing and Settlement System (which includes the Clearstream and Euroclear clearing systems), the ICAV will not account for any Irish tax in respect of the Shares. If the Shares cease to be held in a Recognised Clearing and Settlement System, the ICAV would be obliged to account for Irish tax to the Revenue Commissioners in certain circumstances, as outlined below.

A charge to tax may arise for the ICAV in respect of Shareholders on the happening of a "Chargeable Event" in the ICAV.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the ICAV in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "**Deemed Disposal**").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a Recognised Clearing and Settlements System;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the ICAV, of Shares in the ICAV for other Shares in the ICAV;

- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another Irish investment undertaking; or
- (v) the cancellation of Shares in the ICAV arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

On the happening of a Chargeable Event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the ICAV to the Shareholder, the ICAV may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the ICAV is less than 10% of the total value of Shares in the ICAV (or a sub-fund) and the ICAV has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the ICAV will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the ICAV) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the ICAV or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable

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

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the ICAV is in possession of a completed Relevant Declaration to the effect that the Shareholder is not Irish Resident, or
- (ii) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the ICAV is not in possession of a Relevant Declaration or the ICAV is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the ICAV must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

A non-Irish Resident Shareholder must notify the ICAV if it ceases to be non-Irish Resident.

#### *Exempt Irish Shareholders*

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

While the ICAV is not required to deduct tax in respect of Exempt Irish Shareholders, those Shareholders may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for such tax to the Revenue Commissioners on a self-assessment basis.

## **Taxation of Irish Resident Shareholders**

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Provided the Shares remain held in a Recognised Clearing and Settlement System, the ICAV will not account for any Irish tax in respect of the Shares, rather the Shareholder will be obliged to account for Irish tax on a self-assessment basis at the same rates as outlined below.

Where the Shares cease to be held in a Recognised Clearing and Settlement System, tax at the rate of 41% will be deducted by the ICAV on payments made to non-corporate Irish Resident Shareholders in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold in respect of Deemed Disposals as outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, tax at the rate of 25% will be deduction by the ICAV upon the happening of a Chargeable Event, provided the corporate Shareholder has made a declaration to the ICAV including its Irish tax reference number. Where the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the ICAV and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the ICAV will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 80%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares which are denominated in a currency other than Euro, that Shareholder may be liable to capital gains tax, currently at the rate of 33%, in respect of any chargeable gain made on the disposal.

## **Stamp Duty**

On the basis that the ICAV qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

## **Capital Acquisitions Tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability, currently at the rate of 33%, will arise on a gift or inheritance of Shares provided that:

- (i) at the date of the disposition the transferor of the Shares is neither domiciled nor Ordinarily Resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and
- (ii) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

## **Other Tax Matters**

The income and capital gains received by the ICAV from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The ICAV may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the ICAV will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical. In the event that the ICAV receives any repayment of withholding tax suffered, the Net Asset Value of the ICAV will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of repayment.

Pursuant to section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the ICAV is obliged to report certain details in relation to Shares held by Shareholders to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth on record of, and the investment number associated with and the value of the Shares held by, a Shareholder. The details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number or, in the case of an individual, the individual's personal public service number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are (i) neither Irish Residents nor Ordinarily Resident in Ireland, (ii) Exempt Irish Shareholders or (iii) Shareholders whose Shares are held in a Recognised Clearing and Settlement System.

## **Automatic Exchange of Information**

The ICAV is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The ICAV will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

### *FATCA*

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA. The IGA provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The ICAV is subject to these rules. Complying with such requirements will require the ICAV to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the

competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/ or U.S withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The ICAV (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the IGA and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the ICAV or any other person to the relevant tax authorities.

## **CRS**

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations. The ICAV is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The ICAV, or a person appointed by the ICAV, will request and obtain certain information in relation to the tax residence of its Shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The ICAV, or a person appointed by the ICAV, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

### *DAC6 – Disclosure requirements for reportable cross-border tax arrangements*

On 25 June 2018, Council Directive (EU) 2018/822 ("**DAC6**") introduced rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements ("**RCBAs**"). DAC6 is intended to provide the tax authorities of EU member states with information about potentially aggressive tax-planning arrangements. One of the aims of DAC 6 is that such information will enable the authorities to react promptly against harmful tax practices and close loopholes by enacting legislation or by undertaking adequate risk assessments and carrying out tax audits. DAC 6 is capable of applying to arrangements that do not necessarily constitute aggressive tax planning.

The DAC6 obligations apply from 1 July 2020, but also require reporting of arrangements implemented between 25 June 2018 and 30 June 2020. DAC6 generally requires EU intermediaries to report to their local tax authorities information about RCBAs, including details of the arrangement as well as identification information about the involved intermediaries and relevant taxpayers, i.e. the persons to whom the RCBA is made available. Subsequently, the local tax authorities exchange the information with the tax authorities of other EU member states. As such, intermediaries engaged by the ICAV, or in certain cases the ICAV itself, may be legally required to report information on any RCBA entered into by the ICAV to the relevant tax authorities.

## **Meaning of Terms**

### *Meaning of 'Residence' for Companies*

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

Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

#### *Meaning of 'Residence' for Individuals*

The Irish tax year operates on a calendar year basis.

An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (i) spends 183 days or more in Ireland in that tax year; or
- (ii) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

Presence in a tax year by an individual of not more than 30 days in Ireland, will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

#### *Meaning of 'Ordinary Residence' for Individuals*

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2019 will remain ordinarily resident in Ireland until the end of the tax year 2022.

#### *Meaning of "Intermediary"*

An "intermediary" means a person who:

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

### **The United Kingdom – Taxation**

The following is a summary of various aspects of the United Kingdom ("UK") taxation regime which may apply to UK resident or ordinarily resident persons acquiring Shares in the Classes of a Fund, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. Such law and practice may be subject to change, and the below summary is not exhaustive. Further, it will apply only to those UK Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover UK Shareholders which are tax exempt or subject to special taxation regimes.

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

## *The ICAV*

The affairs of the ICAV are intended to be conducted in such a manner that it should not become resident in the UK for taxation purposes. Therefore, on the condition that the ICAV does not carry on a trade in the UK through a branch or agency or permanent establishment located there, then the ICAV will not be subject to UK tax on income or chargeable gains arising to it, other than on certain UK source income.

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

Since the ICAV is not incorporated in the UK and the register of Shareholders will be kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares. Liability to UK stamp duty will not arise provided that any instrument in writing, transferring Shares in the ICAV is executed and retained at all times outside the UK. However, the ICAV may be liable to transfer taxes in the UK on acquisitions of investments. In the UK, stamp duty reserve tax or stamp duty at a rate of 0.5% will be payable by the ICAV on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

### *Taxation of Shareholders who are resident for tax purposes in the United Kingdom*

Subject to their personal tax position, dividends received by UK resident Shareholders will be subject to UK income tax or corporation tax annually, whether or not reinvested. In addition, UK Shareholders holding Shares at the end of each "reporting period" (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a Class's "reported income", to the extent that this amount exceeds dividends received. The terms "reported income", "reporting period" and their implications are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident or ordinarily resident in the UK generally may benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets, distributions or reported income will be treated and taxed as interest in the hands of the individual, without a tax credit.

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

Shareholdings in the ICAV are likely to constitute interests in offshore funds, as defined for the purposes of the UK Finance Act 2008, with each Class of the Fund treated as a separate "offshore fund" for these purposes.

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a "non-reporting fund", any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a "reporting fund" for all periods of account for which they hold their interest, any gain accruing upon the sale or other disposal of the interest will be subject to tax as a capital gain rather than income. In this case, the investor may claim relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

Where an offshore fund may have been a non-reporting fund for part of time during which the UK Shareholder held their interest and a reporting fund for the remainder of that time, there are elections



which can potentially be made by the Shareholder in order to pro-rate any gain made upon disposal; the impact being that the portion of the gain made during the time when the offshore fund was a reporting fund would be taxed as a capital gain. In these circumstances, from the date the offshore fund changes status such elections have specified time limits in which they can be made

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

In broad terms, a "reporting fund" is an offshore fund that meets certain upfront and annual reporting requirements to HM Revenue & Customs and its Shareholders. The Directors intend to manage the affairs of the ICAV so that these upfront and annual duties are met and continue to be met in relation to each Class in each Fund at all times and to seek UK reporting fund status in due course. Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders who hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Directors. The Directors, however, intend to distribute all available income in the form of cash distributions.

Once reporting fund status is obtained from HM Revenue & Customs for the relevant Classes, it will remain in place permanently so long as the annual requirements are undertaken.

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

The attention of individual shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Taxes Act 2007. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of the ICAV on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Shareholders resident in the UK should note the provisions of Chapter 4 of Part 17 of the Income and Corporation Taxes Act 1988. These provisions may subject UK resident companies to corporation tax on profits of non-resident companies, controlled by persons resident in the UK, in which they have an interest. These provisions affect UK resident companies who have an interest of at least 25% in the profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and is resident in a low tax jurisdiction. This legislation is not presently directed towards the taxation of capital gains. It is currently under review.

The attention of investors resident or ordinarily resident in the UK (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of Taxation of Chargeable Gains Act 1992. Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such a proportion does not exceed one-tenth of the gain.

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

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## MANAGEMENT

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### DIRECTORS

The Directors of the ICAV are listed below with their principal occupations.

#### **Naomi Daly**

Naomi Daly (Irish resident) serves as a full time independent director to a number of Irish domiciled investment funds. She worked as a senior executive of MPMF Fund Management (Ireland) Limited from 2013 to 2018. Prior to joining MPMF, Ms. Daly spent 10 years with Goldman Sachs International in London where she held a number of positions within the fixed income division and prime brokerage. Ms. Daly was previously a business analyst at Allied Irish Bank in Dublin. Ms. Daly holds a Bachelor of Arts Degree (Hons) in Business Studies and an MSc in International Business, from the U.C.D. Michael Smurfit Graduate School of Business.

#### **Audrey Collins**

Audrey Collins (Irish resident) is an ACA Qualified Alternative Investment Due Diligence specialist with over 20 years' experience in Financial Services of which 15 years were spent working in the Investment Management sector in London. Previous employers include a hedge fund, a boutique private equity firm and an institutional level asset manager. She has led Due Diligence reviews across both hedge fund and private equity investments which has resulted in expert knowledge of the funds industry specifically in relation to risk, compliance and governance. Her exposure in the asset management sector has led to a broad understanding of a wide range of alternative investment strategies and product structures in different jurisdictions. Most recently she worked as an Investment Due Diligence Specialist at Connection Capital. Prior to this she worked for nine years at International Asset Management as a due diligence specialist. Ms Collins has also held a Senior Analyst role at Man Group. Audrey is a Fellow of the Institute of Chartered Accountants in Ireland, having trained with EY in their Audit and Financial Services division. She holds an MSc Accounting from University College Cork.

#### **Frank Muesel**

Frank Muesel (Swiss resident) joined UBS Asset Management in 2001 to work in the Exchange Traded Funds business as an analyst. In 2004 he moved into product management. Since 2014 he is product specialist responsible for regulatory management for ETF platforms and since 2021 for UBS Passive & ETF Platform Management. Before joining UBS, Mr. Muesel held several positions for SEB Bank in Frankfurt in the correspondent banking and settlement (options and futures) departments.

#### **Marie Antoinette (Nina) Peltrini**

Nina Peltrini (Spanish resident) joined UBS AM at the end of 2019 as the Head of ETF and Index Fund sales for Spain and Portugal. She was later also assigned the coverage for the ETF distribution effort for Latin America. Her appointment has thus far led to a successful relaunch of the brand in these regions, with strengthened business ties and activities.

Ms Petrini started her career in 2001 in Lehman Brothers as a US Equity Sales in the Investment Banking Division, where she developed her business skills until 2008 as a Vice President in the sales team. She later transitioned through Nomura Securities in 2009 in the same role, but finally joined Barclays Capital as a Director to continue within her Global Equity Sales and Distribution coverage for over 9 years. The entity was new to the local market and Ms Petrini was critical in the establishment and development of institutional client business which eventually led to strong market share.

## **Alan White**

Mr. White has worked with UBS since July 2002. From January 2004 to September 2006, he held the position of manager of Alternative Investment Strategies Trade Support and from September 2006 to December 2006 he worked as an Equity Derivatives Structurer. Mr. White has worked with the Manager since January 2007, where he presently works as head product developer. He holds a Degree in Finance and a Diploma in Computer Science from University College Cork. Mr. White is a director of the Manager and director of several investment funds managed by the Manager.

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

The Central Bank UCITS Regulations refer to the responsible person being the person responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of a particular Irish authorised UCITS. The Manager assumes the role of responsible person for the ICAV. The Directors have delegated the day to day management of the ICAV in accordance with policies approved by the Directors to the Manager. The Directors have appointed the Depositary as Depositary of the ICAV. The Manager has delegated certain of its duties to the Investment Manager, the Administrator and the Distributor.

The Directors have appointed the Manager who has in turn delegated (a) the administration of the ICAV's affairs, including responsibility for the preparation and maintenance of the ICAV's records and accounts and related fund accounting matters including the calculation of the Net Asset Value per Share to the Administrator; (b) responsibility for the investment management, including the acquisition and disposal of the assets of the ICAV, to the Investment Manager; and (c) registrar services, including the maintenance of the register of Shareholders, to the Administrator. The Instrument does not stipulate a retirement age for Directors and do not provide for the retirement of the Directors by rotation. The Instrument 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. The ICAV has granted indemnities to the Directors in respect of any loss or damages that they may suffer, save where this results from a Director's negligence, default, breach of duty or breach of trust in relation to the ICAV.

## **MANAGER**

The ICAV has appointed UBS Fund Management (Ireland) Limited (the "Manager") to act as manager to the ICAV and each Sub-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. It was incorporated in Ireland on 1 December 2005 and is a wholly owned subsidiary of UBS AG. The authorised share capital of the Manager is €20,000,000. The Manager currently acts as manager or alternative investment fund manager to ten other collective investment schemes. The Manager is authorised and regulated by the Central Bank.

## **Directors**

Naomi Daly is also a Director of the Manager. The remaining directors of the Manager are described below:

**Colm Torpey** has worked for the Manager since 2005. He worked for Pioneer Alternative Investment Management Limited as Head of Internal Audit from 2003 until December 2005. From 1993 to 2002, he worked for Arthur Andersen and from 2002 to 2003 for KPMG, reaching the level of Audit Director. He is a CFA Charterholder, a fellow of the Institute of Chartered Accountants in Ireland and a member of the Irish Taxation Institute.

**Deirdre Gormley** is an independent investment fund director with over 30 years' experience in the asset management and investment funds industry, having held senior executive and board positions in large international organizations. In her previous executive roles Ms Gormley was responsible for a wide range of investment management, business development, governance and regulatory activities. She was involved in product management for Irish, Luxembourg and Dutch domiciled investment products. Ms. Gormley is the former CEO/Head of Management Company for Northern Trust Asset Management in Dublin Ireland. In this role she was responsible for the management of UCITS and IPM

business which included Money Market, Equity, Fixed Income and ETF products. She was responsible for the Northern Trust Fund Managers Ireland branches in Europe and the oversight of delegated service providers. Prior to this role Deirdre spent 12 years with Pioneer Investment Limited (now Amundi Ireland Limited) as Head of Product and Marketing Services. Prior to joining Pioneer Deirdre held various senior management posts with JPMorgan both in Dublin and New York covering a range of operational and client relationship roles. Deirdre has a Bachelor of Science degree in Finance from Marist College in Poughkeepsie, New York.

**Deirdre Gormley** is an independent investment fund director with over 30 years' experience in the asset management and investment funds industry, having held senior executive and board positions in large international organizations. In her previous executive roles Ms Gormley was responsible for a wide range of investment management, business development, governance and regulatory activities. She was involved in product management for Irish, Luxembourg and Dutch domiciled investment products. Ms. Gormley is the former CEO/Head of Management Company for Northern Trust Asset Management in Dublin Ireland. In this role she was responsible for the management of UCITS and IPM business which included Money Market, Equity, Fixed Income and ETF products. She was responsible for the Northern Trust Fund Managers Ireland branches in Europe and the oversight of delegated service providers. Prior to this role Deirdre spent 12 years with Pioneer Investment Limited (now Amundi Ireland Limited) as Head of Product and Marketing Services. Prior to joining Pioneer Deirdre held various senior management posts with JPMorgan both in Dublin and New York covering a range of operational and client relationship roles. Deirdre has a Bachelor of Science degree in Finance from Marist College in Poughkeepsie, New York.

**Gavin Byrnes** is a Managing Director and Head of Alternative Products for UBS Asset Management with responsibility for the design, structuring and management of the division's alternatives product shelf. Mr. Byrnes joined UBS Asset Management in August 2011 and has over 21 years' experience in the financial services industry. Prior to this Mr. Byrnes worked at SEB Fund Services S.A., a Luxembourg Fund Management Company, as Head of Sales and Product Development. Before joining SEB Fund Services S.A. Mr. Byrnes held various positions within the fund services industry in Ireland. Mr. Byrnes holds a Bachelor of Arts degree in Economics and Mathematical Studies at the National University of Ireland, Maynooth.

**Hannah Vinci** is Head of Platform Solutions and Credit Structuring in EMEA at UBS, with responsibility for identifying and delivering credit based and other investment solutions for a wide variety of institutional clients, including banks, asset managers, insurance companies and pension funds, family offices and private wealth organisations. Ms. Vinci joined UBS in September 2014 and has over 19 years' experience obtained between working in the legal and financial services industries. Prior to joining UBS, Ms. Vinci worked at Bank of America Merrill Lynch in the Credit Trading and Correlation Trading/Structuring businesses, and previous to that, she qualified as a solicitor into the Derivatives & Structured Finance department at Allen & Overy LLP. Ms. Vinci holds a BA in Philosophy from Birmingham University, and a Postgraduate Diploma in Law from College of Law, London. She completed her Legal Practice Course at Oxford Law School.

**Tom Payne** is a Managing Director at UBS AG and EMEA Head of Global Markets Structuring with responsibility for developing and structuring products linked to FX, Rates, Credit, Equities, Commodities and Funds, including UCITS funds managed by the Manager, for a wide variety of institutional clients. Mr. Payne joined UBS AG in October 2005 and has over 19 years' experience in the financial services industry. Prior to joining UBS AG, Mr. Payne worked at Goldman Sachs International in the Fixed Income, Currencies and Commodities Structuring division. Mr. Payne holds a Master of Engineering (Honours) in Engineering, Economics and Management from the University of Oxford.

The Management Company Agreement provides that the Manager shall manage the ICAV in accordance with the Instrument, the applicable provisions of the Prospectus or such other document relating to the ICAV and each Fund including, in particular, the investment objective, investment policies and the investment restrictions of the ICAV and each Fund, the UCITS Regulations, the Central Bank Rules, applicable laws, any explanatory memorandum or other such document relating to the ICAV distributed from time to time by or on behalf of the ICAV (and made available by the ICAV to the Manager), all lawful resolutions of the Directors and other lawful orders and directions given to the Manager from time to time by the Directors. Pursuant to the Management Company Agreement the Manager will be entitled to receive fees as described in each Supplement.

