

**This is a Swiss Consolidated Extract Prospectus. It is solely intended for the offer of the Shares in the ICAV in Switzerland. It contains information relating to the Funds authorised for the offer in Switzerland. This Consolidated Extract Prospectus does not constitute a prospectus for the purposes of Irish applicable law.**

## **VALUE PARTNERS IRELAND FUND ICAV**

(an open-ended umbrella type Irish Collective Asset-management Vehicle registered in Ireland with registered number C92974 established as an umbrella fund with segregated liability between its sub-funds and authorised pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investments in Transferable Securities) Regulations 2019)).

## **PROSPECTUS**

**Dated 17 October 2022**

**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you of investment in the ICAV, you should consult your stockbroker or other independent professional financial adviser. Prices for Shares in the ICAV may fall as well as rise.**

The Directors of the ICAV whose names appear under the heading **Management and Administration** in this Prospectus accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors confirm, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) that the information contained in this Prospectus is in accordance with the facts in all material respects and does not omit anything likely to affect the import of such information or make any statement misleading. The Directors accept responsibility accordingly.

**FOR USE SOLELY IN SWITZERLAND**

**The date of this Consolidated Extract Prospectus is 3 October 2023**

## **IMPORTANT INFORMATION**

This Prospectus should be read in conjunction with the Section entitled **Definitions**.

### **The Prospectus**

This Prospectus describes Value Partners Ireland Fund ICAV, an open-ended umbrella type Irish Collective Asset-management Vehicle registered in Ireland established as an umbrella fund with segregated liability between its funds and authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the UCITS Regulations with segregated liability between its Funds. The ICAV is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the ICAV may be divided into different classes of shares each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into Classes.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

The latest published annual and half yearly reports of the ICAV will be supplied to subscribers free of charge upon request and will be available to the public as further described in the section of the Prospectus headed **Reports and Accounts**.

### **Authorisation by the Central Bank**

**The ICAV is both authorised and supervised by the Central Bank. Authorisation of the ICAV by the Central Bank shall not constitute a warranty as to the performance of the ICAV and the Central Bank shall not be liable for the performance or default of the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

The contact details of the Central Bank are set out below:

Central Bank of Ireland  
New Wapping Street  
North Wall Quay  
Dublin 1  
Ireland

Prices of Shares in the ICAV may fall as well as rise.

### **Redemption Fee**

The Directors are empowered to levy a redemption charge not exceeding 3% of the Net Asset Value per Share. The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares in the ICAV (from which may be deducted a redemption fee) means that an investment should be viewed as medium to long term. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.

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

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

The selling restrictions in this Prospectus describe restrictions on offers and sales of the Shares in particular jurisdictions however the jurisdictions mentioned are not exhaustive and the distribution of this Prospectus and the offers and sales of Shares in other jurisdictions not specified in this Prospectus may be prohibited or restricted. No persons receiving a copy of this Prospectus or the Application Form in any such jurisdiction may treat this Prospectus or such Application Form as constituting an invitation to them to subscribe for Shares, nor should they in any event use this Prospectus or such Application Form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such Application Form could lawfully be used by them without compliance with any registration or other legal requirements.

This Prospectus or the Application Form does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all laws and regulations applicable to them.

### **Australia**

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (the “**Corporations Act**”) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Funds have not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Prospectus may not be issued or distributed in Australia and the Shares in the Funds may not be offered, issued, sold or distributed in Australia by the Investment Manager, or any other person, under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act, whether by reason of the investor being a “wholesale client” (as defined in section 761G of the Corporations Act and applicable regulations) or otherwise.

This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Shares to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

### **Brunei**

This Prospectus relates to a foreign collective investment scheme under the Securities Markets Order, 2013 (the “**Order**”) which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam (the “**Authority**”) and further, it relates to a private collective investment scheme under the Order and is intended for distribution only to specific classes of investors such as an accredited investor, an expert investor or an institutional as specified in the Order at their request and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Shares to which this Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares. If you do not understand the contents of this document you should consult your legal adviser.

### **India**

This Prospectus will not be registered as a prospectus with the Registrar of Companies in India, nor has the Registrar of Companies in India circulated or distributed nor will it circulate or distribute this Prospectus or any

other offering document or material relating to the offering, directly or indirectly, to the public or any members of the public in India. This Prospectus does not constitute an offer to the public generally to subscribe for or otherwise acquire the securities and is for the exclusive use of the recipient where the recipient obtained this Prospectus on its own or pursuant to a reverse inquiry.

### **Indonesia**

The offering of the Shares is not registered under the Indonesian Capital Markets Law and its implementing regulations and is not intended to become a public offering of shares under the Indonesian Capital Markets Law and regulations. This Prospectus does not constitute an offer to sell nor a solicitation to buy securities within Indonesia.

### **Malaysia**

As the recognition or approval by the Malaysian Securities Commission pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007 has not been / will not be obtained, and as this Prospectus and other related documents have not been / will not be lodged or registered with or delivered to the Malaysian Securities Commission, no offer or invitation for subscription or purchase of Shares shall be made within Malaysia and this Prospectus and any other document or material in connection therewith shall not be distributed, caused to be distributed or circulated within Malaysia.

### **New Zealand**

Shares in the Funds are not offered in New Zealand other than to “wholesale investors” within the meaning of clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013 (“**FMCA**”). If you are a New Zealand investor, and apply for Shares in the Funds, you warrant that you are such a “wholesale investor” and agree that you will not sell the Shares in the Funds within 12 months after they are issued, in circumstances where disclosure would be required under Part 3 of the FMCA.

### **People’s Republic of China**

This Prospectus may not be circulated or distributed to the public in the People’s Republic of China (“**PRC**”) (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) and no invitations of advertisements or other documents relating to the Shares which are directed at, or the contents of which are likely to be addressed or read by the public in the PRC may be issued by any person. Information contained herein may not be wholly or partially reproduced, distributed, circulated, disseminated or published within the PRC in any form by any recipient for any purpose without the prior written consent of the Investment Manager on behalf of the ICAV.

Unless any entity recipient of this Prospectus can satisfy itself as to the full compliance of the applicable PRC laws and regulations with all necessary government approvals and licenses (including any investor qualification requirements) in connection with its overseas investment, such entity recipient cannot be the subject of any offers in any Shares in the Funds within the PRC. If the PRC law or regulatory approach changes to provide otherwise, the updated PRC law or regulatory approach shall prevail.

The information relating to Shares contained in this Prospectus has not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission nor any other relevant governmental authority in the PRC, and may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Shares to the public in the PRC. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities by the public in the PRC. Unless an investor has obtained the licenses/approvals from the competent PRC governmental and regulatory authorities to make offshore investment into the eligible securities and/or financial instruments launched and offered outside the PRC, including the Shares of the type being offered or sold, it cannot be the recipient of an offer to sell or the solicitation of an offer to buy any securities within the PRC. If the PRC law or regulatory approach changes to provide otherwise, the updated PRC law or regulatory approach shall prevail.

If applicable, potential PRC investors are responsible for obtaining all relevant licenses/approvals from the relevant government authorities in the PRC, including but not limited to the China Securities Regulatory

Commission, the State Administration of Foreign Exchange and complying with all relevant PRC regulations, including but not limited to all relevant foreign exchange regulations and/or foreign investment regulations, before purchasing the Shares.