The Management Company Agreement shall continue and remain in force unless and until terminated by a party giving to the other party not less than 90 days' prior written notice (or such other period as may be agreed between the parties) provided that the Management Company Agreement may be terminated forthwith by either party ("Party X") if: (a) the other party ("Party Y") materially breaches any of its obligations under the Management Company Agreement and (if such breach is capable of remedy) fails to make good such material breach within thirty (30) calendar days of receipt of notice from Party X requiring it to do so; or (b) Party Y passes a resolution for its winding-up (except a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by Party X) or if a court of competent jurisdiction orders a winding-up of Party Y, or a receiver is appointed over Party Y's assets, or an examiner is appointed to Party Y (or proceedings analogous to the foregoing are commenced against Party Y in any jurisdiction); or (c) the Manager ceases to be authorised to carry out its functions under this Agreement. The Management Company Agreement will terminate automatically if the ICAV's authorisation is revoked by the Central Bank.

In the absence of wilful default, fraud, bad faith or negligence on the part of the Manager, its employees, directors, servants or agents, the Manager, its employees, directors, servants or agents shall not be liable to the ICAV or any Shareholder for any of its acts or omissions in the course of, or connected in any way with, rendering the services herein provided for or for any losses which may be sustained in the purchase, holding or sale of any of the investments of the ICAV and the Manager, its employees, directors, servants or agents shall not be liable for indirect, special or consequential damages of any nature.

Pursuant to the Management Company Agreement the ICAV has agreed to hold harmless and indemnify the Manager, its employees, directors and agents, out of the assets of the relevant Fund, against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Manager, its employees, directors and agents by reason of its performance of duties under the terms of the Management Company Agreement (otherwise than due to the wilful default, fraud, bad faith or negligence in the performance by the Manager, its employees, directors, servants or agents (which, for the avoidance of doubt shall not include brokers or dealers used by the Manager) of its obligations or functions hereunder) and in particular (but without limitation) this protection and indemnity extends to any such items aforesaid which arise as a result of any such loss suffered or incurred by the ICAV or any loss, delay, misdelivery or error in transmission of any cable or telegraphic communication or as a result of acting in good faith upon any forged document or signature. For the avoidance of doubt, the ICAV shall in no event be liable or indemnify the Manager for indirect, special, or consequential damage of any nature.

The Manager may, in accordance with the requirements of the Central Bank, delegate the whole or any part of its functions under the Management Company Agreement.

## **INVESTMENT MANAGER**

The Manager has appointed UBS Asset Management (UK) Ltd, as investment manager with discretionary powers pursuant to an Investment Management Agreement. Under the terms of the Investment Management Agreement, UBS Asset Management (UK) Ltd, is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the ICAV in accordance with the investment objective and policies.

UBS Asset Management (UK) Ltd was incorporated in England on 19 February, 1981 and is authorised and regulated in the U.K. in the conduct of financial services and investment management activities by the FCA. UBS Asset Management (UK) Ltd is part of UBS Asset Management, a business group of UBS Asset Management Switzerland AG.

The principal activity the Investment Manager is the provision of investment management services.

The Investment Management Agreement may be terminated by either party on 6 months' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or remedied breach after notice. The Investment Manager has the power to delegate its duties with the prior approval of the Central Bank. The Investment Management Agreement provides that where they

are the defaulting party, the Manager and the Investment Manager shall indemnify against and hold harmless the other in case of any loss, damage, costs and liabilities incurred by the other as a result of the defaulting party's negligence, wilful default or fraud.

## **SUB-INVESTMENT MANAGERS**

The Investment Manager may delegate certain of its powers, duties and discretions exercisable in respect of the discretionary investment management of the Funds to the Sub-Investment Managers. Details of any such appointments will be set out in the Relevant Supplement.

## **ADMINISTRATOR**

Pursuant to an administration agreement with State Street Fund Services (Ireland) Limited dated 22 September 2021 and as novated and amended by a novation and amendment agreement dated 30 March 2023, and as may be further amended or novated from time to time (the "**Administration Agreement**"), the Manager has appointed the Administrator to provide administration, registrar and transfer agency services to the ICAV.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is Stg£5,000,000 with an issued and paid up capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than ninety days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its failure to exercise reasonable care in the performance of its duties under the Administration Agreement or as a result of negligence, wilful default or fraud of the Administrator or any of its agents appointed for the performance of the Administrator's duties under the Administration Agreement and other than tax on the Administrator's overall income or profits. Losses under the indemnity do not include any consequential losses, any loss of profit, any loss of goodwill, any loss of business opportunity or any indirect loss suffered by the Administrator.

## **DEPOSITARY**

The ICAV has appointed State Street Custodial Services (Ireland) Limited as depositary of its assets pursuant to a depositary agreement dated 22 September 2021 (the "**Depositary Agreement**"). The Depositary provides safe custody for the ICAV's assets.

The Depositary is a limited liability company incorporated in Ireland on 23 May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. The Depositary's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

The Depositary shall carry out functions in respect of the ICAV including but not limited to the following:

- (i) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- (ii) the Depositary shall ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Commission Directive 2006/73/EC, opened in the name of the ICAV

so that they can be clearly identified as belonging to the ICAV in accordance with the applicable law at all times;

- (iii) the Depositary shall verify the ICAV's ownership of all other assets (other than those referred to in (i) and (ii) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the ICAV;
- (iv) the Depositary shall ensure effective and proper monitoring of the ICAV's cash flows;
- (v) the Depositary shall be responsible for certain oversight obligations in respect of the ICAV – see "Summary of Oversight Obligations" below.

Duties and functions in relation to (iv) and (v) above may not be delegated by the Depositary.

Under the terms of the Depositary Agreement, the Depositary may delegate duties and functions in relation to (i), (ii) and (iii) above, subject to certain conditions. The liability of the Depositary will not be affected by virtue of any such delegation.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the Funds' assets to State Street Bank and Trust ICAV as global custodian who in turn, as at the date of this Prospectus, has appointed the sub-delegates listed in Schedule III.

#### Summary of Oversight Obligations:

The Depositary is obliged to ensure, among other things, that:

- the sale, issue, redemption and cancellation of Shares effected on behalf of the ICAV are carried out in accordance with the UCITS Regulations and the Instrument;
- the value of Shares is calculated in accordance with the UCITS Regulations and the Instrument;
- in transactions involving the ICAV's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- the ICAV and each Fund's income is applied in accordance with the Instrument;
- the instructions of the ICAV are carried out unless they conflict with the UCITS Regulations or the Instrument; and
- it has enquired into the conduct of the ICAV in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the ICAV in good time to enable the Directors to include a copy of the report in the annual report of the ICAV. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
  - (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Instrument and the UCITS Regulations; and
  - (ii) otherwise in accordance with the provisions of the Instrument and the UCITS Regulations.

The duties provided for above may not be delegated by the Depositary to a third party.

If the ICAV has not complied with (i) or (ii) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation:

- (i) notify the Central Bank promptly of any material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 118(2) of the Central Bank Regulations relates; and
- (ii) notify the Central Bank promptly of any non-material breach by the ICAV or the Depositary of any requirement, obligation or document to which Regulation 118(2) of the Central Bank Regulations relates where such breach is not resolved within 4 weeks of the Depositary becoming aware of such non-material breach.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the ICAV and the Shareholders.

The Depositary shall act as depositary of the ICAV's assets and shall be responsible for the oversight of the ICAV to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

The Depositary shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Depositary performs services under the Depositary Agreement.

The Depositary shall be liable to the ICAV, or to the Shareholders, for all losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Depositary Agreement and UCITS V. The Depositary shall be liable to the ICAV and to the Shareholders, for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with UCITS V) and shall be responsible for the return of financial instruments or corresponding amount to the ICAV without undue delay. The Depositary Agreement contains indemnities in favour of the Depositary for certain losses incurred but excluding circumstances where the Depositary is liable for the losses incurred.

The Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the ICAV shall with due observance of the applicable requirements of the Central Bank, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

## **DISTRIBUTOR**

The Manager has appointed UBS Asset Management Switzerland AG as distributor pursuant to a distribution agreement dated 28 October 2022, as amended by way of an amendment agreement dated 30 November 2022, by way of an amendment agreement dated 31 January 2023 and by way of an amendment agreement dated 30 March 2023 and as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank (the "**Distribution Agreement**"). The Distributor is a company duly organised and validly existing under the laws of Switzerland.

The Distribution Agreement is for an indefinite period and may be terminated by the Manager or the Distributor by giving not less than 6 months' prior written notice to the other party. The Distribution Agreement provides each party is liable to the other party for any direct damage caused intentionally or through negligence by a breach of duties described in the Distribution Agreement. Neither party shall be liable for any consequential, indirect, punitive or special damages, or losses of future business.

## **PAYING AGENTS**

Local laws/regulations in certain EEA member states may require (i) the Manager to appoint facilities agents/paying agents/representatives/distributors/correspondent banks (any such appointee is hereafter referred to as a "**Paying Agent**" and provided further that any such appointment may be made notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies or receive redemption monies or dividends through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) subscription monies for investment in a Fund held by the Paying Agent prior to the transmission of such monies to the Depositary for the account of the relevant Fund and (b) redemption monies and dividend payments held by the Paying Agent (after transmission by the ICAV)



prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Manager, which will be at normal commercial rates, will be borne by the Fund in respect of which a Paying Agent has been appointed. All Shareholders of a Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by or on behalf of the Manager.

#### **ICAV SECRETARY**

The ICAV secretary of the ICAV is Dechert Secretarial Limited.

#### **AUDITORS**

EY serve as auditors to the ICAV.

#### **LEGAL ADVISORS**

Dechert serve as legal advisors to the ICAV as to matters of Irish law.

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## WHERE TO LEARN MORE ABOUT THE FUNDS

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The Prospectus, the Instrument, the key investor information documents, where applicable, as well as financial statements are available for the purpose of inspection and obtaining copies thereof at [www.fundinfo.com](http://www.fundinfo.com).

In accordance with Directive 2019/1160<sup>1</sup>, the Manager confirms that the following tasks are performed electronically and available to all retail investors located in all host Member States where a fund managed by the Manager is marketed. In case you need any assistance or information on the below tasks, you can contact the Manager through: [sh-ubsfaciliaites@ubs.com](mailto:sh-ubsfaciliaites@ubs.com)

- (a) process subscription, repurchase and redemption orders and make other payments to investors relating to the shares of a fund managed by the Manager in accordance with the fund's constitutive documents;
- (b) information on how orders referred to in point (a) can be made and how repurchase and redemption proceeds are paid;
- (c) procedures and arrangements referred to in Article 15 of the Directive 2009/65/EC<sup>2</sup> relating to investors' exercise of their rights arising from their investment in the UCITS in the Member State where the UCITS is marketed. More information on investors rights can be found online at [www.ubs.com/funds](http://www.ubs.com/funds).

For further information on the above tasks, please access the following link: <https://www.ubs.com/global/en/assetmanagement/capabilities/white-labelling/fund-management-company-services.html>

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- (i) the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- (ii) a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

### **Policies:**

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the ICAV whose activities have a material impact on the risk profile of the Funds. The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Instrument, and will be consistent with UCITS V. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the ICAV, the Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times.

The Manager has a best execution & order handling policy, conflict of interest policy, complaint handling policy, stress testing policy, remuneration policy, engagement policy, whistle-blower policy in place as well a voting strategy.

Further details with regard to these policies are available at [www.ubs.com/fml-policies](http://www.ubs.com/fml-policies). A paper copy of these policies may be obtained, free of charge, on request from the Manager.

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<sup>1</sup> Directive (EU) 2019/1160 of the European Parliament and of the Council of 20 June 2019 amending Directives 2009/65/EC and 2011/61/EU with regard to cross-border distribution of collective investment undertakings, as transposed in Ireland or in the relevant Member State for UCITS under the Manager's management.

<sup>2</sup> Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as transposed in Ireland or in the relevant Member State for UCITS under the Manager's management.

## **SHAREHOLDER INFORMATION**

Shareholder inquiries may be directed to the Funds by contacting the Administrator or through the Website.

**No person has been authorised to give any information or to make any representations other than those contained in this Prospectus in connection with the offer of the Shares, and, if given or made, the information or representations must not be relied upon as having been authorised by the ICAV. Neither the delivery of this Prospectus or any Relevant Supplement nor any sale of Shares shall under any circumstance imply that the information contained herein is correct as of any date after the date of this Prospectus.**

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## SCHEDULE I – DEFINITIONS

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

<b>Administrator</b>	State Street Fund Services (Ireland) Limited, or such other company as may from time to time be appointed to provide administration and accounting services to the ICAV in accordance with the requirements of the Central Bank;
<b>AIF</b>	means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations including, where relevant and in the event of the United Kingdom becoming a third country, UCITS authorised by the Financial Conduct Authority in the United Kingdom in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;
<b>AIFMD</b>	Directive 2011/61/EC of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers;
<b>Anti-Dilution Levy</b>	an adjustment in a Fund's Net Asset Value to cover dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>Base Currency</b>	the currency in which the Net Asset Value of each Fund is calculated;
<b>Benchmark Regulation</b>	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;
<b>Boursa Kuwait</b>	the national stock market of Kuwait (formerly the Kuwait Stock Exchange);
<b>Business Day</b>	unless otherwise specified in a Relevant Supplement, each normal bank business day in Ireland, inclusive of all public and/or bank holidays other than the following – New Year's Day, Good Friday, Easter Monday, Christmas Day and St. Stephen's Day, and such other day or days as the Directors may determine and notify in advance to Shareholders;
<b>Central Bank</b>	the Central Bank of Ireland or any division thereof or any successor entity;
<b>Central Bank Regulations</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2019 as may be amended, supplemented,

	consolidated, substituted in any form or otherwise modified from time to time;
<b>Central Bank Rules</b>	the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the UCITS Regulations;
<b>Class</b>	shares of a particular Fund representing an interest in the Fund but designated as a class of Shares within such Fund for the purposes of attributing different proportions of the Net Asset Value of the relevant Fund to such Shares to accommodate different subscription, conversion and redemption charges, dividend arrangements, base currencies, currency hedging policies and/or fee arrangements specific to such Shares;
<b>Class Currency</b>	the currency in which the Net Asset Value of any Class of Shares is denominated;
<b>Clearstream</b>	means Clearstream Banking S.A., Luxembourg;
<b>CRS</b>	the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b>CSDs (and each a "CSD")</b>	means a recognised clearing system which is a national settlement systems for individual national markets. For Funds that issue Shares through an ICSD, CSDs would be Participants in an ICSD;
<b>Data Protection Legislation</b>	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);
<b>Dealing Day</b>	such day or days as are specified in the Relevant Supplement;
<b>Dealing Deadline</b>	the time on each Dealing Day by which applications for subscriptions and redemptions must be received by the Administrator in order to be processed on that Dealing Day, as specified for each Fund in the Relevant Supplement;
<b>Dematerialised Form</b>	means in relation to Shares, means Shares, title to which is recorded as being in uncertificated form and which may be transferred by means of a computer based settlement system;
<b>Depository</b>	State Street Custodial Services (Ireland) Limited or such other company as may from time to time be

appointed to provide depositary services to the ICAV in accordance with the requirements of the Central Bank;

**Depot Account**

means a depot account maintained by the Depositary (or its delegate) in the relevant Recognised Clearing and Settlement System through which subscription monies and redemption proceeds for the relevant Fund are channelled, the details of which are specified in the application form;

**Directors**

the directors of the ICAV for the time being and any duly constituted committee thereof;

**Duties and Charges**

All stamp duties and other duties, taxes, governmental charges, imposts, levies, exchange costs and commissions (including foreign exchange spreads), depositary and sub-custodian charges, transfer fees and expenses, agents' fees, brokerage fees, commissions, bank charges, registration fees and other duties and charges, including any provision for the spread or difference between the price at which any asset was valued for the purpose of calculation of the Net Asset Value per Share of any Fund and the estimated or actual price at which any such asset is purchased or expected to be purchased, in the case of subscriptions to the relevant Fund, or sold or expected to be sold, in the case of redemptions from the relevant Fund, including, for the avoidance of doubt, any charges or costs arising from any adjustment to any swap or other FDI required as a result of a subscription or redemption, whether paid, payable or incurred or expected to be paid, payable or incurred in respect of the constitution, increase or reduction of all of the cash and other assets of the ICAV or the creation, acquisition, issue, conversion, exchange, purchase, holding, repurchase, redemption, sale or transfer of Shares (including, if relevant the issue or cancellation of certificates for Shares) or investments by or on behalf of the ICAV;

<b>EEA</b>	the European Economic Area;
<b>EEA Member States</b>	the member states of the European Economic Area, the current members at the date of this Prospectus being the EU Member States, Iceland, Liechtenstein and Norway;
<b>Eligible Counterparty</b>	<p>a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:</p> <ul style="list-style-type: none"> <li>(i) a Relevant Institution;</li> <li>(ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or</li> <li>(iii) 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.</li> </ul>
<b>EMIR</b>	Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories;
<b>EU</b>	the European Union;
<b>€ or Euro</b>	the single currency of participating member states of the European Monetary Union introduced on 1 January 1999;
<b>Euroclear</b>	means Euroclear Bank S.A./N.V.;
<b>Exempt Irish Shareholder</b>	<p>means</p> <ul style="list-style-type: none"> <li>(a) a qualifying management company within the meaning of section 739B(1) TCA;</li> <li>(b) an investment undertaking within the meaning of section 739B(1) TCA;</li> <li>(c) an investment limited partnership within the meaning of section 739J TCA;</li> <li>(d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;</li> <li>(e) a company carrying on life business within the meaning of section 706 TCA;</li> <li>(f) a special investment scheme within the meaning of section 737 TCA;</li> </ul>

- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (k) the National Asset Management Agency;
- (l) the Courts Service;
- (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (n) an Irish Resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the ICAV (or a Fund) is a money market fund;
- (o) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the ICAV;
- (p) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (q) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018); and
- (r) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the ICAV in respect of that Shareholder under Part 27, Chapter 1A TCA;

and where necessary the ICAV is in possession of a Relevant Declaration in respect of that Shareholder;

means:

**FATCA**



- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and
- (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**FDI**

financial derivative instruments;

**Fixed Portfolio Basket**

a basket of securities and a cash component that is designed by the Investment Manager and/or Sub-Investment Manager to be closely aligned with the composition of the relevant Fund (so that the Investment Manager and/or Sub-Investment Manager will not be required, following completion of the subscription, to take any further material steps in the form of additional purchases or sales of securities or adjustment(s) of any other positions maintained in respect of the relevant Fund to re-balance the composition of the Fund);

**Fund**

a portfolio of assets established by the Directors and/or the Manager (with the prior approval of the Depositary and the Central Bank) and constituting a separate fund represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund;

**Global Share Certificate**

means the certificate evidencing entitlement to Shares (as described in further detail under the section of this Prospectus entitled "*Clearing and Settlement*");

**ICAV**

UBS (Irl) Fund Solutions II ICAV

**ICAV Act**

Irish Collective Asset-management Vehicle Act 2015;

**ICSD**

means International Central Securities Depositories;

**ICSD Participant**

means an account holder in an ICSD which may include Shareholders, their nominees or agents, and who hold

	their interest in Shares of the Funds settled and/or cleared through the applicable International Central Securities Depository;
<b>Index</b>	any financial index which a Fund will aim to track, pursuant to its investment objective and/or in accordance with its investment policies, as specified in the Relevant Supplement;
<b>Index Provider</b>	in relation to a Fund, the entity or person who, by itself or through a designated agent, compiles, calculates and publishes information on an Index as specified in the Relevant Supplement;
<b>Instrument</b>	the instrument of incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank;
<b>International Central Securities Depositories</b>	means Clearstream and Euroclear;
<b>Investment Manager</b>	UBS Asset Management (UK) Ltd or such other company as may from time to time be appointed to provide investment management services to the ICAV in accordance with the requirements of the Central Bank;
<b>Investment Management Agreement</b>	means the agreement made between the Manager and the Investment Manager dated 30 March 2023, as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Investor Money Regulations</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time;
<b>Irish Resident</b>	any person Resident in Ireland or Ordinarily Resident in Ireland (as described in the " <i>Tax Information</i> " section of this Prospectus) other than an Exempt Irish Shareholder;
<b>ISIN</b>	means the International Securities Identification Number;
<b>KCC</b>	the Kuwait Clearing ICAV, which is the central clearing, settlement and depository entity for the Kuwaiti securities market;
<b>Kuwait CMA</b>	The Kuwait Capital Markets Authority;
<b>Listing Stock Exchange</b>	such selected exchanges as the Directors may determine from time to time in respect of each Fund and which are specified on the Website;
<b>Management Company Agreement</b>	the agreement between the ICAV and the Manager dated 22 September 2021 as novated and amended by way of a novation and amendment agreement dated 30 March 2023, and as may be further

	amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Manager</b>	means UBS Fund Management (Ireland) Limited or any successors thereto appointed by the ICAV to act as manager of the ICAV;
<b>Member State</b>	a member state of the European Union;
<b>MiFID II</b>	the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU);
<b>MiFID II Delegated Directive</b>	the Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
<b>Minimum Subscription Amount</b>	the minimum amount to be subscribed for Shares on any Dealing Day, as determined by the Directors and/or Manager in respect of each Fund and specified in the Relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;
<b>Minimum Redemption Amount</b>	the minimum amount that may be redeemed from any Fund or any Dealing Day, as determined by the Directors in respect of each Fund and specified in the relevant Supplement, which may be expressed as a monetary amount or as a number of Shares;
<b>Negotiated Portfolio Basket</b>	a basket of securities selected by the investor from a list identified by the Investment Manager and/or Sub-Investment Manager as appropriate for the Fund in the implementation of its investment policy (but which, in order to enable the Fund to fully achieve its investment objective, may require the Investment Manager and/or Sub-Investment Manager to take further steps in the form of additional purchases or sales of securities or adjustment(s) of any other positions maintained in respect of the relevant Fund to re-balance the composition of the Fund) and a cash component;
<b>Net Asset Value</b>	the net asset value of a Fund calculated as described in the " <i>Determination of Net Asset Value</i> " section of this Prospectus;
<b>Net Asset Value per Share</b>	the net asset value of a Share in any Fund, including a Share of any Class of Shares issued in a Fund calculated as described in the " <i>Determination of Net Asset Value</i> " section of this Prospectus;
<b>OECD</b>	the Organisation for Economic Co-Operation and Development;
<b>PRC or China</b>	means the People's Republic of China (excluding for the purposes of this Prospectus the Hong Kong and

Macau Special Administration Regions and Taiwan) and the term "Chinese" shall be construed accordingly;

**Prohibited Person**

any person who appears to be in breach of any law or requirement of any country or governmental authority by virtue of which such person is not qualified to hold such Shares; or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors and/or Manager to be relevant) which, in the opinion of the Directors and/or Manager, might result in the ICAV or the relevant Fund incurring any liability to taxation or suffering any other pecuniary, regulatory, legal or material administrative disadvantages which the ICAV or the relevant Fund might not otherwise have incurred, suffered or breached; or any individual under the age of 18 (or such other age as the Directors and/or Manager think fit) or of unsound mind;

**Prospectus**

this document, the Relevant Supplement for any Fund and any other supplement or addendum designed to be read and construed together with and to form part of this document;

**Recognised Clearing and Settlement System**

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 TCA which at the date hereof comprise Clearstream Banking SA, Clearstream Banking AG, Euroclear, CREST, National Securities Clearing System, Sicovam SA, SIS Segma Intersect AG, NECIGEF (Nederlands Centraal Instituut voor Giraal Effectenverkeer 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, Hong Kong Securities Clearing Company Limited, Japan Securities Depository Centre, Monti Titoli SPA, The Canadian Depository for Securities Ltd. and VPC AB (Sweden);

**Recognised Market**

any recognised exchange or market listed or referred to in Schedule II to this Prospectus and such other markets as Directors and/or Manager may from time to time determine in accordance with the UCITS Regulations and specify in Schedule II to this Prospectus;

**Recognised Rating Agency**

Standard & Poor's Rating Group ("**S&P**"), Moody's Investors Services ("**Moody's**"), Fitch IBCA or an equivalent rating agency;

**Relevant Declaration**

the declaration relevant to the Shareholder as set out in Schedule 2B TCA;

**Relevant Institution**

means credit institutions authorised in an EEA Member State or credit institutions authorised within a

	signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the United Kingdom), or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
<b>Relevant Supplement</b>	a document containing information relating to each Fund;
<b>Revenue Commissioners</b>	the Irish Revenue Commissioners;
<b>RMP Statement</b>	any risk management process statement adopted by the Manager, from time to time, in respect of the Funds;
<b>Securities Financing Transactions</b>	repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in;
<b>SFDR</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;
<b>SFDR RTS</b>	Commission Delegated Regulation (EU) 2022/2388 of 6 April 2022 supplementing SFDR with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports;
<b>SFT Regulations or SFTR</b>	Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>Share or Shares</b>	a share or shares of whatsoever Class (including any fraction of a Share) in the capital of the ICAV (other than Subscriber Shares) entitling the holders to participate in the profits of the ICAV attributable to the relevant Fund as described in this Prospectus;
<b>Shareholder</b>	a person registered in the register of members of the ICAV as a holder of Shares;
<b>Subscriber Shares</b>	the initial issued share capital of three hundred thousand and two (300,002) shares of €1 each and initially designated as subscriber shares;

<b>Subscriptions/Redemptions Account</b>	the account in the name of a Fund through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the application form;
<b>Sub-Investment Manager(s)</b>	such companies as may from time to time be appointed by the Investment Manager to provide investment management services to the Funds in accordance with the requirements of the Central Bank and as may be disclosed in the Relevant Supplement;
<b>Taxonomy Regulation / TR</b>	<b>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;</b>
<b>TCA</b>	the Irish Taxes Consolidation Act 1997, as amended;
<b>UCITS</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>UCITS Regulations</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. 352 of 2011), as amended and as may be further amended, consolidated or substituted from time to time;
<b>UCITS V</b>	Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;
<b>United Kingdom or UK</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>Unlisted Shares</b>	a Share of any Class that is not listed on any Listing Stock Exchange.
<b>U.S. or United States</b>	the United States of America, its territories and possessions including the States and the District of Columbia;
<b>U.S. Person</b>	any person who: <ul style="list-style-type: none"> <li>(a) is a United States person within the meaning of Section 7701(a)(30) of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder;</li> <li>(b) is a US person within the meaning of Regulation S under the US Securities Act of 1933 (17 CFR § 230.902(k));</li> </ul>

- (c) is not a Non-United States person within the meaning of Rule 4.7 of the US Commodity Futures Trading Commission Regulations (17 CFR § 4.7(a)(1)(iv));
- (d) is in the United States within the meaning of Rule 202(a)(30)-1 under the US Investment Advisers Act of 1940, as amended; or
- (e) any trust, entity or other structure formed for the purpose of allowing US Persons to invest in the ICAV.

**Valuation Point**

the time specified for each Fund in the Relevant Supplement or such other time as the Directors may determine from time to time and notify to Shareholders. For the avoidance of doubt, the time at which the Net Asset Value is determined will always be after such time as the Directors shall determine as the Dealing Deadline. Any amendment to the Valuation Point will be notified to Shareholders and disclosed in an updated Relevant Supplement;

**Website**

[www.ubs.com/funds](http://www.ubs.com/funds) on which the Net Asset Value per Share and any other relevant information relating to any Fund will be published and on which this Prospectus and any other information in respect of the ICAV, including various shareholder communications, may be published.

## SCHEDULE II – RECOGNISED MARKETS

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank's Regulations. For the purposes of this Schedule II, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

(i)	Any stock exchange or market in any EU Member State (except Malta) or in any of the following member countries of the OECD:																																																																												
	Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the United States of America or the United Kingdom; or																																																																												
(ii)	Any of the following exchanges or markets:																																																																												
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iii)	<p>The following markets:</p> <ul style="list-style-type: none"> <li>- the UK market (i) conducted by banks and other institutions regulated by the Financial Conduct Authority ("FCA") and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) in non-investment products which are subject to the guidance contained in the "<b>Non-Investment Product Code</b>" drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as "<b>The Grey Paper</b>");</li> <li>- (a) NASDAQ in the United States, (b) the market in the US government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; (c) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and the National Association of Securities Dealers and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;</li> <li>- (a) NASDAQ Japan, (b) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan, and (c) Market of the High-Growth and Emerging Stocks ("<b>MOTHERS</b>")</li> <li>- the alternative investment markets in the United Kingdom regulated and operated by the London Stock Exchange;</li> <li>- the French Market for Titres de Créances Négotiables (over the counter market in negotiable debt instruments)</li> <li>- the over the counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada</li> <li>- EASDAQ (European Association of Securities Dealers Automated Quotation)</li> </ul>														
	<p>FDI</p> <p>Americas:</p> <p>Nasdaq, the Chicago Mercantile Exchange, American Stock Exchange, Chicago Board of Trade, Chicago Board of Trade (CBOT) (owned by the CME Group), Chicago Board of Options Exchange, Coffee, New York Futures Exchange, ICE Futures U.S. (ICE), New York Mercantile Exchange, Mexican Derivatives Exchange (MexDer, ,Montreal Exchange (MX), ROFEX (Rosario Futures Exchange), BM&amp;F Bovespa</p> <p>Asia:</p> <p>China Financial Futures Exchange (CFFEX), China Interbank Bond Market (CIBM) Hong Kong Futures Exchange (HKFE) — part of Hong Kong Exchanges and Clearing (HKEx), Bombay Stock Exchange (BSE), Metropolitan Stock Exchange of India Ltd., National Stock Exchange of India (NSE), Bursa Malaysia Derivatives Berhad, Tokyo Financial Exchange (TFX), Osaka Securities Exchange (OSE) Taiwan Futures Exchange (TAIFEX), Thailand Futures Exchange (TFEX), Singapore Exchange (SGX), Singapore International Monetary Exchange, Singapore Commodity Exchange,, Korea Exchange (KRX) Pakistan Stock Exchange, Eurex Asia,</p>														

Australasia:  
Australian Securities Exchange (ASX), Sydney Futures Exchange  
New Zealand Exchange (NZX), New Zealand Futures and Options Exchange ,

Africa/Middle East:  
Johannesburg Stock Exchange ("JSE") — Equity Derivatives Market, Dubai Gold & Commodities Exchange, NASDAQ Dubai

Europe:  
Athens Derivative Exchange, IDEM, Borsa Istanbul, Budapest Stock Exchange (BSE), Eurex Deutschland, Eurex Zurich, Euronext Derivatives Amsterdam, Euronext Derivatives Brussels, Euronext Derivatives Paris, Euronext Derivatives Lisbon, ICE Futures Europe, MEFF Exchange, Moscow Exchange, Nasdaq Copenhagen, Nasdaq Stockholm, Nasdaq Oslo, Nasdaq Helsinki, Ukrainian Exchange (UX), Oslo Bors, Warsaw Stock Exchange, London Stock Exchange — Derivatives Market, Euronext EQF

and any exchange or market, including any board of trade or similar entity, or automated quotation system, which exchanges and markets are regulated, operating regularly, recognised and open to the public in an EU Member State or a Member State of the European Economic Area.

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**SCHEDULE III – SUB-DELEGATE LIST**

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Current List of the Depositary's sub-delegates:

<b>MARKET</b>	<b>SUB CUSTODIAN</b>
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco Itaú Chile S.A.
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Hong Kong - Shanghai Stock Connect market and Hong Kong Shenzhen Stock Connect only)
	The Hongkong and Shanghai Banking Corporation Limited (for Hong Kong - Shanghai Stock Connect market and Hong Kong Shenzhen Stock Connect only)
	Standard Chartered Bank (Hong Kong) Limited (for Hong Kong - Shanghai Stock Connect market and Hong Kong Shenzhen Stock Connect only)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.

<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited

<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lebanon</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	Limited Liability Company Deutsche Bank

<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A.
	United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited
	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.

<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

# **UBS (Irl) Fund Solutions II ICAV - MSCI Emerging Markets Climate Paris Aligned Index Fund**

**(A sub-fund of UBS (Irl) Fund Solutions II ICAV, an umbrella Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).**

## **Supplement No. 2 2 September 2024**

**This Supplement (the "Supplement") forms part of the Prospectus dated 31 March 2023 (the "Prospectus") in relation to UBS (Irl) Fund Solutions II ICAV (the "ICAV") and should be read in the context of, and together with, the Prospectus and contains information relating to the UBS (Irl) Fund Solutions II ICAV – MSCI Emerging Markets Climate Paris Aligned Index Fund (the "Fund"), which is a separate sub-fund of the ICAV, represented by a separate series of shares in the ICAV (the "Shares").**

**Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.**

**Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in this Fund.**

The ICAV and the Directors of UBS (Irl) Fund Solutions II ICAV (the "**Directors**") listed in the "*Management*" section of the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the ICAV and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The ICAV and the Directors accept responsibility accordingly.



## DEFINITIONS

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

<b>Base Currency</b>	USD.
<b>Business Day</b>	Each normal bank business day in Ireland, inclusive of all public and/or bank holidays other than the following – New Year's Day, Good Friday, Easter Monday, Christmas Day and St. Stephen's Day – and days on which the Primary Stock Exchange, on which the constituents of the Index are traded, is open for trading, except individual, non-statutory rest days and days on which the Primary Stock Exchange in the main countries in which the Fund invests are closed, or on which 50% or more of the investments of the Fund cannot be adequately valued and/or such other day or days as the Directors and/or the Manager may determine and notify in advance to Shareholders.
<b>Closing Date</b>	2 April 2025 or such earlier or later date as the Directors and/or the Manager may determine.
<b>Dealing Day</b>	Every Business Day (excluding (i) any day on which a market on which securities included in the Index are listed or traded is closed and (ii) any day where the Index is not calculated) and/or such other day or days as the Directors and/or the Manager may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two Dealing Days at regular intervals in each month. A list of such closed market days will be published for the Fund in advance on the Website.
<b>Dealing Deadline</b>	For subscriptions: 1.00 pm (Dublin time) on the Business Day prior to the relevant Dealing Day.  For redemptions: 1.00 pm (Dublin time) on the Business Day prior to the relevant Dealing Day.
<b>Dealing NAV</b>	The Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
<b>EU Climate Regulations</b>	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 as amended by Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks and as supplemented by Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<b>Index</b>	MSCI Emerging Markets Climate Paris Aligned Index (Net Return).
<b>Index Provider</b>	MSCI.

<b>Initial Offer Period</b>	For all share classes on 3 September 2024 to 4.00pm (Irish time) on the Closing Date.
<b>Investment Manager</b>	UBS Asset Management (UK) Ltd.
<b>IOP</b>	Initial Offer Period
<b>IOP Settlement Date</b>	The third Business Day after the Closing Date.
<b>ISIN</b>	(USD) A-acc IE0008HR1293 (USD) I-A1-acc IE0001KTXM84 (USD) I-A2-acc IE0007O8RSD9 (USD) I-A3-acc IE000ZHDHUF6 (USD) I-B-acc IE000B9KL6D3 (USD) I-X-acc IE000RET2HI5 (hedged to EUR) I-B-acc IE000ITIM6L7
<b>Minimum Holding</b>	There is no minimum holding requirement for the Fund as at the date of this Supplement.
<b>Minimum Subscription Amount</b>	There is no minimum subscription amount in respect of the Fund as at the date of this Supplement.
<b>Minimum Redemption Amount</b>	There is currently no minimum redemption amount in respect of the Fund as at the date of this Supplement.
<b>Paris Agreement</b>	A legally binding international treaty on climate change, adopted in Paris on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a climate neutral world by mid-century.
<b>Settlement Date</b>	At the latest, on the second Business Day after the relevant Dealing Day.
<b>Share</b>	Any share of any Class of the Fund.
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures, an organisation formed by the Financial Stability Board for the purposes of developing voluntary, consistent disclosure recommendations for the provision of information to investors, about climate-related financial risks.
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the " <i>Determination of Net Asset Value</i> " section of the Prospectus, using last traded prices for securities. Details of the Index can be found on <a href="http://www.msci.com">www.msci.com</a> .
<b>Valuation Point</b>	10.30 pm (Dublin time) on each Business Day.
<b>Website</b>	<a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

## THE FUND AND SHARE CLASSES

### The Fund

UBS (Irl) Fund Solutions II ICAV - MSCI Emerging Markets Climate Paris Aligned Index Fundis a sub-fund of the ICAV.

The Fund may be suitable for investors seeking to reduce their exposure to transition and physical climate risks and to invest into opportunities arising from the transition to a lower-carbon economy in alignment with the Paris Agreement requirements via a diversified global portfolio of securities across emerging markets (EM) as described below in the "Investment Objective and Strategy" section. After incorporating the recommendations of the TCFD, the Fund's investment universe will exclude at least 20% of the least well-rated securities as against the standard index universe, being the Parent Index. The Fund does not benefit from an SRI label.

### **Share Classes**

To date, the following Classes of Shares are available:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

Shares may be issued and redeemed in exchange for cash, securities or a combination of cash and securities. To the extent required by applicable law of a country where the Shares are registered for public sale, cash redemptions may be accepted from Shareholders, subject to the procedures and charges described below and in the Prospectus. Please see the "*Purchase and Sale Information*" section of the Prospectus for further information.