## Philippines

The securities being offered or sold herein are being offered pursuant to exempt transactions under 10.1 (I) of the Securities Regulation Code and have not been registered with the Securities and Exchange Commission under the Securities Regulation Code. Any future offer or sale of the securities is subject to the registration requirements under the Securities Regulation Code unless such offer or sale qualifies as an exempt transaction.

By a purchase of a security, the investor will be deemed to acknowledge that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, such security was made outside the Philippines.

## Singapore

Certain Funds (“**Restricted Funds**”) may be invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and/or Section 305 of the Securities and Futures Act 2001 of Singapore (“**SFA**”). These will be or have been entered onto the list of restricted schemes maintained by MAS pursuant to section 305 of the SFA. For details, please see the Restricted Funds Supplements. The list of Restricted Funds may also be accessed at the MAS website at <https://eservices.mas.gov.sg/cisnet/home/CISNetHome.action>.

**Investors should note that other Funds referred to in this Prospectus other than the Restricted Funds are not available to persons in Singapore via section 305 of the SFA and references to such other Funds are not and should not be construed as an offer of Shares of such other Funds to persons in Singapore.**

This Prospectus has not and will not be registered as a prospectus with the MAS as the ICAV is invoking the exemptions from compliance with prospectus requirements pursuant to the exemptions under Section 304 and Section 305 of the SFA. The MAS assumes no responsibility for the contents of this Prospectus.

The offer which is the subject of this Prospectus is not authorized or recognized by the MAS and the Shares are not allowed to be offered to the retail public in Singapore. The Memorandum is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you in light of your own personal circumstances.

Recipients of this Prospectus in Singapore should note that the offering of the Shares is subject to the terms of this Prospectus and the SFA. Accordingly, the Shares may not be offered or sold, nor may this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares of the Restricted Funds be circulated or distributed, nor may such Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4(1)(c) of the SFA) (each an “**Institutional Investor**”), (ii) to a relevant person as defined under Section 305 of the SFA (each a “**Relevant Investor**”) and in accordance with the conditions specified in Section 305 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Subject to all other restrictions on transferability imposed by the ICAV or Restricted Funds, recipients of this Prospectus represent and warrant that where the Shares are initially acquired pursuant to an offer made in reliance on an exemption under:

- a. Section 304 of the SFA by an Institutional Investor, subsequent sales of the Shares will only be made to another Institutional Investor; and
- b. Section 305 of the SFA by a Relevant Investor, subsequent sales of the Shares will only be made to an Institutional Investor or another Relevant Investor.

In addition, it should be noted that where the Shares are initially acquired in Singapore pursuant to an offer made in reliance on an exemption under Section 305 of the SFA by:

- c. a corporation referred to in Section 305A(2) of the SFA (a “**Relevant Corporation**”), the securities of the Relevant Corporation shall not be transferred within 6 months after the Relevant Corporation has acquired any Shares unless the transfer is in accordance with the conditions of Section 305A(2) of the SFA; and
- d. a trust referred to in Section 305A(3) of the SFA (a “**Relevant Trust**”), the rights and interest (howsoever described) of the beneficiaries thereof in the Relevant Trust shall not be transferred within 6 months after any Share has been acquired for the Relevant Trust unless the transfer is in accordance with the conditions of Section 305A(3) of the SFA.

Investors are required to ensure that any of their own transfer arrangements in relation to any Shares of the Restricted Funds comply with the above restrictions and should seek legal advice to ensure compliance with the same.

Investors in Singapore undertake they are and will at all times continue to be an institutional investor or an accredited investor in accordance with the subscriber representations set out in the prevailing Schedule V.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, the ICAV and/or the Investment Manager has determined, and hereby notifies all relevant persons (as defined in Section 309B of the SFA), that the Shares are capital markets products other than prescribed capital markets products (as defined in Section 309B of the SFA, read with the Securities and Futures (Capital Markets Products) Regulations 2018), and are Specified Investment Products (as defined in the MAS' Notice on Sale of Investment Products (Notice No. SFA 04-N12)).

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

#### **Taiwan**

The Shares may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors but may not be otherwise offered or sold in Taiwan unless in compliance with all applicable Taiwan laws.

#### **Thailand**

This Prospectus has not been approved by the Securities and Exchange Commission Thailand which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

#### **United Arab Emirates**

This Prospectus, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates (“**UAE**”) and accordingly should not be construed as such.

The marketing of the Shares in the UAE requires the prior approval of the Securities and Commodities Authority (“**SCA**”) unless the exemptions to the regulations relating to promotion or offering of units in foreign funds or foreign shares (SCA Board of Directors Decision no 3/RM of 2017 concerning the organization of promotion and introduction, as further revised and updated) apply. Consequently, based on the mentioned exemptions, the Shares are only being offered to (A) a limited number of investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares, (b) upon their specific request, and (c) on a cross-border basis (an “**unsolicited request**”); or (B) to a limited number of exempt investors in the UAE who fall under one of the following categories of Exempt Qualified Investors: (1) an investor which is able to manage its investments on its own (unless such person wishes to be classified as a retail investor), namely: (a) the federal government, local governments, and governmental entities, institutions and authorities, or companies wholly-owned by any such entities; (b) foreign governments, their respective entities, institutions and authorities or companies wholly owned by any such entities; (c) international entities and organisations; (d) entities licensed by the SCA or a regulatory authority that is an ordinary or associate member of the International Organisation of Securities Commissions (a “**Counterpart Authority**”); or (e) any legal person

who fulfils on the date of the last financial statements at least two of the following requirements: (i) total assets of AED 75 million; (ii) net revenues or annual income of AED 150 million; or (iii) net equities or paid capital of AED 7 million; or (2) a natural person licensed by the SCA or a Counterpart Authority to carry out any of the functions related to financial activities or services (each an “**Exempt Qualified Investor**”).

The Shares have not been approved by or licensed or registered with the UAE Central Bank, the SCA, the Dubai Financial Services Authority, the Financial Services Regulatory Authority or any other relevant licensing authorities or governmental agencies in the UAE (the “**Authorities**”). The Authorities assume no liability for any investment that the named addressee makes as an Exempt Qualified Investor.

The Prospectus is for the use of the named addressee only, and in case the Shares are being offered on unsolicited request basis, the named addressee has specifically requested it, on a cross-border basis, without a promotion effected by the Investment Manager, its promoters or the distributors of the Shares. The Prospectus should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

In relation to Shares being offered to Exempt Qualified Investors, no transaction will be concluded in the UAE and any enquiries regarding the Shares should be made to the Investment Manager.

### **United Kingdom**

The ICAV has temporary recognition in the United Kingdom under Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019, as may be amended (the “UCITS SI”), for the purposes of part 17 of the UK Financial Services and Markets Act 2000, as amended (the “FSMA”).

If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the ICAV or the suitability for you of investment in the ICAV, you should consult your stockbroker, bank manager, legal adviser, accountant or other independent financial or professional advisor authorised pursuant to FSMA. Shares are offered on the basis of the information contained in the Prospectus Prices for Shares in the ICAV may fall as well as rise.

The ICAV has temporary recognition by the FCA pursuant to Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 but the content of the Prospectus was not approved by the FCA. The FCA takes no responsibility for the contents of the Prospectus or for any document referred to in them, nor for the financial soundness of the ICAV or any of its Funds or for the correctness of any statements made or expressed in the Prospectus or any document referred to in it.

The promotion of the ICAV and the Funds in the United Kingdom, by persons authorised to carry on investment business in the United Kingdom under the FSMA, is not subject to the restrictions on promotion contained in section 238 of the FSMA.