The ICAV and/or the Manager may also, in accordance with the requirements of the Central Bank, without notice to Shareholders, create additional Share Classes, including Share Classes that are subject to fee arrangements and/or other terms that are different from those of any Share Class being offered hereby or then outstanding, including, without limitation offering Share Classes to certain entities affiliated with the Investment Manager. Such other Share Classes may be subject to higher, lower or no investment management or performance fees. A revised Supplement will be issued to reflect the creation of such other Share Classes.

A separate pool of assets will not be maintained for each of the Share Classes.

## **INVESTMENT OBJECTIVE AND POLICY**

### **Investment Objective**

The objective of the Fund is to seek to track the equity market performance of global emerging markets companies which form part of the Index with a focus on reduction in carbon emissions considerations defined by the Paris Agreement and specific exclusions of companies involved in controversial weapons, environmental, social and governance ("ESG") controversies, tobacco, environmental harm, thermal coal mining, oil & gas related activities and power generation.

### **Investment Policy**

In order to achieve the objective, the investment policy of the Fund is to seek to track the performance of the MSCI Emerging Markets Climate Paris Aligned Index (Net Return), (or any other index determined by the Directors from time to time to track substantially the same market as the MSCI Emerging Markets Climate Paris Aligned Index (Net Return) and which is considered by the Directors to be an appropriate index for the Fund to track, in accordance with the Prospectus (the "Index")), as closely as possible, while seeking to minimise as far as possible the difference in performance between the Fund and the Index.

The Fund seeks to achieve the objective by tracking the Index and, with regard to the climate criteria, giving exposure to global Emerging Markets companies which are meeting or working towards the climate goals recommended by the TCFD on carbon reduction and transition objectives towards a more sustainable and lower carbon economy while aligning with the Paris Agreement requirements.

The Fund seeks to invest all of its total net assets in securities that are constituents of the Index and the Index Provider constructs the Index on the basis of the Climate Criteria as defined in the section entitled "Description of the Index" below. The Index will eliminate securities as against the standard (parent) index universe based on their exposure to controversial weapons, ESG controversies, tobacco, environmental harm, thermal coal mining, oil & gas related activities and power generation. It is, therefore, expected that the Fund's exposure to the Climate Criteria will be higher than that of a Fund tracking a standard index.

The Fund is passively managed.

By pursuing the investment objective and seeking exposure to the Climate Criteria, the Fund complies with Article 9(3) of SFDR and is deemed to have sustainable investments as defined in Article 2, point (17) SFDR as its objective. Information related to sustainable investment is available in an annex to this document (SFDR RTS Art. 18(2)).

Any determination by the Directors that the Fund should track another index at any time shall be subject to Shareholder approval or the provision of reasonable notice to Shareholders (as applicable) and implemented in accordance with the requirements of the Central Bank and this Supplement shall be updated accordingly.

The Fund will use replication techniques as described below in order to minimise as far as possible the difference in performance between the returns of the Index and the return of the Fund, after Fees and Expenses. For information in relation to the difficulties associated with tracking indices, please refer to "Index Tracking Risk" in the "Risk Information" section of the Prospectus.

In order to seek to achieve this investment objective, the Investment Manager, on behalf of the Fund, will invest, using the Replication Strategy, primarily in the securities of the Index in the approximate weightings of the Index subject to the Investment Restrictions set forth in the Prospectus. This strategy seeks to hold all of the securities of the Index, with the approximate weightings as in that Index, so that essentially, the portfolio of the Fund will be a near mirror-image of the components of the Index. Further details regarding the Replication Strategy are disclosed in the "Investment Objectives, Policy and Strategy" section of the Prospectus.

There are also currency versions of the Index which are denominated in a currency other than US Dollars and hedged, including currency version denominated in EUR (a "**Hedged Currency Version**"), as detailed in the table below. The purpose of the Hedged Currency Version is to limit the profit or loss generated from foreign exchange exposure when holding a US Dollar denominated asset in a currency other than US Dollars. This is achieved by the Hedged Currency Version employing one month rolling forward FX contracts. In accordance with the Hedged Currency Version methodologies the Fund may also employ rolling forward FX contracts to limit the profit or loss generated from foreign exchange exposure when holding an US Dollar denominated asset in a currency other than US Dollars. Shareholders should note that the disclosure in respect of the Hedged Currency Version is for information purposes only and is to explain the manner in which the Fund will engage in currency hedging.

Share Class	Hedged Currency Version
(hedged to EUR) I-B-acc	MSCI Emerging Markets Climate Paris Aligned 100% Hedged to EUR Index (Net Return)

In seeking to implement its investment objective of tracking the performance of the Index, the Fund may also in exceptional circumstances hold securities which are not comprised in its Index, including, for example, securities in respect of which there has been an announcement or it is expected that they will shortly be included in the Index. In such case, the exposure to the Climate Criteria generated by these selected securities cannot be guaranteed. The Fund, for the purposes of assisting in tracking the Index, may also invest in securities which are not constituents of the Index where the Investment Manager

considers that such securities satisfy the Climate Criteria and may provide a similar return to certain securities that make up the Index. The Fund may avail of the higher investment limits allowed to certain index tracking funds, as described at paragraph 4.2 of the section of the Prospectus headed "Investment Restrictions". These limits may be availed of where exceptional market conditions apply for example if there is an increased allocation of an issuer within the Index. These exceptional market conditions include where a single constituent may, for various reasons, including as a result of a merger, have a very dominant position. If the investment limits of the Fund are exceeded for reasons beyond the control of the Directors, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders. The Fund as set out above utilises the Replication Strategy in order to track the Index, accordingly investment in the Fund should be considered to provide a direct exposure to the Index. Details of the Fund's tracking error and trading difference is set out in the section of the Prospectus entitled "Tracking Accuracy".

As the Fund does not pursue a synthetic index replication strategy in order to track the Index, there is no corresponding counterparty risk applicable. As a result of currency hedging, hedged Share Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "Counterparty Risk".

The Fund (as well as the Index) will take long positions only and the Fund will invest 100% of its net assets in long positions.

The Fund may, for the purpose of efficient portfolio management, where disclosed in the Manager's RMP Statement (if applicable) and in accordance with the conditions and limits imposed by the Central Bank, use financial derivative instruments ("**FDI**") including currency forwards, currency swaps, warrants, index futures and futures on stocks. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; or the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules. In particular, FDI may be used for the purpose of minimising differences in performance between the Fund and the relevant Index, ie, the risk that the Fund return varies from the Index's return.

To the extent that the Investment Manager, on behalf of the Fund, uses FDI, there may be a risk that the volatility of the Fund may increase. It is anticipated that the volatility level of the Fund will be closely correlated with the volatility of the Index. Investors should note that there can be no assurance that the historical volatility levels of the Index will continue to be observed in the future or that the Fund will have a similar volatility level and that, therefore, there is a risk that the Fund's volatility may be relatively high when compared to other investments and may change significantly over time and, as a result, an investment in the Fund may not be appropriate for all investors. That notwithstanding, the Fund is not expected to have an above average risk profile as a result of its use of or investment in FDI. FDI will be used within the limits stipulated by the Central Bank and as described in the "Use of Financial Derivative Instruments" section of the Prospectus. Accordingly, although FDI will be inherently leveraged, the primary purpose of the use of FDI is to minimise as far as possible the difference in performance between the Fund and the Index and, while the Fund will be leveraged as a result of its investments in FDI, such leverage (calculated under the commitment approach as set out in the "Risk Management" section below) will not exceed 100% of the Fund's total Net Asset Value at any time.

The Fund, subject to the restrictions imposed on the use of FDI described in the Prospectus and by the UCITS Regulations, may buy and sell futures contracts to either create exposure or reduce exposure to various securities included in the Index or to reduce certain aspects of risk inherent in specific trades. Futures contracts are agreements to buy or sell a fixed amount of an equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

Instruments shall be listed and/or traded on the exchanges and markets set out in Appendix II of the Prospectus.

The Manager has adopted a statement of its risk management processes ("RMP") in respect of the use of FDI which enables it to accurately measure, monitor and manage the various risks associated with

FDI and the Fund will employ only FDIs which are described in the RMP. The RMP was prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

## **INVESTMENT RESTRICTIONS**

It is the intention of the ICAV to seek German tax reporting status for all Classes of the Fund. On this basis, in addition to the investment restrictions set out in the Prospectus, the Fund will also adhere to the restriction that at least 80% of the Net Asset Value of the Fund shall be invested in equity participations (the "Equity Participation Ratio"). More details on the Equity Participation Ratio can be found in the Prospectus.

As the Fund will continuously invest more than 50% of their respective assets in equity investments (as defined in Section 2(8) of the German Investment Tax Act and related guidelines), it will qualify as an "Equity fund" within the meaning of Section 2(6) of the German Investment Tax Act for the partial exemption pursuant to Section 20(1) of the German Investment Tax Act.

Investors should refer to their tax advisors in relation to the implications of German tax reporting status being obtained.

## **USE OF FDI**

As detailed in the investment policy above the Fund may use the following FDI:

### *Futures, Index Futures & Futures on Stocks*

A futures contract is a standardised contract to exchange a specified asset of standardised quantity and quality for a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date.

Index futures may be used to manage a Fund's market exposure in a cost effective and efficient manner as futures are often more liquid and cost effective to trade for example, entering into an index future contract in place of immediate purchase of underlying securities, in certain circumstances may be deemed more cost effective and expedient.

A single stock future may be used to provide the Fund with exposure to a single security.

### *Currency swaps*

Swap contracts are two-party 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 amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. Swaps offer independent profit opportunities as well as the possibility to hedge existing long positions.

Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency.

### *Currency forwards*

A currency forward is a non-standardised contract between two parties to exchange two currencies at an agreed exchange rate at a specified future date and time. They are negotiated as Over the Counter transactions with approved counterparties; there is a potentially unlimited loss if the currency for which a short position has been taken rises in value versus the long currency so that the long currency becomes worthless.

### *Warrants*

Warrants are certificates entitling the holder to buy a specific amount of security at a specified price. In the case that the price of the security rises to above that of the warrant's exercise price, then the security can be bought at the warrant's exercise price and resell it for a profit. Otherwise, the warrant will simply

expire or remain unused. Warrants are listed on options exchanges and trade independently of the security with which it was issued.

## **HEDGING**

In accordance with the terms of the Prospectus, the Fund may (but shall not be obliged to) engage in currency hedging transactions in respect of Classes not denominated in the Base Currency to seek to hedge against declines in the values of one or more Classes of the Fund as a result of changes in currency exchange rates. All hedging transactions will be clearly attributable to a specific Class and therefore currency exposures of different Classes shall not be combined or offset and currency exposures of assets of the Fund shall not be allocated to separate Classes. Therefore, the costs, gains/losses of such hedging transactions will accrue solely to the relevant Class.

## **SECURITIES LENDING, REPURCHASE AND REVERSE REPURCHASE AGREEMENTS**

The ICAV will not enter into any securities lending, repurchase or reverse repurchase agreements in respect of the Fund.

## **DESCRIPTION OF THE INDEX**

*This section is a summary of the principal features of the MSCI Emerging Markets Climate Paris Aligned Index (Net Return) and is not a complete description of the Index.*

### **General**

The Index is a sub-set of the MSCI Emerging Markets Index (the "Parent Index"), being an equity index calculated, maintained and published by international index supplier MSCI® and denominated in USD. The Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who wish to pursue opportunities arising from the transition to a lower-carbon economy while aligning with the Paris Agreement requirements. The Index includes large and mid-cap securities worldwide across both developed markets and emerging market countries as further described in the Parent Index factsheet, available at <https://www.msci.com/emergingmarkets>.

The Index is constructed from the Parent Index following an optimisation process and is designed to align itself with the de-carbonisation pathways required to deliver the global 1.5 degrees Celsius increase targeted by the Paris Agreement. The Index Provider seeks to achieve this alignment by overweighting companies on a credible path to de-carbonisation or offering green solutions, while in contrast underweighting those poorly positioned for the transition to a lower-carbon economy and by limiting exposure to the growing physical risks. The Index is a benchmark for investors seeking exposure to global securities of issuers incorporated in or whose principal operations are in developed markets which contribute towards the climate related goals as described in the EU Climate Regulations and further below.

The Index is constructed from the Parent Index and is part of the MSCI Climate Paris Aligned Index series. The Index incorporates the recommendations of the TCFD and follows an optimisation-based approach that aims to exceed the minimum standards of the EU Climate Regulations. The Index Provider generates the eligible universe by firstly excluding constituents of the Parent Index based on the following controversies or controversial business activities:

1. Controversial Weapons: securities of companies involved in controversial weapons business as defined by the methodology of the MSCI Ex-Controversial Weapons Indexes;
2. ESG Controversies: securities of companies that have faced very severe controversies pertaining to ESG issues (being a "Red" MSCI ESG Controversies Score (score of 0));
3. Tobacco: securities of companies involved in Tobacco as defined in the methodology of the MSCI Global ex Tobacco Involvement Indexes;
4. Environmental Harm: securities of companies assessed as having involvement in environmental controversies that are classified as Red (MSCI Environmental Controversy Score of 0) or Orange Flags (score of 1).
5. Thermal Coal Mining: securities of companies deriving 1% or more revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external

parties. It excludes revenue from metallurgical coal, coal mined for internal power generation (e.g. in the case of vertically integrated power producers), intra-company sales of mined thermal coal, and revenue from coal trading;

6. Oil & Gas: securities of companies deriving 10% or more revenue from oil and gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities, and securities of companies deriving 50% or more revenue from thermal coal based power generation, liquid fuel based power generation and natural gas based power generation.

Further detail in respect of the exclusion criteria is available on the website of the Index Provider as set out in the section of the Supplement entitled "Index Methodology" below.

The Index Provider then uses its internal ESG research, ratings and analysis of the environmental, social and governance-related business practices ("MSCI ESG Research") to construct the Index with constituents to achieve certain climate objectives, including (i) alignment with the requirements of the Paris Agreement by achieving a maximum global temperature increase of 1.5 degrees Celsius through the use of the MSCI ESG Research Value-at-Risk tool which is designed to provide forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio; (ii) enforcing a 10% year-on-year de-carbonisation; (iii) reducing exposure to physical risk arising from extreme weather events by at least 50% shifting the Index weight from "brown" to "green" based on the MSCI Low Carbon Transition Score which rates companies from 0 (worst) to 10 (best) based on a multi-dimensional risk and opportunity assessment that is industry agnostic and considers both the predominant and secondary risks that each company faces; (iv) overweighting companies that are exposed to climate transition opportunities (v) underweighting companies which are exposed to climate transition risks and high-carbon emitters assessed using scope 1, 2 and 3 emissions as described in the EU Climate Regulations; and (vi) supporting companies with credible carbon-reduction targets and track records (the "Climate Criteria").

The final universe is constructed from the eligible universe by weighting the remaining constituents in accordance with their alignment with the Climate Criteria based on transition risks (e.g. policy constraints on emissions, imposition of carbon tax or land use restrictions), physical risks (e.g. disruption of operations or destruction of property) and transition opportunities provided by the MSCI ESG Research while applying the optimisation constraints to control turnover and deviation from the Parent Index.

At least 90% of the securities achieve the Climate Criteria as per MSCI ESG Research.

As the investment policy of the Fund is to track the Index, the portfolio management of the fund is passive. As a result, the approach taken in relation to the consideration of ESG criteria is the one taken by MSCI and therefore dependent on the approach and methodology defined by a third party.

The consideration of ESG criteria varies from one asset to the other because material key issues are industry-specific and do not affect all the assets equally. Consequently, MSCI sets the weights that determine each key issue's contribution to the overall Climate Criteria, based on the level of contribution of the industry to environmental or social impact and the expected time frame for risk/opportunity to materialise.

The Index rebalances on a semi-annual basis. The rebalancing frequency will have minimal impact on the transaction costs associated with the Fund as any rebalancing is not anticipated to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Index to be static.

It is not anticipated that the composition of the Index will be adjusted to the extent that tracking is not possible within the scope of standard UCITS investment restrictions.

Further details of the Index composition and its calculation methodology (including information on the procedure to be adopted by the index sponsor should the weighting of any particular stock exceed the permitted investment restrictions) can be found at the website set out below. The Investment Manager monitors the investment restrictions applicable to the Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock in the Index exceeds the permitted investment



restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Fund's exposure to that stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

### **Index Methodology**

The methodology of the construction of the Index (ticker no. 735618) is available on the MSCI internet website:

<https://www.msci.com/index-methodology>

Additional information about the Index can be found under:

<https://www.msci.com/our-solutions/indexes/low-carbon-indexes>

### **Index Factsheet**

The index factsheet is available on the MSCI website.

<https://www.msci.com/equity-fact-sheet-search>

### **Publication of the index value:**

The closing price of the underlying index is available on the MSCI website:

<https://www.msci.com/end-of-day-data-search>

### **Publication of the index composition:**

The composition of the underlying index is available on the MSCI website:

<https://www.msci.com/constituents>

## **RISK MANAGEMENT**

As disclosed above, the Fund may use FDI for the purposes of efficient portfolio management. The Investment Manager has adopted a commitment approach in the calculation of global exposure arising from the use of FDI. The Fund's global exposure relating to the use of FDI may not exceed its total net assets.

The commitment approach is calculated by converting the FDI position into an equivalent position based on the market value of the underlying asset. Where FDI are used for hedging purposes the exposure of the FDI is calculated and then netted against the instrument being hedged.

## **INVESTMENT RISKS**

Investment in the Fund carries with it a degree of risk including the risks described in the "*Risk Information*" section of the Prospectus and in this Supplement. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares.

In the event that the Fund uses FDI, the risk profile of the Fund may increase. For information in relation to the risks associated with the use of FDI, please note the following specific risks listed below. Please also refer to "*Derivatives Risk*" in the "*Risk Information*" section of the Prospectus.

### **Concentration Risk**

The Fund may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. In these cases, the Fund's performance will be closely tied to the market, currency, economic, political, or regulatory conditions and

developments in that country or region or those countries and could be more volatile than the performance of more geographically-diversified funds.

In addition, the Fund may concentrate its investments in companies in a particular industry, market or economic sector. When the Fund concentrates its investments in a particular industry, market or economic sector, financial, economic, business, and other developments affecting issuers in that industry, market or sector will have a greater effect on the Fund than if it had not concentrated its assets in that industry, market or sector.

Further, investors may buy or sell substantial amounts of the Shares in response to factors affecting or expected to affect a particular country, industry, market or sector in which the Fund concentrates its investments, resulting in abnormal inflows or outflows of cash into or out of the Fund. These abnormal inflows or outflows may cause the Fund's cash position or cash requirements to exceed normal levels, and consequently, adversely affect the management of the Fund and the Fund's performance.

### **Currency Risk**

The Fund may invest in securities that are denominated in currencies that differ from the Base Currency. Changes in the values of those currencies relative to the Base Currency may have a positive or negative effect on the values of the Fund's investments denominated in those currencies. The Fund may, but will not necessarily, invest in currency exchange contracts to help reduce exposure to different currencies, however there is no guarantee that these contracts will successfully do so. Also, these contracts may reduce or eliminate some or all of the benefit that a Fund may experience from favourable currency fluctuations.