#### **Taxation:**

The following statements are intended to apply only as a general and non-exhaustive guide to the position under current United Kingdom tax law and HM Revenue & Customs practice at April 2022. Investors should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the ICAV. The following information, which relates only to United Kingdom taxation, is applicable to the ICAV and to persons who are resident (and, in the case of individuals only, domiciled) solely in the United Kingdom and who beneficially own Shares as investments and not as securities to be realised in the course of a trade. Non-UK resident Shareholders should consult their own professional advisers concerning their tax position.

The information is not exhaustive and potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10% of the Shares in any Fund or of any one class of Shares in any Fund;

- who are members of a special class of taxpayer, such as charities and UK insurance companies;
- who intend to acquire Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position

should consult their professional advisers without delay.

The ICAV:

It is the intention of the Directors to conduct the affairs of the ICAV so that its central management and control is not exercised within the United Kingdom and it is not resident and is not carrying out any trade (whether or not through a permanent establishment situated there) in the United Kingdom for taxation purposes, insofar as this is within their control. On this basis, the ICAV should not generally be liable for United Kingdom taxation on its income and gains other than certain income and other amounts deriving from a United Kingdom source. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

United Kingdom Investors:

Share Classes, Offshore Funds, and Reporting Fund Status:

Each Fund of the ICAV or, for Funds with more than one class of Shares, each class of Share within that Fund, (each Fund, or class of Shares, being a “**Notional-Fund**”) will be regarded as an “offshore fund” for the purposes of UK taxation. For the purposes of the offshore fund and bond fund rules, each Notional-Fund should be treated as a separate fund. The tax treatment applicable to Shares (as discussed below) will depend on whether the relevant Notional-Fund has been accepted by HM. Revenue & Customs as a “**Reporting Fund**”.

An offshore fund is able to apply for acceptance by HM Revenue & Customs as a Reporting Fund before the later of (a) the end of the first accounting period for which Reporting Fund status is sought, and (b) the end of the period of three months beginning with the first day on which interests in the offshore fund are made available to investors who are UK tax residents. Acceptance should be given within 28 days of receipt by HMRC of the application (where such application is complete), is effective as from the later of the establishment of the fund or the beginning of the accounting period for which Reporting Fund status is sought, and will continue provided that the offshore fund does not give notice to cease being a Reporting Fund and meets certain compliance requirements, including notifying its shareholders of its Reported Income (see below) within six months of the end of each accounting period.

In respect of certain Notional-Funds, the ICAV may apply for acceptance as a Reporting Fund. Investors can contact the Investment Manager for more information.

If, for any reason, a Notional-Fund that has not previously been a Reporting Fund becomes a Reporting Fund, or a Notional-Fund that has previously been a Reporting Fund ceases to be a Reporting Fund, Shareholders should immediately seek independent tax advice as to any elections that may be made to optimise the resultant tax consequences.

Shareholders are advised to refer to the relevant Fund Supplement or contact the Investment Manager for more detailed information in respect of any specific Notional-Fund.

Bond Funds:

If, at any time in an accounting period, more than 60% of the assets associated with any Notional-Fund are “qualifying investments”, that Notional-Fund may fall to be treated as a “**Bond Fund**” for the whole of that accounting period. In simple terms, “qualifying investments” are investments that give an interest return or a return that has the nature of interest.



## Dividends:

Where any Notional-Fund pays dividends (either directly or indirectly by way of reinvestment of income) Shareholders who are resident in the United Kingdom or carrying on a trade in the United Kingdom through a permanent establishment with which the Shares are connected for tax purposes may, depending on their circumstances, be liable to United Kingdom income tax or corporation tax on those dividends.

Provided that the relevant Notional-Fund is not a Bond Fund:

- Shareholders who are individuals, depending on their circumstances, should be entitled to a UK tax allowance in respect of any dividend paid. Provided that this dividend allowance is available, Shareholders who are individuals will not pay tax on the first £2,000 of dividend income per year. In outline, individual Shareholders will pay tax on any dividends received over the £2,000 allowance at the following rates for the 2022/23 tax year:
- 8.75% on dividend income within the basic rate band;
- 33.75% on dividend income within the higher rate band;
- 39.35% on dividend income within the additional rate band; and
- Shareholders who are subject to corporation tax, depending on their circumstances, should generally be able to claim an exemption from UK corporation tax in respect of any dividend received.

If the relevant Notional-Fund is a Bond Fund:

- For Shareholders who are individuals, the dividend will be taxable as if it were interest subject to any available allowance, exemption or relief and no tax allowance for dividends will be available.
- For Shareholders who are subject to corporation tax, the Shares would (for each accounting period of the Shareholder during which the Shares have at any time been a Bond Fund) be treated as if they were a creditor relationship under the "loan relationships regime". For these purposes, the credits and debits to be brought into account would fall to be determined on the basis of fair value accounting, and the Shareholder would be taxed (or obtain relief from tax) in accordance with such accounting treatment. Accordingly, such persons may be subject to corporation tax on an unrealised increase in the value of their Shares or, as the case may be, obtain relief against corporation tax by reference to an unrealised reduction in the value of their Shares.

## Reporting Funds - Reported Income:

If any Notional-Fund is or becomes accepted by HM Revenue & Customs as a Reporting Fund, to the extent that any reported income relating to Shares in that Notional-Fund (in respect of any accounting period during which it is a Reporting Fund) exceeds dividends paid in relation to those Shares, the excess will be taxed as if a dividend had been paid (see above for comments on the tax treatment of dividends). Therefore, UK resident taxpayers who own Shares in a Notional-Fund that is a Reporting Fund may, depending on their circumstances, be subject to tax in respect of income that they have not actually received.

## Disposals of Shares:

The statements in this section regarding disposals of Shares do not apply in respect of Shareholders within the charge to UK corporation tax where the relevant class of Shares they hold is treated as a Bond Fund (as to which see the section headed **Further information for Shareholders subject to United Kingdom corporation tax**).

Any gain arising on the sale, redemption or other disposal of any Shares in a Notional-Fund that is not a Reporting Fund held by a UK resident taxpayer will generally be taxed at the time of such sale, redemption or disposal as income and not as a capital gain (subject to the further information below in relation to Shareholders subject to UK corporation tax).

If any Notional-Fund is, was or becomes a Reporting Fund:

- Any gain arising on the sale, redemption or other disposal of Shares in a Reporting Fund held by a UK resident taxpayer, where the relevant Notional-Fund was a Reporting Fund for the entire period that the Shares in the Notional-Fund were held by the Shareholder, will generally be taxed at the time of such sale, redemption or disposal as a capital gain (subject to the further information below in relation to Shareholders subject to UK corporation tax). The Shareholder should be entitled to relief for any amount of reported income excess that has been charged to tax in computing any capital gain or loss arising.
- Any gain arising on the sale, redemption or other disposal of Shares in a Reporting Fund where the relevant Notional-Fund was not a Reporting Fund for the entire period that the Shares were held by the Shareholder, will generally be treated in the same way as the sale, redemption or disposal of Shares in an offshore fund that is not a Reporting Fund, subject to any elections that the Shareholder may have made at the time of conversion of the relevant Notional-Fund to a Reporting Fund.

For Shareholders within the charge to United Kingdom corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Shares, provided that those Shares were acquired prior to 31 December 2017 (as indexation allowance was abolished following that date), but will not create or increase an allowable loss.

Conversion of Shares:

Conversion of Shares in one Notional-Fund for Shares in another Notional-Fund or between shares of different classes in the same Notional-Fund will generally be regarded as a taxable disposal and subsequent acquisition of Shares.

Shareholders converting one class of Shares to another within the same Fund should consult their professional advisers.

Further information for Shareholders subject to UK corporation tax:

If any Notional-Fund were to be treated as a Bond Fund, for Shareholders who are subject to corporation tax, the Shares would (for each accounting period of the Shareholder during which the Shares have at any time been a Bond Fund) be treated as if they were a creditor relationship under the "loan relationships regime". For these purposes, the credits and debits to be brought into account would fall to be determined on the basis of fair value accounting, and the Shareholder would be taxed (or obtain relief from tax) in accordance with such accounting treatment. Accordingly, such persons may be subject to corporation tax on an unrealized increase in the value of their Shares or, as the case may be, obtain relief against corporation tax by reference to an unrealized reduction in the value of their Shares.

Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**"):

The following comments are intended as a guide to the general United Kingdom stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. Subject to an exemption for certain low value transactions where the consideration is £1,000 or less, United Kingdom ad valorem stamp duty (at the rate of 0.5 per cent. of the value of the consideration, rounded up where necessary to the nearest £5) is chargeable on any instrument of transfer of the Shares executed within, or in certain cases brought into, the United Kingdom. However, in practice, it should not generally be necessary to pay any ad valorem stamp duty on such instrument unless the instrument is required to be produced in evidence before the United Kingdom courts in civil proceedings or for any official purpose in the United Kingdom. Provided that the Shares are not registered in any register of the ICAV kept in the United Kingdom, nor paired with shares issued by a company incorporated in the United Kingdom, the agreement to transfer the Shares should not be subject to United Kingdom SDRT.

## *United States of America*

None of the Shares have been, nor will be, registered under the 1933 Act. Only U.S. Persons who are “accredited investors” within the meaning of Regulation D under the 1933 Act and “qualified purchasers” for purposes of Section 3(c)(7) of the Investment Company Act of 1940, as amended (“**Investment ICAV Act**”), will be permitted to invest in the Funds of the ICAV. Neither the ICAV nor any Fund will be registered under the Investment ICAV Act. Offerings in the U.S. will only be made by private placement and Shares are offered to U.S. Persons only through a Supplemental Disclosure Statement.

### **Reliance on this Prospectus**

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

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, independent financial adviser or other professional adviser.

### **Risk Factors**

Investors should read and consider the section entitled **Risk Factors** in this Prospectus and any Supplement before investing in the ICAV.

### **Translations**

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

### **Legal Matters**

Simmons & Simmons does not represent and has not represented prospective investors in the course of the organisation of the ICAV, the negotiation of its business terms, the offering of the Shares or in respect of its ongoing operations. Prospective investors must recognise that, as they have had no representation in the organisation process, the terms of the ICAV relating to themselves and the Shares of the Funds have not been negotiated at arm's length. Simmons & Simmons has been selected by the Investment Manager. Simmons & Simmons does not undertake to monitor the compliance of the Investment Manager and its or their affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable law.

## DIRECTORY

### VALUE PARTNERS IRELAND FUND ICAV

#### Directors

Wilson Wai Sing LAM  
Wimmie CHEUNG  
Fionán BREATHNACH  
Elizabeth BEAZLEY  
David TOWNSEND

#### Business Address and Registered Office

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Grand Canal Quay  
Dublin 2  
Ireland

#### Investment Manager, Distributor and Hong Kong Representative

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99 Queen's Road Central  
Hong Kong

#### Manager

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Harcourt Road  
Dublin 2  
Ireland

#### Administrator

HSBC Securities Services (Ireland) DAC  
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Dublin 2  
Ireland

#### Depositary

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1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

#### Auditor

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### Legal Adviser

Simmons & Simmons  
Waterways House  
Grand Canal Quay  
Dublin 2  
Ireland

#### Tax Adviser

PricewaterhouseCoopers  
One Spencer Dock  
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Dublin 1  
Ireland

#### Secretary

Simmons & Simmons Corporate Services Limited  
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## 1. DEFINITIONS

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

All references to a specific time of day are to Irish time.

**Access Products** means investment in China A Shares which may be made indirectly via Mainland China access products (such as participatory notes) and/or directly via the Stock Connect.

**Accounting Date** means 31st December in each year or such other date as the Directors may from time to time decide and notify in advance to the Central Bank.

**Accounting Period** means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the ICAV and, in subsequent such periods, on the day following expiry of the last Accounting Period.

**Administrator** means HSBC Securities Services (Ireland) DAC.

**Administration Agreement** means the amended and restated fund administration terms and conditions made between the ICAV, the Manager and the Administrator dated 17 October 2022 as amended, restated, supplemented or novated from time to time.

**AIMA** means the Alternative Investment Management Association.

**Application Form** means any application form to be completed by subscribers for Shares as prescribed by the ICAV or its delegate from time to time.

**Asia Pacific Region** means the countries or territories in the Asia Pacific region including the Greater China Region, Malaysia, Singapore, Thailand, South Korea, Philippines, Indonesia, Australia and Japan.

**AUD** means the lawful currency of Australia for the time being.

**Auditors** means PricewaterhouseCoopers.

**Base Currency** means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.

**Bond Connect** means the initiative for mutual bond market access between Hong Kong and China.

**Business Day** means in relation to a Fund, any day which is a business day in Dublin and Hong Kong. For the avoidance of doubt, in Hong Kong a Business Day means a day (other than a Saturday, a Sunday or a public holiday) on which banks in Hong Kong are open for general business provided that where as a result of a Typhoon Signal, a Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be deemed to be a Business Day, as determined by the Directors or such day or days as shall be so specified in the relevant Supplement for that Fund.

**CAAPs** means China A Shares Access Products, being transferable securities generally listed on Recognised Exchanges, or occasionally unlisted, and issued by a third party CAAP issuer in respect of China A Shares which themselves are listed or traded on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange and which represent an obligation of the CAAP issuer to pay to the Fund an economic return equivalent to holding the underlying China A Shares.

**CAD** means the lawful currency of Canada for the time being.

**CCDC** means the China Central Depository & Clearing Co., Ltd.

**Central Bank** means the Central Bank of Ireland.

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Undertakings for Collective Investment in Transferable Securities) Regulations) 2019 or such other amending or replacement regulations issued from time to time by the Central Bank as the competent authority with responsibility for the authorisation and supervision of UCITS and related guidance issued by the Central Bank to UCITS and their service providers.

**CHF** means the lawful currency of Switzerland for the time being.

**China A Shares** means domestic shares in PRC incorporated companies listed on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, the prices of which are quoted in Renminbi and which are available to domestic investors and foreign strategic investors approved by the CSRC.

**China B Shares** means shares issued by companies listed on the Shanghai-Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors.

**China H Shares** means shares of companies incorporated in Mainland China that are traded on the Hong Kong Stock Exchange and which are available to non-domestic (Chinese) investors and foreign investors.

**China Interbank Bond Market** means the Mainland China interbank bond markets.

**CIBM Initiative** means the regime for foreign institutional investors to invest in the China Interbank Bond Market.

**Class** means a particular division of Shares in a Fund.

**CMU** means the Central Moneymarkets Unit, an organisation established by the Hong Kong Monetary Authority to provide CMU members with securities transfer services.