### **Index Risk**

The ability of the Fund to achieve significant correlation between the performance of the Fund and the Index may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the Fund and the fees and expenses of the Fund. The Fund will seek to track Index returns as closely as possible regardless of the current or projected performance of the Index or of securities comprising the Index. As a result, the Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Fund.

### **Index Tracking Risk**

There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced or tracked exactly. Changes in the investments of the Fund and re-weightings of the relevant Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the Fund's tracking of the performance of an Index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing the Fund's investment portfolio may not be possible and may result in deviations from the return of the Index.

### **Investment Risk**

A Shareholder may lose the entire principal amount invested in the Fund. The value of the securities held in the Fund may increase or decrease, at times rapidly and unexpectedly. An investment in the Fund may at any point in the future be worth less than the original amount invested.

The total return on investment in the Shares may be reduced by taxes arising in the Fund including taxes in the jurisdictions in which the Fund invests. The Fund may benefit from reduced dividend withholding taxes under the terms of relevant double taxation treaties or conventions although there is no guarantee that it will do so. Please refer to the "Tax Information" section of the Prospectus for further information on the applicable tax treatment for the ICAV and the Fund.

## **Collateral Management Risk**

The ICAV may post and receive collateral as set out in the "Collateral Policy" section of the Prospectus. Collateral posted may be subject to operational, liquidity, counterparty, custody and legal risks. Please see the sections entitled "Risk Information - Securities Financing Transactions", "Securities Lending Risk", "Repurchase Agreements" and "Collateral Risk" of the Prospectus, which risks apply to the movement of collateral.

## **Currency Hedged Classes**

Fluctuations between the currency of a currency-hedged Class and the currency of an underlying Index constituents may be reduced by the use of one-month foreign exchange forwards. The use of one-month foreign exchange forwards may not take into account the underlying Index constituents' intra-month price movements. As a result a risk of an intra-month under- or over-hedging may arise. Consequently the performance of an Index measured in its base currency may not exactly be achieved by the hedged Index measured in the hedged currency.

## **Climate-Focused Investing Risk**

The Fund is subject to the risk that its climate-focused investment strategy may select or exclude securities of certain issuers for reasons other than investment performance considerations. As a result, the Fund may underperform funds that do not utilise a climate focused investment strategy. Certain climate-focused investments may be dependent on government policies and subsidies, which are subject to change or elimination. Successful application of the Fund's climate-focused investment strategy will depend on the success of the Index Provider's "Climate Criteria" in its construction of the Index properly identifying and analysing material climate-related issues and related business practices, and there can be no assurance that the strategy or techniques employed will be successful.

## **INVESTOR PROFILE**

Investors in the Fund are expected to be retail and professional investors or eligible counterparties (as described under MiFID II) seeking a return on their investment over a medium term time horizon who want to take an exposure to the equity market performance of companies of the global emerging market equity market under the climate criteria outlined in this Supplement and are prepared to accept the risks associated with an investment of this type. Based on the structure and composition of the Index, the volatility of the Fund, which may vary from time to time, is generally expected to be medium to high.

## **DIVIDEND POLICY**

It is not the current intention of the Directors to declare a dividend in relation to the following Share Classes:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

The net income attributable to the above Share Classes shall be retained within the Fund and the value of these Shares shall rise accordingly.

The Directors may declare dividends out of:

- (i) net income; and/or
- (ii) realised and unrealised gains net of realised and unrealised losses

attributable to any Share Classes designated with "dis" in their name.

in respect of each six month period ending on 31 December and 30 June within 30 calendar days of the end of the relevant period end. Any such dividends will be paid within two calendar months after declaration.

The Directors and/or the Manager reserve the right to increase or decrease the frequency of dividend payments, if any, at their discretion for income distribution Shares. In the event of a change of policy full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

Dividends will be paid to Shareholders through the settlement systems through which the Shares are held. The net income and/or realised and unrealised gains net of realised and unrealised losses available for distribution in respect of the relevant Class will be determined in accordance with the relevant law and generally accepted accounting principles consistently applied.

Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the ICAV.

Further information is set out in the "Distributions" section of the Prospectus.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

The following fees and expenses apply in respect of the Share Classes of the Fund:

Share Class	Maximum flat fee p.a.	Maximum flat fee p.a. for share classes with "hedged" in their name
Class "A"	0.160%	N/A
Class "I-A1"	0.160%	N/A
Class "I-A2"	0.160%	N/A
Class "I-A3"	0.160%	N/A
Class "I-X"	0.000%	N/A
Class "I-B"	0.118%	0.148%

The establishment costs of the Fund shall be borne by the Distributor and shall not be taken from the assets of the Fund.

## DETERMINATION OF THE NET ASSET VALUE

The Net Asset Value of the Fund and Net Asset Value per Share is calculated by the Administrator as at the Valuation Point on each Business Day and will be published on the Website.

## SUBSCRIPTIONS

The Fund is offering the following Classes:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

The Classes listed below will be initially available from the Initial Offer Period at an Initial Offer Price with an appropriate provision for Duties and Charges. The Initial Offer Price may be calculated based on the related Index variant as follows:

<b>Class</b>	<b>Initial Offer Price</b>
Class "A"	\$100
Class "I-A1"	\$100
Class "I-A2"	\$100
Class "I-A3"	\$100
Class "I-X"	\$100
Class "I-B"	\$100 (or currency equivalent)

In order to receive Shares at the close of the Initial Offer Period:

- (a) a properly completed share application form which satisfies the application requirements, including, but not limited to, full anti-money laundering documentation, must be received prior to the Dealing Deadline (Irish time) on the Closing Date (with the original to follow in the case of an initial subscription); and
- (b) appropriate, cleared subscription monies must, in the case of cash subscriptions, be received by and delivery of the securities must, in the case of in-kind subscriptions, be effected by no later than the IOP Settlement Date.

Settlement of Shares subscribed for during the Initial Offer Period will take place on the IOP Settlement Date, provided always that settlement may take place earlier if consideration for the relevant Shares is received prior to the IOP Settlement Date.

Settlement of Shares subscribed for after the Initial Offer Period will take place on the Settlement Date, provided always that settlement may take place earlier if consideration for the relevant Shares is received prior to the Settlement Date.

Following the Initial Offer Period, Shares in each Class will be issued on each Dealing Day at the Dealing NAV with an appropriate provision for Duties and Charges in accordance with the provisions set out in the Prospectus. In order to receive Shares on a Dealing Day:

- (a) a properly completed share application form which satisfies the application requirements, including, but not limited to, full anti-money laundering documentation, must be received prior to the Dealing Deadline (Irish time) on the relevant Dealing Day (with the original to follow in the case of an initial subscription); and
- (b) appropriate, cleared subscription monies must, in the case of cash subscriptions, be received by and delivery of the securities must, in the case of in-kind subscriptions, be effected by no later than the Settlement Date.

Applications for Shares may be submitted to the Administrator either by fax or electronically in accordance with the requirements of the Central Bank, provided that the original application form and the supporting documentation required for anti-money laundering purposes is received by post promptly thereafter.

Subsequent applications for Shares may be submitted to the Administrator either by fax or electronically in accordance with the requirements of the Central Bank and provided that all on-going anti-money laundering checks are complete.

#### *Anti-Dilution Levy*

The Directors reserve the right to impose an Anti-Dilution Levy of up to 2% on a transaction basis in the case of net subscriptions on the value of the relevant subscription calculated for the purposes of determining a subscription price to cover dealing costs and to preserve the value of the underlying assets of the Fund where they consider such a provision to be in the best interests of the Fund. Such

amount will be added to the price at which Shares will be issued in the case of net subscription requests. Any such sum will be paid into the account of the Fund.

The Directors may decide to temporarily apply an Anti-Dilution Levy of more than 2% in the event of exceptional circumstances (e.g. high market volatility and/or illiquidity, exceptional market conditions, market disruption, etc.), provided the Directors can justify that this is representative of the prevailing market conditions and that it is in the best interest of the Fund. This Anti-Dilution Levy will be calculated in accordance with the method determined by the Directors. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

## **REDEMPTIONS**

Shareholders in the Fund may request the redemption of Shares on any Dealing Day at the appropriate Dealing NAV, subject to an appropriate provision for Duties and Charges (subject to any applicable regulations), provided that a written redemption request is signed by the Shareholder and received by the Administrator by the Dealing Deadline on the relevant Dealing Day in accordance with the provisions of the Prospectus. Redemption requests will be processed on receipt of faxed or electronic instruction only where payment is made to the account of record of the Shareholder. Settlement will normally take place within two Business Days of the Dealing Day.

### *Anti-Dilution Levy*

The Directors reserve the right to impose an Anti-Dilution Levy of up to 2% in the case of net repurchases on a transaction basis on the value of the relevant repurchase calculated for the purposes of determining a Redemption Price to cover dealing costs and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

The Directors may decide to temporarily apply an Anti-Dilution Levy of more than 2% in the event of exceptional circumstances (e.g. high market volatility and/or illiquidity, exceptional market conditions, market disruption, etc.), provided the Directors can justify that this is representative of the prevailing market conditions and that it is in the best interest of the Fund. This Anti-Dilution Levy will be calculated in accordance with the method determined by the Directors. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

## **CONVERSIONS**

Shareholders should refer to the "Conversions" in the "Purchase and Sale" section of the Prospectus for information on Share conversions.

## **VALUATION OF ASSETS**

The method of valuation of the Net Asset Value is set out in detail in the "Determination of Net Asset Value" section of the Prospectus. Further to such provisions, each asset of the Fund will be valued at the last traded price on the relevant Recognised Market at the close of business on such Recognised Market on each Dealing Day.

## **INDEX DISCLAIMERS**

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NO PURCHASER, SELLER OR HOLDER OF THIS SECURITY, PRODUCT OR FUND, OR ANY OTHER PERSON OR ENTITY, SHOULD USE OR REFER TO ANY MSCI TRADE NAME, TRADEMARK OR SERVICE MARK TO SPONSOR, ENDORSE, MARKET OR PROMOTE THIS SECURITY WITHOUT FIRST CONTACTING MSCI TO DETERMINE WHETHER MSCI'S PERMISSION IS REQUIRED. UNDER NO CIRCUMSTANCES MAY ANY PERSON OR ENTITY CLAIM ANY AFFILIATION WITH MSCI WITHOUT THE PRIOR WRITTEN PERMISSION OF MSCI.

ANNEX III

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

**Legal entity identifier:**

UBS (Irl) Fund Solutions II ICAV - MSCI Emerging Markets  
Climate Paris Aligned Index Fund

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## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**

**No**

It will make a minimum of **sustainable investments with an environmental objective: 20 %**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_ % of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective: \_\_\_ %**

It promotes E/S characteristics, but **will not make any sustainable investments**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the sustainable objectives of this financial product are attained.



**What is the sustainable investment objective of this financial product?**

This financial product has a reduction in carbon emissions as its sustainable investment objective in view of achieving the long- term global warming objectives of the Paris Agreement. The financial product contributes to this by tracking, before expenses, the price and income performance of the MSCI Emerging Markets Climate Paris Aligned Index (Net Return) (the "Index"). The attainment of the sustainable investment objective is measured using the following ESG characteristics respectively:

- tracks/tracking of a benchmark with a sustainability profile (ESG Score) that is higher than the MSCI Emerging Markets Index (the “**Parent Index**”) sustainability profile
- a Carbon Intensity (1, 2) emissions indicator lower than Parent Index (MSCI)

The Reference Benchmark designated for the purpose of attaining the characteristics promoted by the financial product is MSCI Emerging Markets Climate Paris Aligned Index (Net Return).

• ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The objective is measured using the following indicators respectively:

- The MSCI ESG Score

MSCI ESG Scores are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The MSCI ESG Score is based on the underlying company’s exposure to industry-specific ESG risks and their ability to mitigate those risks relative to their peers. MSCI ESG Scores are also shown as a breakdown of the E, S and G scores, in reference to the different components that are considered for the environmental, social and government pillars. The components are also rated on a scale of 0-10. Based on the individual E, S and G values, a weighted average can be calculated. This is dynamic and takes into account the direct changes of all underlying results, which affect the individual E, S and G values. The MSCI ESG Score measures the most financially significant environmental, social and governance risks and opportunities of companies on the basis of the Key ESG themes. In addition, sectoral differences are taken into account through identifying key industry specific ESG issues relevant to each Key ESG Theme. This assessment of risk and opportunity makes the MSCI ESG Score a rather static measure, as the relative valuation of a sector remains constant over a longer period of time. Companies with the highest ratings are those assessed as best managing their exposures to the above mentioned Key ESG Themes and the associated issues. Each company in the product’s portfolio will produce a score which will contribute to the overall MSCI ESG Score of the product’s portfolio. The product’s MSCI ESG Score will be higher than that of the Parent Index.

- Weighted average carbon intensity (Scope 1+2) MSCI

The weighted average carbon intensity (“WACI”) measures a portfolio’s exposure to carbon-intensive companies. The WACI metric provides insight into potential risks related to the transition to a lower-carbon economy because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. It’s the sum product of the portfolio weights and individual carbon intensities (carbon emissions scope 1+2 / USDm sales).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<ul style="list-style-type: none"> <li>● <b><i>How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?</i></b></li> </ul>
<p>The financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p>
<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p> <p>The indices incorporate the MSCI ESG Controversies score, screening out on a timely basis any issuers in significant breach of ESG norms.</p> <p>MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score of 0) is excluded from Sustainability indices. The MSCI ESG Controversies Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.</p> <p>The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel landmines, nuclear weapons, biological weapons or chemical weapons.</p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products.</p> <p>The MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of a company’s operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with “0” being the most severe controversy.</p> <p>MSCI ESG Controversies and Global Norms Methodology</p>



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

Yes, this financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

The Index incorporates the MSCI ESG Controversies Score, screening out on a timely basis any issuers in significant breach of ESG norms.

MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score of 0) is excluded from Sustainability indices. The Controversy Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.

The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products, possible breaches of international norms and principles such as the UN Global Compact, and performance with respect to these norms and principles.

The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/ or anti-personnel landmines, nuclear weapons, biological weapons, or chemical weapons.

No



**What investment strategy does this financial product follow?**

This financial product seeks the objective(s) described in this annex through Index selection and passive asset management.

This financial product is passively managed and seeks to track the performance and the ESG profile of the Index. Sustainability objectives and risks are considered as part of the Index selection process. The Index which is stated by the index provider to be screened against environmental, social or governance criteria and any methodology used by the index provider to assess sustainability objectives and risks of the constituents of the Index can be found on the website of the index provider.

• ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The following binding element(s) of the investment strategy are used to select the investments to attain the objective sought by this financial product:

1):

- A sustainability profile (MSCI ESG Score) that is higher than the Parent Index’s sustainability profile

2):

- Carbon Intensity (1 and 2) emissions indicator that is lower than Parent Index (MSCI)

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

This financial product seeks to achieve a higher MSCI ESG Score and a lower Carbon Intensity emissions indicator than the Parent Index by tracking the performance and ESG profile of the Index. As set out in the section of the Supplement entitled “Description of the Index” in more detail, the Index is designed to align itself with the de-carbonisation pathways required to deliver the global 1.5 degrees Celsius increase targeted by the Paris Agreement. The Index Provider seeks to achieve this alignment by overweighting companies on a credible path to de-carbonisation or offering green solutions, while in contrast underweighting those poorly positioned for the transition to a lower-carbon economy and by limiting exposure to the growing physical risks.

The calculations do not take account of cash, derivatives, and unrated investment instruments.

The above (s) and the minimum proportion of sustainable investments are calculated at quarter end using the average of all of business days’ values in the quarter.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- **What is the policy to assess good governance practices of the investee companies?**

Assessment of good governance practices of the investee companies is performed by the index provider.

MSCI ESG Ratings analysis begins with an evaluation of each company’s Corporate Governance, taking into consideration the company’s ownership and control structures, the composition and effectiveness of its board, the effectiveness of its incentive practices and the integrity of its accounting. Corporate Behavior is also monitored, including any controversies that might have a significant negative impact on the company’s value.



**Asset allocation** describes the share of investments in specific assets.

**What is the asset allocation and the minimum share of sustainable investments?**

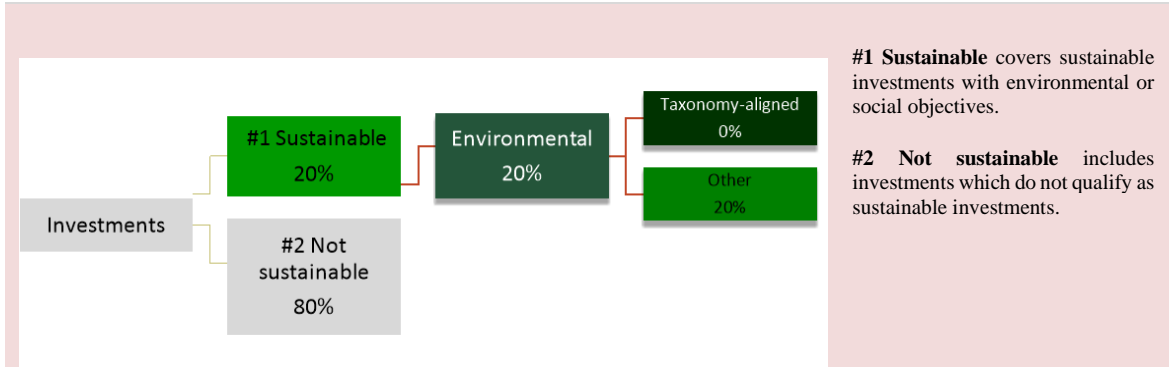
A minimum of 90% of the investments of the financial product will be selected in accordance with the binding elements of the investment strategy. A minimum of 20% of the investments of the financial product will be used to meet the sustainable investment objective. Up to 80% of the investments of the investments of the financial product may not fully meet all of the requirements to be deemed to be sustainable investments, however these investments will be selected according to the methodology of the Reference Index. Up to 10% of the investments of the financial product are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes.