**Code** means the United States Internal Revenue Code of 1986, as amended.

**Collection Account** means the investor money collection account(s) operated by the Administrator for the ICAV into which all subscription monies are to be paid by an investor and from which all redemption and distribution proceeds are paid as described below under the heading **Operation of Collection Accounts**.

**Country Supplement** means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the ICAV or a Fund or Class in a particular jurisdiction or jurisdictions.

**CBDF** means 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.

**CSRC** means the China Securities Regulatory Commission.

**Data Protection Legislation** means the EU Data Protection Directive 95/46/EC and the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation including the GDPR, European Commission decisions, binding EU and national guidance and all national implementing legislation.

**Dealing Day** means in relation to a Fund, each Business Day on which stock exchanges in markets on which, in the opinion of the Investment Manager, all or part of investments of the relevant Fund are quoted, listed or dealt in are open for trading, or such days as shall be specified in the relevant Supplement for that Fund provided that there shall be at least one Dealing Day every fortnight. A list of the non-Business days and Business Days which will be treated as non-Dealing Days for certain Funds from time to time is available on the Website. This list will be updated annually and is subject to change (e.g. including but not limited to any ad hoc public holiday where the list will be updated as soon as possible once the Directors are notified of such ad hoc public holiday).

**Dealing Deadline** means in relation to a Fund, 11.59 am (Irish time) on the Valuation Day or such other time as the Directors may determine and approved by the Depositary and notify to the Shareholders in advance provided always that the Dealing Deadline is before the Valuation Point or such time on any Dealing Day as shall be specified in the relevant Supplement for the Fund provided that there shall be at least one Dealing Day every fortnight.

**Depositary** means HSBC Continental Europe.

**Depositary Agreement** means the amended and restated depositary services agreement made between the ICAV, the Manager and the Depositary dated 17 October 2022 as may be amended, restated, supplemented or novated from time to time.

**Directors** mean the directors of the ICAV (including any alternate directors) or any duly authorised committee or delegate thereof.

**Distributor** means Value Partners Hong Kong Limited.

**EEA** means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland, Liechtenstein).

**Eligible Assets** means those investments which are eligible for investment by a UCITS as detailed in the UCITS Regulations.

**Emerging Markets** means markets of countries that are in the process of developing into modern industrialised states and thus display a high degree of potential but also entail a greater degree of risk. It shall include any country: (i) with low- to middle-income economies according to the International Bank for Reconstruction and Development (the "World Bank"); (ii) listed in World Bank publications as developing; or (iii) determined by the Investment Manager to be an emerging market. Currently, "emerging market countries" generally include every country in the world except Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The Investment Manager has broad discretion to identify countries that it considers to qualify as emerging markets.

**ERISA** means the United States Employee Retirement Income Security Act 1974, as amended.

**ESMA** means the European Securities and Markets Authority.

**ETF** means an exchange traded fund which tracks a particular stock market index, the shares of which can be actively traded on an exchange.

**Euro** or **€** means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 (as amended by the Maastricht Treaty dated 7th February 1992).

**Exempt Irish Investor** means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (**PRSA**) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the ICAV; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the ICAV or jeopardising tax exemptions associated with the ICAV giving rise to a charge to tax in the ICAV;

provided that they have correctly completed the Relevant Declaration.

**FCA** means United Kingdom's Financial Conduct Authority.

**FSA** means the Financial Services Authority of the United Kingdom.

**FSMA** means the United Kingdom Financial Services and Markets Act 2000 and every amendment or re-enactment of the same.

**Framework Regulation** means the 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 as may be further amended, consolidated or substituted from time to time.

**Fund** means a sub-fund of the ICAV representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.

**GBP** means pound, the lawful currency of the United Kingdom.

**GDPR** means Regulation (EU) 2016/679 known as the General Data Protection Regulation, which comes into force on 25 May 2018.

**Greater China Region** means the PRC, Hong Kong, Macau and Taiwan.

**HKD** means the lawful currency of Hong Kong for the time being.

**Hong Kong Representative** means Value Partners Hong Kong Limited.

**Hong Kong Representative Agreement** means the Hong Kong representative agreement made between the ICAV and the Hong Kong Representative dated 17 October 2022 as amended, restated, supplemented or novated from time to time.

**ICAV** means Value Partners Ireland Fund ICAV.

**ICAV Act** means the Irish Collective Asset-management Vehicles Act 2015 as amended as may be further amended, revised or supplemented from time to time.

**IFRS** means the International Financial Reporting Standards.

**Initial Price** means the initial price payable for a Share as specified in the relevant Supplement for each Fund.

**Intermediary** means a person who:

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

**Instrument of Incorporation** means the instrument of incorporation of the ICAV as amended from time to time.

**Investment Manager** means Value Partners Hong Kong Limited, unless otherwise specified in the relevant Fund Supplement.

**Investment Management and Distribution Agreement** means the amended and restated investment management and distribution agreement made between the ICAV, the Manager and the Investment Manager dated 17 October 2022, as may be amended, restated, supplemented or novated from time to time.

**Ireland** means the Republic of Ireland.

**Irish Collective Asset-management Vehicle** means a collective asset management vehicle established and registered in accordance with the terms of the ICAV Act.

#### **Irish Resident**

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

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This new test takes effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

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

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

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

or

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

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

**JPY** means the lawful currency of Japan for the time being.

**MAS** means the Monetary Authority of Singapore.

**Mainland China** means all customs territory of the PRC.

**Management Agreement** means the management agreement between the ICAV and the Manager dated 17 October 2022 as may be amended, restated, supplemented or novated from time to time.

**Manager** means Carne Global Fund Managers (Ireland) Limited or such other person as may be appointed in accordance with the requirements of the Central Bank, to provide management services to the ICAV.

**Member** means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the ICAV.

**Member State** means a member state of the European Union.

**Minimum Holding** means the minimum number or value of Shares which must be held by Shareholders as specified in the relevant Supplement.

**Minimum Subscription** means the minimum subscription for Shares as specified in the relevant Supplement.

**Minimum Transaction Size** means the minimum value of subsequent subscriptions, redemptions, conversions or transfers of Shares in any Fund or Class as specified in the relevant Supplement.

**Money Market Instruments** means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time and which comply with the requirements of the Central Bank.

**Net Asset Value** means the Net Asset Value of a Fund or attributable to a Class (as appropriate) calculated as referred to herein.

**Net Asset Value per Share** means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to the nearest cents of the relevant currency class.

**NZD** means the lawful currency of New Zealand for the time being.

**OECD Countries** means Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland,

Turkey, United Kingdom and the United States or other such other members as may be admitted from time to time.

**Ordinarily Resident in Ireland** means:

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2014 to 31 December 2014 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2017 to 31 December 2017.

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

**OTC** means Over-the-Counter.

**Participation Notes** means contracts issued by banks or broker-dealers that provide exposure to an underlying security on a 1 for 1 basis on the underlying security. Participation Notes, also known as certificates, may be listed on stock exchanges or unlisted but settled OTC on platforms such as Clearstream Banking AG, Clearstream Banking SA or Euroclear etc and are typically fully funded instruments. Participation Notes can provide exposure to specific stocks, direct access to restricted markets or customised exposure to a country, region, sector, theme or basket.

**Passive Hedging Calculation Agent** means the Passive Hedging Calculation Agent appointed pursuant to the Passive Hedging Calculation Agreement made between The Hongkong and Shanghai Banking Corporation Limited as Passive Hedging Calculation Agent and Value Partners Hong Kong Limited on behalf of the Funds dated 28 November 2014.

**Paying Agency Agreement** means one or more Paying Agency Agreements made between the ICAV and one or more Paying Agents and dated as specified in the relevant Country Supplement.

**Paying Agent** means one or more paying agents/representatives/facilities agents, appointed by the ICAV in certain jurisdictions as detailed in the relevant Country Supplement.

**Personal Data** means any data relating to a living individual who can be identified directly from that data or indirectly in conjunction with other information.

**Plan** means an **employee benefit plan** within the meaning of Section 3(3) of ERISA or a **plan** within the meaning of Section 4975(e)(1) of the Code.

**PRC** means the People's Republic of China, for the purpose of this Prospectus, exclude Hong Kong, Taiwan and Macau.

**PRC Custodian** means HSBC Bank (China) Company Limited.

**Prospectus** means the prospectus of the ICAV and any Supplements and addenda thereto issued in accordance with the requirements of the UCITS Regulations.

**Recognised Clearing System** means Deutsche Bank AG - Depository and Clearing System, Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust ICAV of New York, Euroclear, Japan Securities Depository Center, National Securities Clearing System, Sicovam SA, SIS Segma Intersettle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners as a recognised clearing system.

**Recognised Exchange** means the stock exchanges or markets set out in **Schedule II**.

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

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

**Renminbi or RMB** means the lawful currency of Mainland China for the time being.

**QFII or QFII Holder** means a qualified foreign investor approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time.

**QFII Custodian Agreement** means the QFII custodian agreement, setting out the sub-custodial arrangements in relation to assets held in the PRC, entered into between, inter alia, the ICAV, the PRC Custodian, the Depository and the Investment Manager (as QFII Holder) dated 29 March 2016 as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.

**SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the European Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as may be further amended, consolidated or substituted from time to time.

**SGD** means the lawful currency of Singapore for the time being.

**Share** means a participating Share or, save as otherwise provided in this Prospectus, a fraction of a participating Share in the capital of the ICAV.

**Shareholder** means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the ICAV.

**SHCH** means the Shanghai Clearing House, a financial market infrastructure approved and directed by the PBoC, is a Qualified Central Counterparty accepted by PBoC and also one of the central securities depositories in China.

**Specified US Person** means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States or (iv) an estate of a decedent that is a citizen or resident of the US; **excluding** (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment ICAV Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.



**Stock Connect** means a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC (Shanghai and Shenzhen respectively) and Hong Kong and enables foreign investors (such as the ICAV) to trade eligible China A Shares listed on the relevant stock exchange(s) in the PRC.

**Supplement** means a supplement to this Prospectus specifying certain information in respect of a Fund and/or one or more Classes.

**Sterling** or **£** means the lawful currency for the time being of the United Kingdom.

**Taxes Act** means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

**UCITS** means an Undertaking for Collective Investment in Transferable Securities established pursuant to Directive 2009/65/EC 13 July 2009 as amended, consolidated or substituted from time to time.

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

**UCITS Regulations** means the European Communities Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended consolidated or substituted from time to time) and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.

**UK** means the United Kingdom of Great Britain and Northern Ireland.

**United States** or **US** means the United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction.

**US Dollar**, **USD** or **US\$** means United States Dollars, the lawful currency for the time being of the United States of America.

**US Person** means a US Person as defined in Regulation S under the 1933 Act and CFTC Rule 4.7, as described in Schedule III.

**VAT** means value added tax.

**Valuation Day** means in relation to a Fund, such Dealing Day or such days as shall be specified in the relevant Supplement for that Fund and determined by the Directors and approved by the Depositary from time to time and provided that there shall be at least one Valuation Day every fortnight and dealing will be permitted in a Fund on each Valuation Day for that Fund.

**Valuation Point** means 3.00 p.m. (Irish time) on the relevant Valuation Day or such time as shall be specified in the relevant Supplement for each Fund.

**Website** means the website where the Net Asset Value per Share of the ICAV will be published daily (<https://www.valuepartners-group.com/en/>).

**1933 Act** means the United States Securities Act of 1933, as amended.

## 2. THE ICAV

### 2.1. General

The ICAV was registered in Ireland under the ICAV Act on 8 May 2019 as an open-ended umbrella type Irish Collective Asset-management Vehicle (registered number C92974). The ICAV is organised in the form of an umbrella fund with variable capital and segregated liability between its funds. The ICAV has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The ICAV was originally established as a

variable capital company under Irish law but was converted to an Irish Collective Asset-management Vehicle by resolution of the Shareholders.

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

The Base Currency and details of each Fund is specified in the relevant Supplement. Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank.

## 2.2. Investment Objectives and Policies

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

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark and in this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The ICAV may at any time change that reference index where, for reasons outside its control, that index has been replaced, or another index or benchmark may reasonably be considered by the ICAV to have become the appropriate standard for the relevant exposure. Such a change would represent a change in policy of the relevant Fund and Shareholders will be advised of any change in a reference index or benchmark (i) if made by the Directors, in advance of such a change and (ii) if made by the Index concerned, in the annual or half-yearly report of the Fund issued subsequent to such change.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in Money Market Instruments, including but not limited to certificates of deposit, floating rate notes and fixed or variable rate commercial paper listed or traded on Recognised Exchanges and in cash deposits denominated in such currency or currencies as the ICAV may determine having consulted with the relevant Investment Manager.

The investment objective of a Fund as disclosed in the relevant Supplement, may not be altered and material changes in the investment policy of a Fund as disclosed in the relevant Supplement, may not be made without the prior written approval of all Shareholders or without approval on the basis of a majority of votes cast at general meeting of a particular Fund duly convened and held. In accordance with the requirements of the Central Bank, "material" shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Fund. In the event of a change of the investment objective and/or any material change to the investment policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

The list of Recognised Exchanges on which a Fund's investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and OTC derivative instruments, will be listed or traded is set out in **Schedule II**.

## 2.3. Eligible Assets and Investment Restrictions

Investment of the assets of each Fund must comply with the UCITS Regulations. The Directors, in consultation with the Manager, may impose further restrictions in respect of any Fund. The investment and borrowing

restrictions applying to the ICAV and each Fund are set out in **Schedule I**. Each Fund may also hold ancillary liquid assets.

#### 2.4. **Borrowing Powers**

The ICAV may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Subject to this limit, the Directors may exercise all borrowing powers on behalf of the ICAV. In accordance with the provisions of the UCITS Regulations, the ICAV may charge its assets as security for such borrowings. A Fund may acquire foreign currency by means of a “back-to-back” loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of the borrowing restrictions as set out above provided that the offsetting deposit (a) is denominated in the base currency of the UCITS and (b) equals or exceeds the value of the foreign currency loan outstanding.

#### 2.5. **Adherence to Investment and Borrowing Restrictions**

The ICAV will, with respect to each Fund, adhere to any investment or borrowing restrictions herein and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Fund or Class in the ICAV, subject to the UCITS Regulations.

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

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

#### 2.7. **Efficient Portfolio Management**

The Investment Manager may, on behalf of a Fund, engage in transactions in financial derivative instruments for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Efficient portfolio management transactions relating to the assets of the Fund may be entered into by the Investment Manager with one of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for a Fund with a level of risk consistent with the risk profile of a Fund and the diversification requirements in accordance with the Central Bank’s UCITS Regulations and as disclosed in Schedule I to the Prospectus.