**Taxonomy-aligned** activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



**#1 Sustainable** covers sustainable investments with environmental or social objectives.

**#2 Not sustainable** includes investments which do not qualify as sustainable investments.

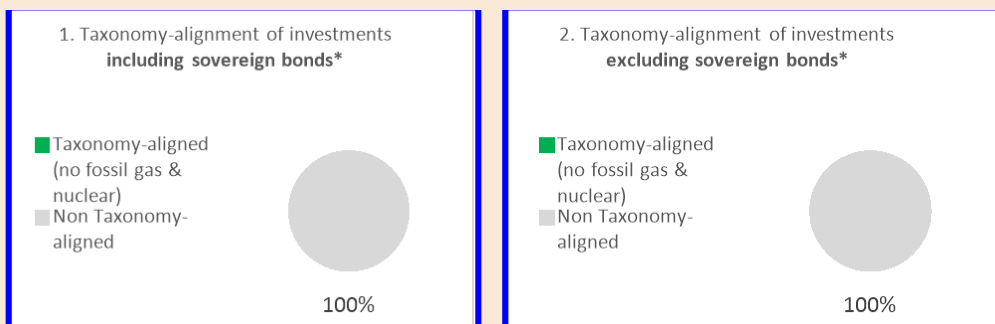
	<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the sustainable investment objective?</b></li> </ul>
	<p>The financial product tracks an ESG index and may replicate the performance of the Index by the use of derivatives. Derivatives will only be used in case that a) the investment objective cannot be achieved by investments Index components, in particular in order to reflect the performance of a currency hedge where a sub-fund replicates a currency-hedged Index, or b) to generate efficiencies in gaining exposure to the constituents of the Index, in particular where there are legal or practical obstacles to gaining direct access to a market to which the Index refers.</p> <p>The financial product may namely enter into a range of index related swaps (excluding funded swaps) and derivative instruments (futures, forwards, currency swaps, p-notes, options, warrants and foreign exchange contracts) in order to replicate the Index.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>The minimum extent that investments underlying this financial product are sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.</p>
	<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>3</sup>?</b></li> </ul>
	<p><input type="checkbox"/> Yes:</p> <p style="padding-left: 20px;"><input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

<sup>3</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules. Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	<p>Not applicable</p> <p><b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b></p>
	<p>The financial product targets a minimum proportion of sustainable investment as stated in the asset allocation of this annex.</p>
	<p><b>What is the minimum share of sustainable investments with a social objective?</b></p> <p>The financial product targets a minimum share of socially sustainable investments greater than 0%.</p>
	<p><b>What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?</b></p> <p>Included in “#2 Not sustainable” are up to 80% of the investments of the financial product which may not fully meet all the requirements to be deemed sustainable investments, however the investments will be selected for the financial product to seek to achieve a higher MSCI ESG Score and lower Carbon Intensity emissions indicator than the Parent Index and in accordance with the criteria of the Reference Index, which includes minimum exclusions and selection criteria applicable to the EU Climate Regulations.</p> <p>Up to 10% of the investments of the financial product are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes. No minimum environmental or social safeguards are applied in relation to these instruments. The proportion and use of these investments does not affect the delivery of the sustainable investment objective as the financial product commits to investing a minimum proportion of its investments to attaining the sustainable investment objective of the financial product.</p>



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

The Reference Benchmark designated for the purpose of attaining the sustainable objective of the financial product is the MSCI Emerging Markets Climate Paris Aligned Index (Net Return ).

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the sustainable objective it seeks to achieve. The Index rebalances on a semi-annual basis, more details on the index methodology applied by the Index provider can be found below. It is not anticipated that the composition of the Index will be adjusted to the extent that tracking is not possible.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The alignment of the investment strategy with the methodology of the Index is ensured on a continuous basis as the Index provider rebalances the Index on a regular basis and the Investment Manager will track the Index in line with the limits set out in the investment policy of the fund.

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the investment objective it seeks to achieve.

The investment strategy of the fund is to track the benchmark's return and its characteristics, including ESG characteristics, as closely as reasonably possible.

The Investment Manager reviews the Index methodology when the product is set up and the Index provider may be contacted if the Index methodology is no longer in line with the investment strategy of the financial product.

- ***How does the designated index differ from a relevant broad market index?***

The Index (MSCI Emerging Markets Climate Paris Aligned Index (Net Return ) is part of the MSCI Climate Paris Aligned Index series. The Index draws its constituents from the Parent Index, being an equity index calculated, maintained and published by international index supplier MSCI® and denominated in USD. The Index tracks the total return net dividend performance of large and mid-capitalisation global emerging markets companies.

- ***Where can the methodology used for the calculation of the designated index be found?***

The methodology of the construction of the Index can be found in the fund supplement.

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_GIMIMethodology\\_Nov2022.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_GIMIMethodology_Nov2022.pdf)  
[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_IndexCalcMethodology\\_July2022.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_IndexCalcMethodology_July2022.pdf)  
[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_Climate\\_Paris\\_Aligned\\_Indexes.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_Climate_Paris_Aligned_Indexes.pdf)

**Where can I find more product specific information online?**



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

	<b>More product-specific information can be found on the website:</b>
	<a href="http://www.ubs.com/funds">www.ubs.com/funds</a>



# **UBS (Irl) Fund Solutions II ICAV - MSCI World Climate Paris Aligned Index Fund**

**(A sub-fund of UBS (Irl) Fund Solutions II ICAV, an umbrella Irish collective asset-management vehicle with variable capital and segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).**

## **Supplement No. 3 2 September 2024**

**This Supplement (the "Supplement") forms part of the Prospectus dated 31 March 2023 (the "Prospectus") in relation to UBS (Irl) Fund Solutions II ICAV (the "ICAV") and should be read in the context of, and together with, the Prospectus and contains information relating to the UBS (Irl) Fund Solutions II ICAV – MSCI World Climate Paris Aligned Index Fund (the "Fund"), which is a separate sub-fund of the ICAV, represented by a separate series of shares in the ICAV (the "Shares").**

**Prospective investors should review this Supplement and the Prospectus carefully and in their entirety. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.**

**Potential investors should consider the risk factors set out in the Prospectus and in this Supplement before investing in this Fund.**

The ICAV and the Directors of UBS (Irl) Fund Solutions II ICAV (the "**Directors**") listed in the "*Management*" section of the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the ICAV and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The ICAV and the Directors accept responsibility accordingly.

## DEFINITIONS

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

<b>Base Currency</b>	USD.
<b>Business Day</b>	Each normal bank business day in Ireland, inclusive of all public and/or bank holidays other than the following – New Year’s Day, Good Friday, Easter Monday, Christmas Day and St. Stephen’s Day – and days on which the Primary Stock Exchange, on which the constituents of the Index are traded, is open for trading, except individual, non-statutory rest days and days on which the Primary Stock Exchange in the main countries in which the Fund invests are closed, or on which 50% or more of the investments of the Fund cannot be adequately valued and/or such other day or days as the Directors and/or the Manager may determine and notify in advance to Shareholders.
<b>Closing Date</b>	2 April 2025 or such earlier or later date as the Directors and/or the Manager may determine.
<b>Dealing Day</b>	Every Business Day (excluding any day where the Index is not calculated) and/or such other day or days as the Directors and/or the Manager may determine and notify to the Administrator and to Shareholders in advance, provided there shall be at least two Dealing Days at regular intervals in each month. A list of such closed market days will be published for the Fund in advance on the Website.
<b>Dealing Deadline</b>	For subscriptions: 1.00 pm (Dublin time) on the Business Day prior to the relevant Dealing Day.  For redemptions: 1.00 pm (Dublin time) on the Business Day prior to the relevant Dealing Day.
<b>Dealing NAV</b>	The Net Asset Value per Share calculated as at the Valuation Point on the relevant Dealing Day.
<b>EU Climate Regulations</b>	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 as amended by Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks and as supplemented by Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<b>Index</b>	MSCI World Climate Paris Aligned Index (Net Return)
<b>Index Provider</b>	MSCI.

<b>Initial Offer Period</b>	For all share classes on 3 September 2024 to 4.00pm (Irish time) on the Closing Date.
<b>Investment Manager</b>	UBS Asset Management (UK) Ltd.
<b>IOP</b>	Initial Offer Period.
<b>IOP Settlement Date</b>	The third Business Day after the Closing Date.
<b>ISIN</b>	(USD) A-acc IE0007D97GW6 (USD) I-A1-acc IE000JOOPYZ6 (USD) I-A2-acc IE000JNDYC89 (USD) I-A3-acc IE000SS767C8 (USD) I-B-acc IE000JN5OIJ6 (USD) I-X-acc IE000UPOG038 (hedged to EUR) I-B-acc IE000HNLV308
<b>Minimum Holding</b>	There is no minimum holding requirement for the Fund as at the date of this Supplement.
<b>Minimum Subscription Amount</b>	There is no minimum subscription amount in respect of the Fund as at the date of this Supplement.
<b>Minimum Redemption Amount</b>	There is currently no minimum redemption amount in respect of the Fund as at the date of this Supplement.
<b>Paris Agreement</b>	A legally binding international treaty on climate change, adopted in Paris on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to below 2 degrees Celsius, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a climate neutral world by mid-century.
<b>Settlement Date</b>	At the latest, on the second Business Day after the relevant Dealing Day.
<b>Share</b>	Any share of any Class of the Fund.
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures, an organisation formed by the Financial Stability Board for the purposes of developing voluntary, consistent disclosure recommendations for the provision of information to investors, about climate-related financial risks.
<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the " <i>Determination of Net Asset Value</i> " section of the Prospectus, using last traded prices for securities. Details of the Index can be found on <a href="http://www.msci.com">www.msci.com</a> .
<b>Valuation Point</b>	10.30 pm (Dublin time) on each Business Day.
<b>Website</b>	<a href="http://www.ubs.com/funds">www.ubs.com/funds</a>

## THE FUND AND SHARE CLASSES

### The Fund

UBS (Irl) Fund Solutions II ICAV - MSCI World Climate Paris Aligned Index Fund is a sub-fund of the ICAV.

The Fund may be suitable for investors seeking to reduce their exposure to transition and physical climate risks and to invest into opportunities arising from the transition to a lower-carbon economy in alignment with the Paris Agreement requirements via a diversified global portfolio of securities as described below in the "Investment Objective and Strategy" section. After incorporating the recommendations of the TCFD, the Fund's investment universe will exclude at least 20% of the least well-rated securities as against the standard index universe, being the Parent Index. The Fund does not benefit from an SRI label.

## Share Classes

To date, the following Classes of Shares are available:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

Shares may be issued and redeemed in exchange for cash, securities or a combination of cash and securities. To the extent required by applicable law of a country where the Shares are registered for public sale, cash redemptions may be accepted from Shareholders, subject to the procedures and charges described below and in the Prospectus. Please see the "*Purchase and Sale Information*" section of the Prospectus for further information.

The ICAV and/or the Manager may also, in accordance with the requirements of the Central Bank, without notice to Shareholders, create additional Share Classes, including Share Classes that are subject to fee arrangements and/or other terms that are different from those of any Share Class being offered hereby or then outstanding, including, without limitation offering Share Classes to certain entities affiliated with the Investment Manager. Such other Share Classes may be subject to higher, lower or no investment management or performance fees. A revised Supplement will be issued to reflect the creation of such other Share Classes.

A separate pool of assets will not be maintained for each of the Share Classes.

## INVESTMENT OBJECTIVE AND POLICY

### Investment Objective

The objective of the Fund is to seek to track the equity market performance of global companies which form part of the Index with a focus on reduction in carbon emissions considerations defined by the Paris Agreement and specific exclusions of companies involved in controversial weapons, environmental, social and governance ("ESG") controversies, tobacco, environmental harm, thermal coal mining, oil & gas related activities and power generation.

### Investment Policy

In order to achieve the objective, the investment policy of the Fund is to seek to track the performance of the MSCI World Climate Paris Aligned Index (Net Return), (or any other index determined by the Directors from time to time to track substantially the same market as the MSCI World Climate Paris Aligned Index (Net Return) and which is considered by the Directors to be an appropriate index for the Fund to track, in accordance with the Prospectus (the "**Index**")), as closely as possible, while seeking to minimise as far as possible the difference in performance between the Fund and the Index.

The Fund seeks to achieve the objective by tracking the Index and, with regard to the climate criteria, giving exposure to global companies which are meeting or working towards the climate goals recommended by the TCFD on carbon reduction and transition objectives towards a more sustainable and lower carbon economy while aligning with the Paris Agreement requirements.

The Fund seeks to invest all of its total net assets in securities that are constituents of the Index and the Index Provider constructs the Index on the basis of the Climate Criteria as defined in the section entitled "Description of the Index" below. The Index will eliminate securities as against the standard (parent) index universe based on their exposure to controversial weapons, ESG controversies, tobacco, environmental harm, thermal coal mining, oil & gas related activities and power generation. It is, therefore, expected that the Fund's exposure to the Climate Criteria will be higher than that of a Fund tracking a standard index.

The Fund is passively managed.

By pursuing the investment objective and seeking exposure to the Climate Criteria, the Fund complies with Article 9(3) of SFDR and is deemed to have sustainable investments as defined in Article 2, point (17) SFDR as its objective. Information related to sustainable investment is available in an annex to this document (SFDR RTS Art. 18(2)).

Any determination by the Directors that the Fund should track another index at any time shall be subject to Shareholder approval or to the provision of reasonable notice to Shareholders (as applicable) and implemented in accordance with the requirements of the Central Bank and this Supplement shall be updated accordingly.

The Fund seeks to achieve the objective by investing in the constituents of the Index. The Fund will use techniques as described below in order to seek to deliver risk-return characteristics in line with the Index, after Fees and Expenses. The Fund will follow a Replication Strategy by investing in the securities of the Index subject to the Investment Restrictions set forth in the Prospectus. These securities (which may include depositary receipts) shall be listed and/or traded on the exchanges and markets set out in Schedule II of the Prospectus.

There are also currency versions of the Index which are denominated in a currency other than US Dollars and hedged, including a currency version denominated in EUR (a "**Hedged Currency Version**"), as detailed in the table below. The purpose of the Hedged Currency Version is to limit the profit or loss generated from foreign exchange exposure when holding a US Dollar denominated asset in a currency other than US Dollars. This is achieved by the Hedged Currency Version employing one month rolling forward FX contracts. In accordance with the Hedged Currency Version methodologies the Fund may also employ rolling forward FX contracts to limit the profit or loss generated from foreign exchange exposure when holding a US Dollar denominated asset in a currency other than US Dollars. Shareholders should note that the disclosure in respect of the Hedged Currency Versions is for information purposes only and is to explain the manner in which the Fund will engage in currency hedging.

Share Class	Hedged Currency Version
(hedged to EUR) I-B-acc	MSCI World Climate Paris Aligned 100% Hedged to EUR Index (Net Return)

In seeking to implement its objective of tracking the performance of the Index, the Fund may also in exceptional circumstances hold securities which are not comprised in its Index, including, for example, securities in respect of which there has been an announcement or it is expected that they will shortly be included in the Index. In such case, the exposure to the Climate Criteria generated by these selected securities cannot be guaranteed. The Fund, for the purposes of assisting in tracking the Index, may also invest in securities which are not constituents of the Index where the Investment Manager considers that such securities satisfy the Climate Criteria and may provide a similar return to certain securities that make up the Index. The Fund may avail of the higher investment limits allowed to certain index tracking funds, as described at paragraph 4.2 of the section of the Prospectus headed "Investment Restrictions". These limits may be availed of where exceptional market conditions apply for example if there is an increased allocation of an issuer within the Index. These exceptional market conditions include where a single constituent may, for various reasons, including as a result of a merger, have a very dominant position. If the investment limits of the Fund are exceeded for reasons beyond the control of the Directors, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders. The Fund as set out above utilises the Replication Strategy in order to track the Index, accordingly investment in the Fund should be considered to provide a direct exposure to the

Index. Details of the Fund's tracking error and trading difference is set out in the section of the Prospectus entitled "Tracking Accuracy".

As the Fund does not pursue a synthetic index replication strategy in order to track the Index, there is no corresponding counterparty risk applicable. As a result of currency hedging, hedged Share Classes may be exposed to counterparty risk as further detailed in the section of the Prospectus entitled "Counterparty Risk".

The Fund (as well as the Index) will take long positions only and the Fund will invest 100% of its net assets in long positions.

The Fund may, for the purpose of efficient portfolio management, where disclosed in the Manager's RMP Statement (if applicable) and in accordance with the conditions and limits imposed by the Central Bank, use financial derivative instruments ("FDI") including currency forwards, currency swaps, warrants, index futures and futures on stocks. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; or the generation of additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Rules. In particular, FDI may be used for the purpose of minimising differences in performance between the Fund and the relevant Index, ie, the risk that the Fund return varies from the Index's return.

To the extent that the Investment Manager, on behalf of the Fund, uses FDI, there may be a risk that the volatility of the Fund may increase. It is anticipated that the volatility level of the Fund will be closely correlated with the volatility of the Index. Investors should note that there can be no assurance that the historical volatility levels of the Index will continue to be observed in the future or that the Fund will have a similar volatility level and that, therefore, there is a risk that the Fund's volatility may be relatively high when compared to other investments and may change significantly over time and, as a result, an investment in the Fund may not be appropriate for all investors. That notwithstanding, the Fund is not expected to have an above average risk profile as a result of its use of or investment in FDI. FDI will be used within the limits stipulated by the Central Bank and as described in the "Use of Financial Derivative Instruments" section of the Prospectus. Accordingly, although FDI will be inherently leveraged, the primary purpose of the use of FDI is to minimise as far as possible the difference in performance between the Fund and the Index and, while the Fund will be leveraged as a result of its investments in FDI, such leverage (calculated under the commitment approach as set out in the "Risk Management" section below) will not exceed 100% of the Fund's total Net Asset Value at any time.

The Fund, subject to the restrictions imposed on the use of FDI described in the Prospectus and by the UCITS Regulations, may buy and sell futures contracts to either create exposure or reduce exposure to various securities included in the Index or to reduce certain aspects of risk inherent in specific trades. Futures contracts are agreements to buy or sell a fixed amount of an equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

Instruments shall be listed and/or traded on the exchanges and markets set out in Appendix II of the Prospectus.

The Manager has adopted a statement of its risk management processes ("RMP") in respect of the use of FDI which enables it to accurately measure, monitor and manage the various risks associated with FDI and the Fund will employ only FDIs which are described in the RMP. The RMP was prepared and submitted to the Central Bank in accordance with the Central Bank requirements.

## **INVESTMENT RESTRICTIONS**

It is the intention of the ICAV to seek German tax reporting status for all Classes of the Fund. On this basis, in addition to the investment restrictions set out in the Prospectus, the Fund will also adhere to the restriction that at least 80% of the Net Asset Value of the Fund shall be invested in equity participations (the "Equity Participation Ratio"). More details on the Equity Participation Ratio can be found in the Prospectus.

As the Fund will continuously invest more than 50% of their respective assets in equity investments (as defined in Section 2(8) of the German Investment Tax Act and related guidelines), it will qualify as an "Equity fund" within the meaning of Section 2(6) of the German Investment Tax Act for the partial exemption pursuant to Section 20(1) of the German Investment Tax Act.

Investors should refer to their tax advisors in relation to the implications of German tax reporting status being obtained.

## **USE OF FDI**

As detailed in the investment policy above the Fund may use the following FDI:

### *Futures, Index Futures & Futures on Stocks*

A futures contract is a standardised contract to exchange a specified asset of standardised quantity and quality for a price agreed today (the futures price or the strike price) with delivery occurring at a specified future date, the delivery date.