The Fund will only employ techniques and instruments in accordance with Article 51(2) of the UCITS Directive and Article 11 of the Eligible Assets Directive. In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by a Fund. Such techniques and instruments include but are not limited to convertible securities, equity linked notes, futures, options, forward foreign exchange contracts and swaps (as described below under the section headed **Financial Derivative Instruments**) and stocklending and repurchase and reverse repurchase agreements and when issued and/or delayed delivery securities as described below.

#### 2.8. **Securities Financing Transactions: Repurchase/Reverse Repurchase and Stock Lending Arrangements**

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements (“**Securities Financing Transactions**”) to generate additional income for the relevant Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and

price. A stock lending arrangement is an arrangement whereby title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

For the purposes of this section, relevant institutions refers to those credit institutions specified in section 2.8 of **Schedule I** in this Prospectus.

Securities Financing Transactions may only be effected in accordance with normal market practice.

All assets received by a Fund in the context of efficient portfolio management techniques and Securities Financing Transactions will be considered as collateral and must at all times, comply with the criteria listed below;

- (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. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
- (ii) **Valuation:** Collateral received should be valued on at least a daily basis at mark-to-market value using daily variation margins and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) **Issuer credit quality:** Collateral received should be of high quality. The ICAV shall ensure
  - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager acting on behalf of the ICAV in the credit assessment process; and
  - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the issuer by the Investment Manager acting on behalf of the ICAV without delay.
- (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):** Subject to sub-paragraph below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

A Fund may be fully collateralised in different transferable securities and Money Market Instruments issued or guaranteed by a Member State, one or more of its local authorities, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Section 2.12 of the **Investment Restrictions** section in this Prospectus), provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's net asset value;

- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

Risks relating to the management of collateral, such as operational and legal risks should be identified, managed and mitigated by the risk management process.

Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangements, 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.

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

**For cash collateral:**

Cash 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 specified in section 2.8 of Schedule I in this Prospectus and the ICAV 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.

In accordance with paragraph (v) above, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

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 should at least prescribe the following:

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

Each Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the preceding paragraph. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

Any counterparty to a Securities Financing Transaction and/or financial derivatives instrument shall be subject to an appropriate internal credit assessment carried out by the Investment Manager on behalf of the ICAV which shall include amongst other considerations, whether the counterparty is subject to prudential regulation and supervision and external credit ratings of the counterparty. Where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the ICAV without delay. Other criteria that could be used when selecting counterparties include legal status, country of origin (for example United States of America or EU Member State) and any credit rating.

A Fund must have the right to terminate the stocklending agreement at any time and demand the return of any or all of the securities loaned.

A Fund that enters into a reverse repurchase agreement must 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.

Securities Financing Transactions do not constitute borrowing or lending for the purposes of Regulations 103 and 111 of the UCITS Regulations respectively.

The annual report and audited accounts and the half yearly report and unaudited accounts of the ICAV will contain details of the following:

- (i) the exposure obtained through efficient portfolio management techniques;
- (ii) the identity of the counterparty(ies) to these efficient portfolio management techniques;
- (iii) the type and amount of collateral received by the UCITS to reduce counterparty exposure; and
- (iv) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

In relation to efficient portfolio management operations, the Investment Manager will seek to ensure that the techniques and instruments entered into for the purposes of efficient portfolio management are economically appropriate in that they will be realised in a cost effective manner.

All the revenues generated from Securities Financing Transactions, net of direct and indirect operational costs/fees, will be returned to the relevant Fund.

Any direct and indirect operational costs and/or fees which arise from efficient portfolio management techniques which may be deducted from the revenue delivered to the relevant Fund shall be at normal commercial rates and shall not include any hidden revenue.

Such direct or indirect costs and fees will be paid to the “relevant counterparty”, as disclosed in the ICAV's annual and semi-annual reports, and these reports shall indicate if the entities are related to the ICAV or the Depositary. All revenues generated through the use of efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Fund.

## **2.9. Collateral**

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments or any techniques and instruments used for efficient portfolio management purposes, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice and subject to the conditions and limits set out in the Central Bank UCITS Regulations.

### *Collateral Management Policy*

In accordance with the requirements of the Central Bank, the Investment Manager will employ a collateral management policy for and on behalf of each Fund in respect of collateral received in respect of financial derivative transactions whether used for investment or for efficient portfolio management purposes. The Investment Manager also employs a collateral management policy for and on behalf of each Fund in respect of collateral received under a Securities Financing Transaction.

Any collateral received shall comprise of cash collateral and/or government backed securities of varying maturity which satisfy the requirements of the Central Bank relating to non-cash collateral which may be received by a UCITS. Cash collateral received may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Investment Manager. The level of collateral required to be posted with the ICAV on behalf of a Fund may vary by counterparty with which the ICAV trades on behalf of the Fund. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the ICAV on behalf of the Fund, taking into account its credit standing and price volatility and any stress testing carried out to assess the liquidity risk attached to that class of asset. The Investment Manager will seek to negotiate collateral agreements to an appropriate market standard.

Where relevant, additional or alternative details of the collateral management policy employed in relation to a particular Fund will be set out in the relevant Supplement.

#### 2.10. **Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management**

Collateral received and any investment of such collateral must meet the requirements of the Central Bank as set out in the Central Bank UCITS Regulations.

Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party Depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

Non-cash collateral cannot be sold, pledged or re-invested. Cash collateral may only be reinvested in:

- (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 sub-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).

In addition, all reinvested cash collateral must be diversified in terms of country, market and issuers. This diversification requirement is deemed satisfied if the maximum exposure to any given issuer is 20% of the Fund's net asset value. Where 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.

The level of collateral required to be posted may vary by counterparty with which the Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the credit standing and price volatility of the relevant counterparty.

#### 2.11. **Financial Derivative Instruments**

A Fund may invest in financial derivative instruments including equivalent cash settled instruments dealt in on a Recognised Exchange and/or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.

#### 2.12. **Investment in Financial Derivative Instruments**

A Fund may use financial derivative instruments for investment purposes and/or use derivative instruments traded on a Recognised Exchange and/or on OTC markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and exchange rate risk. A Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the relevant Fund.

The financial derivative instruments which the Investment Manager may invest in on behalf of each Fund, and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are set out below. The extent to which a Fund may be leveraged through the use of financial derivative instruments will be disclosed in the relevant Supplement. In addition, the attention of investors is drawn to the section of the Prospectus and each Supplement headed **Efficient Portfolio Management** and the risks described under the headings **Derivatives and Techniques and Instruments Risk** and **Currency Risk** in the Risk Factors Section of the Prospectus.

The Manager will employ a risk management process based on the commitment approach which will enable the Investment Manager to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The commitment approach generally measures the global exposure by converting the derivative contract into the market value of the equivalent position in the underlying asset. In the case where derivative positions are eligible for netting or are used for hedging purposes only the net positions are taken into account. The ICAV will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Manager will provide, upon request by Shareholders, supplementary information relating to the risk management methods employed by the ICAV including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

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

Details of the financial derivative instruments which may be used are detailed below.

#### *Convertible securities*

A convertible bond is a bond with an embedded equity option that gives the holder the right to “convert” or exchange the par amount of the bond for common shares of the issuer at some fixed ratio during a particular period. As bonds, they have some characteristics of fixed income securities. Their conversion feature also gives them features of equity securities.