Index futures may be used to manage a Fund's market exposure in a cost effective and efficient manner as futures are often more liquid and cost effective to trade for example, entering into an index future contract in place of immediate purchase of underlying securities, in certain circumstances may be deemed more cost effective and expedient.

A single stock future may be used to provide the Fund with exposure to a single security.

### *Currency swaps*

Swap contracts are two-party 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 amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. Swaps offer independent profit opportunities as well as the possibility to hedge existing long positions.

Currency swaps are agreements between two parties to exchange future payments in one currency for payments in another currency.

### *Currency forwards*

A currency forward is a non-standardised contract between two parties to exchange two currencies at an agreed exchange rate at a specified future date and time. They are negotiated as Over the Counter transactions with approved counterparties; there is a potentially unlimited loss if the currency for which a short position has been taken rises in value versus the long currency so that the long currency becomes worthless.

### *Warrants*

Warrants are certificates entitling the holder to buy a specific amount of security at a specified price. In the case that the price of the security rises to above that of the warrant's exercise price, then the security can be bought at the warrant's exercise price and resell it for a profit. Otherwise, the warrant will simply expire or remain unused. Warrants are listed on options exchanges and trade independently of the security with which it was issued.

## **HEDGING**

In accordance with the terms of the Prospectus, the Fund may (but shall not be obliged to) engage in currency hedging transactions in respect of Classes not denominated in the Base Currency to seek to hedge against declines in the values of one or more Classes of the Fund as a result of changes in currency exchange rates. All hedging transactions will be clearly attributable to a specific Class and therefore currency exposures of different Classes shall not be combined or offset and currency

exposures of assets of the Fund shall not be allocated to separate Classes. Therefore, the costs, gains/losses of such hedging transactions will accrue solely to the relevant Class.

## **SECURITIES LENDING, REPURCHASE AND REVERSE REPURCHASE AGREEMENTS**

The ICAV will not enter into any securities lending, repurchase or reverse repurchase agreements in respect of the Fund.

## **DESCRIPTION OF THE INDEX**

*This section is a summary of the principal features of the MSCI World Climate Paris Aligned Index (Net Return) and is not a complete description of the Index.*

### **General**

The Index is a sub-set of the MSCI World Index (the “**Parent Index**”), being an equity index calculated, maintained, and published by international index supplier MSCI® and denominated in USD. The Index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who wish to pursue opportunities arising from the transition to a lower-carbon economy while aligning with the Paris Agreement requirements. The Index includes large and mid-cap global stocks across developed markets countries.

The Index is constructed from the Parent Index following an optimisation process and is designed to align itself with the de-carbonisation pathways required to deliver the global 1.5 degrees Celsius increase targeted by the Paris Agreement. The Index Provider seeks to achieve this alignment by overweighting companies on a credible path to de-carbonisation or offering green solutions, while in contrast underweighting those poorly positioned for the transition to a lower-carbon economy and by limiting exposure to the growing physical risks. The Index is a benchmark for investors seeking exposure to global securities of issuers incorporated in or whose principal operations are in developed markets which contribute towards the climate related goals as described in the EU Climate Regulations and further below.

The Index is constructed from the Parent Index and is part of the MSCI Climate Paris Aligned Index series. The Index incorporates the recommendations of the TCFD and follows an optimisation-based approach that aims to exceed the minimum standards of the EU Climate Regulations. The Index Provider generates the eligible universe by firstly excluding constituents of the Parent Index based on the following controversies or controversial business activities:

1. Controversial Weapons: securities of companies involved in controversial weapons business as defined by the methodology of the MSCI Ex-Controversial Weapons Indexes;
2. ESG Controversies: securities of companies that have faced very severe controversies pertaining to ESG issues (being a “Red” MSCI ESG Controversies Score (score of 0));
3. Tobacco: securities of companies involved in Tobacco as defined in the methodology of the MSCI Global ex Tobacco Involvement Indexes;
4. Environmental Harm: securities of companies assessed as having involvement in environmental controversies that are classified as Red (MSCI Environmental Controversy Score of 0) or Orange Flags (score of 1).
5. Thermal Coal Mining: securities of companies deriving 1% or more revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes revenue from metallurgical coal, coal mined for internal power generation (e.g. in the case of vertically integrated power producers), intra-company sales of mined thermal coal, and revenue from coal trading;
6. Oil & Gas: securities of companies deriving 10% or more revenue from oil and gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining but excluding biofuel production and sales and trading activities, and securities of companies deriving 50% or more revenue from thermal coal based power generation, liquid fuel based power generation and natural gas based power generation.



Further detail in respect of the exclusion criteria is available on the website of the Index Provider as set out in the section of the Supplement entitled "Index Methodology" below.

The Index Provider then uses its internal ESG research, ratings and analysis of the environmental, social and governance-related business practices ("MSCI ESG Research") to construct the Index with constituents to achieve certain climate objectives, including (i) alignment with the requirements of the Paris Agreement by achieving a maximum global temperature increase of 1.5 degrees Celsius through the use of the MSCI ESG Research Value-at-Risk tool which is designed to provide forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio; (ii) enforcing a 10% year-on-year de-carbonisation; (iii) reducing exposure to physical risk arising from extreme weather events by at least 50% shifting the Index weight from "brown" to "green" based on the MSCI Low Carbon Transition Score which rates companies from 0 (worst) to 10 (best) based on a multi-dimensional risk and opportunity assessment that is industry agnostic and considers both the predominant and secondary risks that each company faces; (iv) overweighting companies that are exposed to climate transition opportunities (v) underweighting companies which are exposed to climate transition risks and high-carbon emitters assessed using scope 1, 2 and 3 emissions as described in the EU Climate Regulations; and (vi) supporting companies with credible carbon-reduction targets and track records (the "Climate Criteria").

The final universe is constructed from the eligible universe by weighting the remaining constituents in accordance with their alignment with the Climate Criteria based on transition risks (e.g. policy constraints on emissions, imposition of carbon tax or land use restrictions), physical risks (e.g. disruption of operations or destruction of property) and transition opportunities provided by the MSCI ESG Research while applying the optimisation constraints to control turnover and deviation from the Parent Index.

At least 90% of the securities achieve the Climate Criteria as per MSCI ESG Research.

As the investment policy of the Fund is to track the Index, the portfolio management of the Fund is passive. As a result, the approach taken in relation to the consideration of ESG criteria is the one taken by MSCI and therefore dependent on the approach and methodology defined by a third party.

The consideration of ESG criteria varies from one asset to the other because material key issues are industry-specific and do not affect all the assets equally. Consequently, MSCI sets the weights that determine each key issue's contribution to the overall Climate Criteria, based on the level of contribution of the industry to environmental or social impact and the expected time frame for risk/opportunity to materialise.

The Index rebalances on a semi-annual basis. The rebalancing frequency will have minimal impact on the transaction costs associated with the Fund as any rebalancing is not anticipated to require any higher frequency of position turnover in the Fund than would otherwise be the case were the Index to be static.

It is not anticipated that the composition of the Index will be adjusted to the extent that tracking is not possible within the scope of standard UCITS investment restrictions.

Further details of the Index composition and its calculation methodology (including information on the procedure to be adopted by the index sponsor should the weighting of any particular stock exceed the permitted investment restrictions) can be found at the website set out below. The Investment Manager monitors the investment restrictions applicable to the Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock in the Index exceeds the permitted investment restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Fund's exposure to that stock to ensure that the Fund at all times operates within the permitted investment restrictions and complies with the requirements of the UCITS Regulations.

## **Index Methodology**

The methodology of the construction of the Index (ticker no. 735619) is available on the MSCI internet website:

<https://www.msci.com/index-methodology>

Additional information about the Index can be found under:

<https://www.msci.com/our-solutions/indexes/low-carbon-indexes>

### **Index Factsheet**

The index factsheet is available on the MSCI internet website.

<https://www.msci.com/equity-fact-sheet-search>

### **Publication of the Index Value:**

The closing price of the Index is available on the MSCI website:

<https://www.msci.com/end-of-day-data-search>

### **Publication of the Index Composition:**

The composition of the Index is available on the MSCI website:

<https://www.msci.com/constituents>

## **RISK MANAGEMENT / LEVERAGE**

Although FDI will be inherently leveraged, the primary purpose of the use of FDI is to minimise as far as possible the difference in performance between the Fund and the Index. While the Fund will be leveraged as a result of its investments in FDI, such leverage will not exceed 100% of the Fund's total Net Asset Value at any time.

As disclosed above, the Fund may use FDI for the purposes of efficient portfolio management. The Investment Manager has adopted a commitment approach in the calculation of global exposure arising from the use of FDI. The Fund's global exposure relating to the use of FDI may not exceed its total net assets.

The commitment approach is calculated by converting the FDI position into an equivalent position based on the market value of the underlying asset. Where FDI are used for hedging purposes the exposure of the FDI is calculated and then netted against the instrument being hedged.

## **INVESTMENT RISKS**

Investment in the Fund carries with it a degree of risk including the risks described in the "*Risk Information*" section of the Prospectus and in this Supplement. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares.

In the event that the Fund uses FDI, the risk profile of the Fund may increase. For information in relation to the risks associated with the use of FDI, please note the following specific risks listed below. Please also refer to "*Derivatives Risk*" in the "*Risk Information*" section of the Prospectus.

### **Concentration Risk**

The Fund may invest a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. In these cases, the Fund's performance will be closely tied to the market, currency, economic, political, or regulatory conditions and developments in that country or region or those countries and could be more volatile than the performance of more geographically-diversified funds.

In addition, the Fund may concentrate its investments in companies in a particular industry, market or economic sector. When the Fund concentrates its investments in a particular industry, market or economic sector, financial, economic, business, and other developments affecting issuers in that industry, market or sector will have a greater effect on the Fund than if it had not concentrated its assets

in that industry, market or sector.

Further, investors may buy or sell substantial amounts of the Shares in response to factors affecting or expected to affect a particular country, industry, market or sector in which the Fund concentrates its investments, resulting in abnormal inflows or outflows of cash into or out of the Fund. These abnormal inflows or outflows may cause the Fund's cash position or cash requirements to exceed normal levels, and consequently, adversely affect the management of the Fund and the Fund's performance.

### **Currency Risk**

The Fund may invest in securities that are denominated in currencies that differ from the Base Currency. Changes in the values of those currencies relative to the Base Currency may have a positive or negative effect on the values of the Fund's investments denominated in those currencies. The Fund may, but will not necessarily, invest in currency exchange contracts to help reduce exposure to different currencies, however there is no guarantee that these contracts will successfully do so. Also, these contracts may reduce or eliminate some or all of the benefit that a Fund may experience from favourable currency fluctuations.

### **Index Risk**

The ability of the Fund to achieve significant correlation between the performance of the Fund and the Index may be affected by changes in securities markets, changes in the composition of the Index, cash flows into and out of the Fund and the fees and expenses of the Fund. The Fund will seek to track Index returns as closely as possible regardless of the current or projected performance of the Index or of securities comprising the Index. As a result, the Fund's performance may be less favourable than that of a portfolio managed using an active investment strategy. The structure and composition of the Index will affect the performance, volatility and risk of the Index (in absolute terms and by comparison with other indices), and consequently, the performance, volatility and risk of the Fund.

### **Index Tracking Risk**

There is no guarantee that the investment objective of the Fund will be achieved. In particular, no financial instrument enables the returns of the Index to be reproduced or tracked exactly. Changes in the investments of the Fund and re-weightings of the relevant Index may give rise to various transaction costs (including in relation to the settlement of foreign currency transactions), operating expenses or inefficiencies which may adversely impact the Fund's tracking of the performance of an Index. Furthermore, the total return on investment in the Shares will be reduced by certain costs and expenses which are not taken into account in the calculation of the applicable Index. Moreover, in the event of the temporary suspension or interruption of trading in the investments comprising the Index, or of market disruptions, rebalancing the Fund's investment portfolio may not be possible and may result in deviations from the return of the Index.

### **Investment Risk**

A Shareholder may lose the entire principal amount invested in the Fund. The value of the securities held in the Fund may increase or decrease, at times rapidly and unexpectedly. An investment in the Fund may at any point in the future be worth less than the original amount invested.

The total return on investment in the Shares may be reduced by taxes arising in the Fund including taxes in the jurisdictions in which the Fund invests. The Fund may benefit from reduced dividend withholding taxes under the terms of relevant double taxation treaties or conventions although there is no guarantee that it will do so. Please refer to the "Tax Information" section of the Prospectus for further information on the applicable tax treatment for the ICAV and the Fund.

### **Collateral Management Risk**

The ICAV may post and receive collateral as set out in the "Collateral Policy" section of the Prospectus. Collateral posted may be subject to operational, liquidity, counterparty, custody and legal risks. Please see the sections entitled "Risk Information - Securities Financing Transactions", "Securities Lending Risk", "Repurchase Agreements" and "Collateral Risk" of the Prospectus, which risks apply to the movement of collateral.

## Climate-Focused Investing Risk

The Fund is subject to the risk that its climate-focused investment strategy may select or exclude securities of certain issuers for reasons other than investment performance considerations. As a result, the Fund may underperform funds that do not utilise a climate focused investment strategy. Certain climate-focused investments may be dependent on government policies and subsidies, which are subject to change or elimination. Successful application of the Fund's climate-focused investment strategy will depend on the success of the Index Provider's "Climate Criteria" in its construction of the Index properly identifying and analysing material climate-related issues and related business practices, and there can be no assurance that the strategy or techniques employed will be successful.

## INVESTOR PROFILE

Investors in the Fund are expected to be retail and professional investors or eligible counterparties (as described under MiFID II) seeking a return on their investment over a medium-term time horizon who want to take an exposure to the equity market performance of companies of the global equity market under the climate criteria outlined in this Supplement and are prepared to accept the risks associated with an investment of this type. Based on the structure and composition of the Index, the volatility of the Fund, which may vary from time to time, is generally expected to be medium to high.

## DIVIDEND POLICY

### Accumulating Share Classes:

It is not the current intention of the Directors to declare a dividend in relation to the following Share Classes:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

The net income attributable to the above Share Classes shall be retained within the Fund and the value of these Shares shall rise accordingly.

### Distributing Share Classes:

The Directors may declare dividends out of:

- (i) net income; and/or
  - (ii) realised and unrealised gains net of realised and unrealised losses
- attributable to any Share Classes designated with "dis" in their name.

in respect of each six month period ending on 31 December and 30 June within 30 calendar days of the end of the relevant period end. Any such dividends will be paid within two calendar months after declaration.

The Directors and/or the Manager reserve the right to increase or decrease the frequency of dividend payments, if any, at their discretion for income distribution Shares. In the event of a change of policy full details will be disclosed in an updated Supplement and Shareholders will be notified in advance.

Dividends will be paid to Shareholders through the settlement systems through which the Shares are held. The net income and/or realised and unrealised gains net of realised and unrealised losses available for distribution in respect of the relevant Class will be determined in accordance with the

relevant law and generally accepted accounting principles consistently applied.

Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically, without the necessity for any declaration or other action by the ICAV.

Further information is set out in the "Distributions" section of the Prospectus.

## FEES AND EXPENSES

This section should be read in conjunction with the section entitled "Fees and Expenses" in the Prospectus.

The following fees and expenses apply in respect of the Share Classes of the Fund:

Share Class	Maximum flat fee p.a.	Maximum flat fee p.a. for share classes with "hedged" in their name
Class "A"	0.150%	N/A
Class "I-A1"	0.150%	N/A
Class "I-A2"	0.150%	N/A
Class "I-A3"	0.150%	N/A
Class "I-X"	0.000%	N/A
Class "I-B"	0.097%	0.127%

## DETERMINATION OF THE NET ASSET VALUE

The Net Asset Value of the Fund and Net Asset Value per Share is calculated by the Administrator as at the Valuation Point on each Business Day and will be published on the Website.

## SUBSCRIPTIONS

The Fund is offering the following Classes:

- (USD) A-acc
- (USD) I-A1-acc
- (USD) I-A2-acc
- (USD) I-A3-acc
- (USD) I-B-acc
- (USD) I-X-acc
- (hedged to EUR) I-B-acc

The Classes listed below will be initially available from the Initial Offer Period at an Initial Offer Price with an appropriate provision for Duties and Charges. The Initial Offer Price may be calculated based on the related Index variant as follows:

Class	Initial Offer Price
Class "A"	\$100
Class "I-A1"	\$100
Class "I-A2"	\$100
Class "I-A3"	\$100
Class "I-X"	\$100

Class "I-B"	\$100 (or currency equivalent)
-------------	--------------------------------

In order to receive Shares at the close of the Initial Offer Period:

- (a) a properly completed share application form which satisfies the application requirements, including, but not limited to, full anti-money laundering documentation, must be received prior to the Dealing Deadline (Irish time) on the Closing Date (with the original to follow in the case of an initial subscription); and
- (b) appropriate, cleared subscription monies must, in the case of cash subscriptions, be received by and delivery of the securities must, in the case of in-kind subscriptions, be effected by no later than the IOP Settlement Date.

Settlement of Shares subscribed for during the Initial Offer Period will take place on the IOP Settlement Date, provided always that settlement may take place earlier if consideration for the relevant Shares is received prior to the IOP Settlement Date.

Settlement of Shares subscribed for after the Initial Offer Period will take place on the Settlement Date, provided always that settlement may take place earlier if consideration for the relevant Shares is received prior to the Settlement Date.

Following the Initial Offer Period, Shares in each Class will be issued on each Dealing Day at the Dealing NAV with an appropriate provision for Duties and Charges in accordance with the provisions set out in the Prospectus. In order to receive Shares on a Dealing Day:

- (a) a properly completed share application form which satisfies the application requirements, including, but not limited to, full anti-money laundering documentation, must be received prior to the Dealing Deadline (Irish time) on the relevant Dealing Day (with the original to follow in the case of an initial subscription); and
- (b) appropriate, cleared subscription monies must, in the case of cash subscriptions, be received by and delivery of the securities must, in the case of in-kind subscriptions, be effected by no later than the Settlement Date.

Applications for Shares may be submitted to the Administrator either by fax or electronically in accordance with the requirements of the Central Bank, provided that the original application form and the supporting documentation required for anti-money laundering purposes is received by post promptly thereafter.

Subsequent applications for Shares may be submitted to the Administrator either by fax or electronically in accordance with the requirements of the Central Bank and provided that all on-going anti-money laundering checks are complete.

#### *Anti-Dilution Levy*

The Directors reserve the right to impose an Anti-Dilution Levy of up to 2% on a transaction basis in the case of net subscriptions on the value of the relevant subscription calculated for the purposes of determining a subscription price to cover dealing costs and to preserve the value of the underlying assets of the Fund where they consider such a provision to be in the best interests of the Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests. Any such sum will be paid into the account of the Fund.

The Directors may decide to temporarily apply an Anti-Dilution Levy of more than 2% in the event of exceptional circumstances (e.g. high market volatility and/or illiquidity, exceptional market conditions, market disruption, etc.), provided the Directors can justify that this is representative of the prevailing market conditions and that it is in the best interest of the Fund. This Anti-Dilution Levy will be calculated in accordance with the method determined by the Directors. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

## **REDEMPTIONS**

Shareholders in the Fund may request the redemption of Shares on any Dealing Day at the appropriate Dealing NAV, subject to an appropriate provision for Duties and Charges (subject to any applicable regulations), provided that a written redemption request is signed by the Shareholder and received by the Administrator by the Dealing Deadline on the relevant Dealing Day in accordance with the provisions of the Prospectus. Redemption requests will be processed on receipt of faxed or electronic instruction only where payment is made to the account of record of the Shareholder. Settlement will normally take place within two Business Days of the Dealing Day.

#### *Anti-Dilution Levy*

The Directors reserve the right to impose an Anti-Dilution Levy of up to 2% in the case of net repurchases on a transaction basis on the value of the relevant repurchase calculated for the purposes of determining a Redemption Price to cover dealing costs and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

The Directors may decide to temporarily apply an Anti-Dilution Levy of more than 2% in the event of exceptional circumstances (e.g. high market volatility and/or illiquidity, exceptional market conditions, market disruption, etc.), provided the Directors can justify that this is representative of the prevailing market conditions and that it is in the best interest of the Fund. This Anti-Dilution Levy will be calculated in accordance with the method determined by the Directors. Shareholders will be informed via the usual communication channels when the temporary measures are introduced and when they end.

## **CONVERSIONS**

Shareholders should refer to the "Conversions" in the "Purchase and Sale" section of the Prospectus for information on Share conversions.

## **VALUATION OF ASSETS**

The method of valuation of the Net Asset Value is set out in detail in the "Determination of Net Asset Value" section of the Prospectus. Further to such provisions, each asset of the Fund will be valued at the last traded price on the relevant Recognised Market at the close of business on such Recognised Market on each Dealing Day.

## **RISK FACTORS**

### *Currency Hedged Classes*

Fluctuations between the currency of a currency-hedged Class and the currency of an underlying Index constituents may be reduced by the use of one-month foreign exchange forwards. The use of one-month foreign exchange forwards may not take into account the underlying Index constituents' intra-month price movements. As a result a risk of an intra-month under- or over-hedging may arise. Consequently the performance of an Index measured in its base currency may not exactly be achieved by the hedged Index measured in the hedged currency.

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ANNEX III

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

**Legal entity identifier:**

UBS (Irl) Fund Solutions II ICAV – MSCI World Climate Paris Aligned Index Fund

549300EFWLZ32SXNFS83

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?	
<p><span style="color: green;">●●</span> <input checked="" type="checkbox"/> <b>Yes</b></p>	<p><span style="color: green;">●●</span> <input type="checkbox"/> <b>No</b></p>
<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 20 %</b></p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___ %</b></p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



**What is the sustainable investment objective of this financial product?**

This financial product has a reduction in carbon emissions as its sustainable investment objective in view of achieving the long- term global warming objectives of the Paris Agreement. The financial product contributes to this by tracking, before expenses, the price and income performance of the MSCI World Climate Paris Aligned Index (Net Return) (the "Index"). The attainment of the sustainable investment objective is measured using the following ESG characteristics respectively:

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

	<ul style="list-style-type: none"> <li>- tracks/tracking of a benchmark with a sustainability profile (ESG Score) that is higher than the MSCI World Index (the “<b>Parent Index</b>”) sustainability profile</li> <li>- a Carbon Intensity (1, 2) emissions indicator lower than Parent Index (MSCI)</li> </ul> <p>The Reference Benchmark designated for the purpose of attaining the characteristics promoted by the financial product is the MSCI World Climate Paris Aligned Index (Net Return) .</p>
	<ul style="list-style-type: none"> <li>• <b><i>What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?</i></b></li> </ul>
	<p>The objective is measured using the following indicators respectively:</p> <ul style="list-style-type: none"> <li>• The MSCI ESG Score</li> </ul> <p>MSCI ESG Scores are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The MSCI ESG Score is based on the underlying company’s exposure to industry-specific ESG risks and their ability to mitigate those risks relative to their peers. MSCI ESG Scores are also shown as a breakdown of the E, S and G scores, in reference to the different components that are considered for the environmental, social and government pillars. The components are also rated on a scale of 0-10. Based on the individual E, S and G values, a weighted average can be calculated. This is dynamic and takes into account the direct changes of all underlying results, which affect the individual E, S and G values. The MSCI ESG Score measures the most financially significant environmental, social and governance risks and opportunities of companies on the basis of the Key ESG themes. In addition, sectoral differences are taken into account through identifying key industry specific ESG issues relevant to each Key ESG Theme. This assessment of risk and opportunity makes the MSCI ESG Score a rather static measure, as the relative valuation of a sector remains constant over a longer period of time. Companies with the highest ratings are those assessed as best managing their exposures to the above mentioned Key ESG Themes and the associated issues. Each company in the product’s portfolio will produce a score which will contribute to the overall MSCI ESG Score of the product’s portfolio. The product’s MSCI ESG Score will be higher than that of the Parent Index.</p> <ul style="list-style-type: none"> <li>• Weighted average carbon intensity (Scope 1+2) MSCI</li> </ul> <p>The weighted average carbon intensity (“WACI”) measures a portfolio’s exposure to carbon-intensive companies. The WACI metric provides insight into potential risks related to the transition to a lower-carbon economy because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. It’s the sum product of the portfolio weights and individual carbon intensities (carbon emissions scope 1+2 / USDm sales).</p>

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<ul style="list-style-type: none"> <li>● <b>How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?</b></li> </ul>
<p>The financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p>
<p><i>How have the indicators for adverse impacts on sustainability factors been taken into account?</i></p>
<p>Indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.</p> <p>The indices incorporate the MSCI ESG Controversies score, screening out on a timely basis any issuers in significant breach of ESG norms.</p> <p>MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score of 0) is excluded from Sustainability indices. The MSCI ESG Controversies Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.</p> <p>The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel landmines, nuclear weapons, biological weapons or chemical weapons.</p>
<p><i>How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?</i></p>
<p>The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products.</p> <p>The MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of a company’s operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with “0” being the most severe controversy.</p> <p>MSCI ESG Controversies and Global Norms Methodology</p>



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

Yes, this financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

The Index incorporates the MSCI ESG Controversies Score, screening out on a timely basis any issuers in significant breach of ESG norms.

MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score of 0) is excluded from Sustainability indices. The Controversy Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.

The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products, possible breaches of international norms and principles such as the UN Global Compact, and performance with respect to these norms and principles.

The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/ or anti-personnel landmines, nuclear weapons, biological weapons, or chemical weapons.

No



**What investment strategy does this financial product follow?**

This financial product seeks the objective(s) described in this annex through Index selection and passive asset management.

This financial product is passively managed and seeks to track the performance and the ESG profile of the Index. Sustainability objectives and risks are considered as part of the Index selection process. The Index which is stated by the index provider to be screened against environmental, social or governance criteria and any methodology used by the index provider to assess sustainability objectives and risks of the constituents of the Index can be found on the website of the index provider.

• ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The following binding element(s) of the investment strategy are used to select the investments to attain the objective sought by this financial product:

1):

- A sustainability profile (MSCI ESG Score) that is higher than the Parent Index’s sustainability profile.

2):

- Carbon Intensity (1 and 2) emissions indicator that is lower than Parent Index (MSCI)

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



This financial product seeks to achieve a higher MSCI ESG Score and lower Carbon Intensity emissions indicator than the Parent Index by tracking the performance and ESG profile of the Index. As set out in the section of the Supplement entitled “Description of the Index” in more detail, the Index is designed to align itself with the de-carbonisation pathways required to deliver the global 1.5 degrees Celsius increase targeted by the Paris Agreement. The Index Provider seeks to achieve this alignment by overweighting companies on a credible path to de-carbonisation or offering green solutions, while in contrast underweighting those poorly positioned for the transition to a lower-carbon economy and by limiting exposure to the growing physical risks.

The calculations do not take account of cash, derivatives, and unrated investment instruments.

The above (s) and the minimum proportion of sustainable investments are calculated at quarter end using the average of all of business days’ values in the quarter.

- ***What is the policy to assess good governance practices of the investee companies?***

Assessment of good governance practices of the investee companies is performed by the index provider.

MSCI ESG Ratings analysis begins with an evaluation of each company’s Corporate Governance, taking into consideration the company’s ownership and control structures, the composition and effectiveness of its board, the effectiveness of its incentive practices and the integrity of its accounting. Corporate Behavior is also monitored, including any controversies that might have a significant negative impact on the company’s value.

**What is the asset allocation and the minimum share of sustainable investments?**

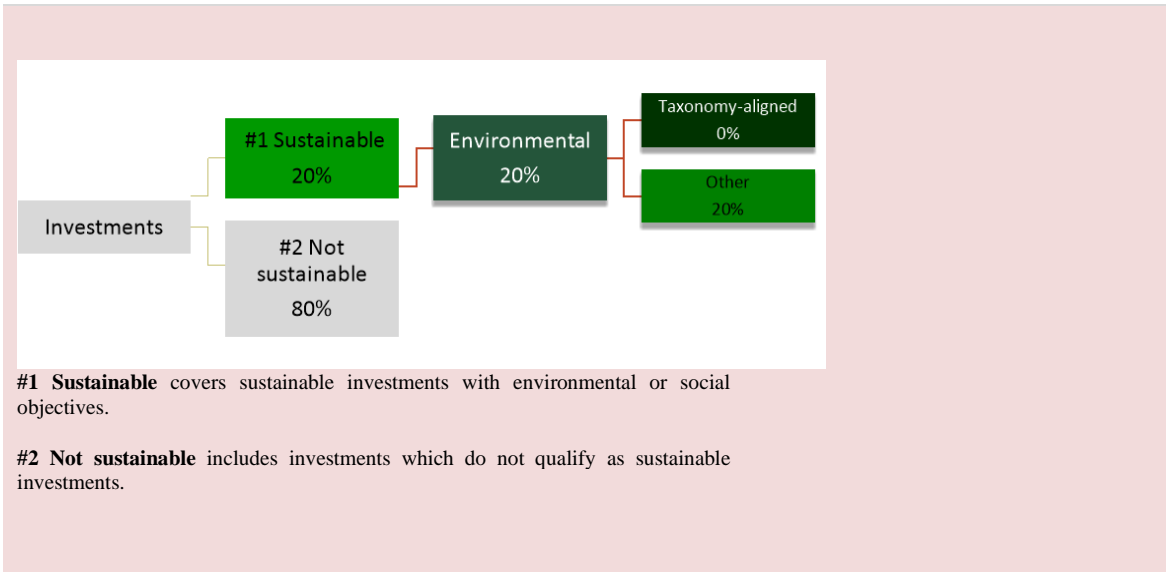
A minimum of 90% of the investments of the financial product will be selected in accordance with the binding elements of the investment strategy. A minimum of 20% of the investments of the financial product will be used to meet the sustainable investment objective. Up to 80% of the investments of the investments of the financial product may not fully meet all of the requirements to be deemed to be sustainable investments, however these investments will be selected according to the methodology of the Reference Index. Up to 10% of the investments of the financial product are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes.

**Taxonomy-aligned activities** are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



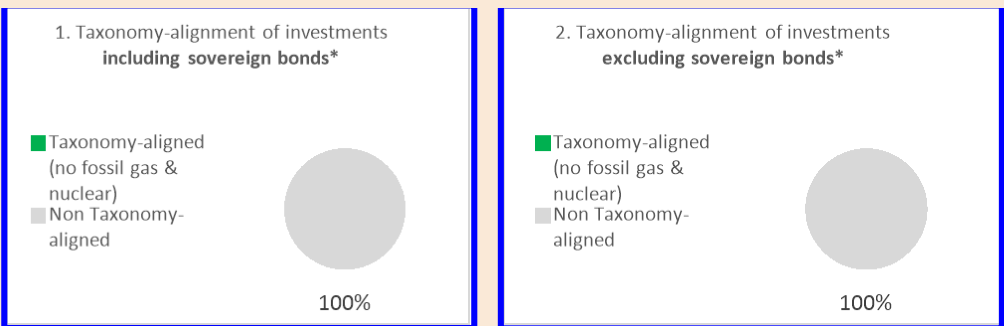
	<ul style="list-style-type: none"> <li>● <b>How does the use of derivatives attain the sustainable investment objective?</b></li> </ul> <p>The financial product tracks an ESG index and may replicate the performance of the Index by the use of derivatives. Derivatives will only be used in case that a) the investment objective cannot be achieved by investments Index components, in particular in order to reflect the performance of a currency hedge where a sub-fund replicates a currency-hedged Index, or b) to generate efficiencies in gaining exposure to the constituents of the Index, in particular where there are legal or practical obstacles to gaining direct access to a market to which the Index refers.</p> <p>The financial product may namely enter into a range of index related swaps (excluding funded swaps) and derivative instruments (futures, forwards, currency swaps, p-notes, options, warrants and foreign exchange contracts) in order to replicate the Index.</p>
	<p><b>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</b></p>
	<p>The minimum extent that investments underlying this financial product are sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.</p>
	<ul style="list-style-type: none"> <li>● <b>Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>4</sup>?</b></li> </ul>
	<p><input type="checkbox"/> Yes:</p> <p style="padding-left: 40px;"><input type="checkbox"/> In fossil gas    <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

<sup>4</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules. Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

	<ul style="list-style-type: none"> <li><b>What is the minimum share of investments in transitional and enabling activities?</b></li> </ul>
	Not applicable
	<b>What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?</b>
	The financial product targets a minimum proportion of sustainable investment as stated in the asset allocation of this annex.
	<b>What is the minimum share of sustainable investments with a social objective?</b>
	The financial product targets a minimum share of socially sustainable investments greater than 0%.
	<b>What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?</b>
	<p>Included in “#2 Not sustainable” are up to 80% of the investments of the financial product which may not fully meet all the requirements to be deemed sustainable investments, however the investments will be selected for the financial product to seek to achieve a higher MSCI ESG Score and lower Carbon Intensity emissions indicator than the Parent Index and in accordance with the criteria of the Reference Index, which includes minimum exclusions and selection criteria applicable to the EU Climate Regulations.</p> <p>Up to 10% of the investments of the financial product are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes. No minimum environmental or social safeguards are applied in relation to these instruments. The proportion and use of these investments does not affect the delivery of the sustainable investment objective as the financial product commits to investing a minimum proportion of its investments to attaining the sustainable investment objective of the financial product.</p>



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

The Reference Benchmark designated for the purpose of attaining the sustainable objective of the financial product is the MSCI World Climate Paris Aligned Index (Net Return)

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the sustainable objective it seeks to achieve. The Index rebalances on a semi-annual basis, more details on the index methodology applied by the Index provider can be found below. It is not anticipated that the composition of the Index will be adjusted to the extent that tracking is not possible.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The alignment of the investment strategy with the methodology of the Index is ensured on a continuous basis as the Index provider rebalances the Index on a regular basis and the Investment Manager will track the Index in line with the limits set out in the investment policy of the fund.

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the investment objective it seeks to achieve.

The investment strategy of the fund is to track the benchmark's return and its characteristics, including ESG characteristics, as closely as reasonably possible.

The Investment Manager reviews the Index methodology when the product is set up and the Index provider may be contacted if the Index methodology is no longer in line with the investment strategy of the financial product.

- ***How does the designated index differ from a relevant broad market index?***

The Index is part of the MSCI Climate Paris Aligned Index series. The Index draws its constituents from the Parent Index, being an equity index calculated, maintained and published by international index supplier MSCI® and denominated in USD. The Index tracks the total return net dividend performance of large and mid-capitalisation global companies.

- ***Where can the methodology used for the calculation of the designated index be found?***

The methodology of the construction of the Index can be found in the fund supplement.

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_GIMIMethodology\\_Nov2022.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_GIMIMethodology_Nov2022.pdf)

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_IndexCalcMethodology\\_July2022.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_IndexCalcMethodology_July2022.pdf)

[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_Climate\\_Paris\\_Aligned\\_Indexes.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_Climate_Paris_Aligned_Indexes.pdf)

**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**



Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



	<a href="http://www.ubs.com/funds">www.ubs.com/funds</a>
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## INFORMATION FOR SWISS INVESTORS

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### 1. Representative

The representative in Switzerland is UBS Fund Management (Switzerland) AG, Aeschenvorstadt 1, 4051 Basel.

### 2. Paying Agent

The paying agent in Switzerland is UBS Switzerland AG, Bahnhofstrasse 45, 8001 Zurich and its branches in Switzerland.

### 3. Location where the relevant documents may be obtained

The prospectus, Key Investor Information Document, Articles of Association as well as the annual and semi-annual reports may be obtained free of charge from the representative as well as under [www.ubs.com/etf](http://www.ubs.com/etf) or [www.ubs.com/fonds](http://www.ubs.com/fonds).

### 4. Publications

1. Publications concerning the foreign collective investment scheme are made in Switzerland on the website of "Swiss Fund Data AG" at [www.swissfunddata.ch](http://www.swissfunddata.ch).

2. Each time units are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating „excluding commissions“ must be published for all unit classes at [www.ubs.com/fonds](http://www.ubs.com/fonds) and on the website of "Swiss Fund Data AG" at [www.swissfunddata.ch](http://www.swissfunddata.ch). Prices must be published at least twice per month (on the first and third Monday or the subsequent banking day).

### 5. Payment of retrocession and rebates

1. The Management Company and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in. This remuneration may be deemed payment for the following services in particular:

Promoting and rendering the distribution of fund units;

Training client advisers and salespersons;

Organization of and participation in road shows, events and shows of all kinds in connection with the distribution of fund units;

Contacting potential investors;

Central relationship management and servicing of existing client relationships;

Responding to specific requests from investors regarding the investment product or the provider;

Produce and issue marketing and legal fund documents;

Provide administrative services of all kinds in connection with the distribution of fund units;

Brokering and processing subscription and redemption of fund units;

Subscribe units as a nominee for clients on behalf of the provider;

Appointment and monitoring of sub-distributors;

Performing due diligence delegated by the Provider in areas such as ascertaining client needs and distribution restrictions;

Instruction of the external auditors to verify compliance (by the fund provider) with the legal and selfregulatory obligations of the Distributor, such as in particular the SFAMA Guidelines for the Distribution of Collective Investment Schemes;

Operation and maintenance of electronic distribution platforms;

Central reporting for fund providers and distribution distributors;

Provide administrative services of all kinds including fulfilment of the due diligence obligations in combating money laundering and the financing of terrorism in connection with the distribution of fund units.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors. The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution according to FinSA.

2. In respect of distribution in Switzerland, the Company, the Management Company and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

**6. Place of performance and jurisdiction**

In respect of the units distributed in Switzerland, the place of performance is at the registered office of the Representative. The jurisdiction shall be the domicile of the representative or the domicile of the investor.

31 March 2023

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