#### *Equity linked notes*

An equity-linked note is an instrument that combines the characteristics of a zero or low coupon bond or note with a return component based on the performance of a single equity security, a basket of equity securities, or an equity index. Equity-linked notes come in a variety of styles. The investment structure of equity-linked notes generally provides 100% principal protection but the principal may also be partially protected or unprotected. The coupon or final payment at maturity is determined by the appreciation of the underlying equity. The minimum return may be nil with all of what would normally be an interest payment going to pay for upside equity participation. Alternatively, a low interest rate may be combined with a lower rate of equity participation. The participation rate in the underlying equity instrument may be more or less than “dollar for dollar” over any specific range of prices. The participation may be open-ended (the holder of the note participates proportionately in the upside of the underlying security or index, no matter how high it goes), or the equity return component may be capped.

#### *Futures*

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by a Fund or markets to which a Fund is exposed or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from a Fund.

The Investment Manager may also use futures contracts where indicated in the relevant Supplement to take a directional view on particular securities or markets within a Fund's investment universe where, in the Investment Manager's view, those securities or markets are overpriced or likely to enter into a downward phase of the investment cycle.



### *Forwards*

A forward contract locks in the price at which an index or asset may be purchased or sold on a future date. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another a specified amount of one currency at a specified price (exchange rate) with another currency on a specified future date. Forward contracts cannot be transferred but they can be “closed out” by entering into a reverse contract.

The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another. Forward foreign exchange contracts are specifically useful and may be used for hedging in connection with hedged currency classes of shares.

Hedging against exchange rate risks in particular may be achieved through the use of currency forward transactions combined with spot currency transactions. Spot currency transactions are transactions which do not have delayed settlement, i.e. depending on the currencies traded they settle usually two Business Days from trade date but in some cases may have a one-day or more than 2-day settlement period. Spot currency transactions are not regarded as financial derivative instruments transactions.

### *Options*

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for a Fund. The Investment Manager will not write uncovered call options.

### *Swaps*

A swap is an OTC agreement between two parties to exchange a series of cash flows or returns on an underlying financial instrument for a set period of time.

Total return swap agreements may be used to gain exposure to particular securities or markets in instances where it is not possible to do so through the underlying security or a futures contract. Swaps may also be used to hedge against credit, currency and interest rate risk or to achieve both long and short exposure.

Where it is proposed that the ICAV on behalf of a Fund enter into a total return swap, information on the underlying strategy and composition of the investment portfolio or index will be detailed in the relevant Supplement. Information on the counterparty(ies) of the transactions shall also be disclosed.

The counterparty to any total return swap or other financial derivative instruments with similar characteristics entered into by the ICAV on behalf of a Fund shall be an entity which satisfies the OTC counterparty criteria set down by the Central Bank in the Central Bank UCITS Regulations and the ICAV's credit assessment criteria and shall be an entity which specialises in such transactions.

The failure of a counterparty to a swap transaction may have a negative impact on the return for Shareholders. Where it is proposed that the ICAV on behalf of a Fund enter into a total return swap or other financial derivative instruments with similar characteristics, the Investment Manager intends to minimise counterparty performance risk by only selecting counterparties with a good credit rating and by monitoring any changes in those counterparties' ratings. Additionally, any such transactions will only be concluded on the basis of standardised framework agreements (ISDA with Credit Support Annex). Further information relating to the risks associated with investment in total return swaps is disclosed in the section of this Prospectus titled **Derivatives and Techniques and Instruments Risk**.

The counterparty to any total return swap or other financial derivative instruments with similar characteristics entered into by the ICAV on behalf of a Fund shall not assume any discretion over the composition or management of the investment portfolio of that Fund or of the underlying of the total return swap and the counterparty's approval will not be required in relation to any investment portfolio transaction relating to that Fund. Any deviation from this principle shall be detailed further in the relevant Supplement.

## *Warrants*

A Fund may purchase warrants to provide an efficient, liquid mechanism for taking positions in securities without the need to purchase and hold the security.

### **2.13. Hedged Classes**

The ICAV may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management (in each case a “**Hedged Share Class**”). Any financial instruments used to implement such strategies with respect to one or more Hedged Share Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Share Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Share Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Hedged Share Class is issued. Any currency exposure of a Hedged Share Class may not be combined with, or offset against, that of any other Class or Hedged Share Class of a Fund. The currency exposure of the assets attributable to a Hedged Share Class may not be allocated to other Classes including any Hedged Share Classes.

Where the ICAV seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the ICAV. However, under hedged positions will not fall short of 95% of the portion of the Net Asset Value of the Hedged Share Class and any under-hedged share class will be kept under review to ensure they are not carried forward from month to month. Over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month.

All transactions shall be clearly attributable to a specific Class and the costs and gains/losses of the hedging transactions will accrue solely to the relevant Class. Investors should also be aware that the hedging strategy may substantially limit the benefits of any potential increase in value of a Hedged Share Class expressed in the Class currency, if the Hedged Share Class' denominating currency falls against the currency of denomination of the Fund. To the extent that hedging is successful for a particular Hedged Share Class the performance of that Class is likely to move in line with the performance of the underlying assets with the result that Shareholders in that Hedged Share Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

Investors in the Hedged Share Classes may have exposure to currencies other than the currency of that Hedged Share Class. The Investment Manager may also, at its absolute discretion, seek to fully or partially hedge currency exposures arising from some or all of the Fund's underlying assets to the currency of denomination of the Fund. Investors whose base currency is different (or not in a currency linked to the Fund's currency of denomination or the currency of that Hedged Share Class) may be exposed to additional currency risk.

The precise hedging strategy applied to a particular Hedged Share Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Hedged Share Class may still be subject to the currency exchange risk on an unhedged basis (which means that, for example, if the hedging strategy in respect of the RMB Hedged Share Class is ineffective, depending on the exchange rate movements of RMB relative to the Base Currency of a Fund, and/or other currency(ies) of the non-RMB denominated underlying investment of that Fund, (i) investors may still suffer losses even if there are gains or no losses in the value of the non-RMB denominated underlying investments; or (ii) investors may suffer additional losses if the non-RMB denominated underlying investments of that Fund fall in value).

If the counterparties of the instruments used for hedging purposes default, investors of the Hedged Share Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

The Funds currently offers different Hedged Share Classes as disclosed in the Supplement for the Fund which are primarily targeted for investors whose base currencies of investment are the currencies of the Hedged Share Classes.

Each Hedged Share Class may hedge the Fund's denominated currency back to its currency of denomination, with an aim to provide a return on investment which correlates with the return of the Class which is denominated in Base Currency of the Fund by reducing the effect of exchange rate fluctuations between Base Currency of the Fund and the Hedged Share Classes whilst taking into account practical considerations such as transaction costs.

However, the return of the Hedged Share Classes will never correlate perfectly to the Class which is denominated in Base Currency of the Fund due to various factors, including but not limited to short-term interest rate differentials, unrealized gains/losses on currency forward positions not being invested until the gains/losses are realised and transaction costs attributable to the hedging activity. Investors should also note that the distribution amount and/or rate of the Hedged Share Classes may be more than or less than such amount and/or rate of the Class which is denominated in Base Currency of the Fund due to various factors, including but not limited to short-term interest rate differentials. Where the Fund is subject to a performance fee, it should be noted that any divergence in the performance of different Classes (for the reasons stated above), or different launch dates of different Classes, could result in any such performance fees becoming chargeable at different points in time, as different Classes reach their high watermark at different points in time. Accordingly the performance fee may adversely impact the correlation between different Classes.

Consequently, a Hedged Share Class is not recommended for investors whose base currency of investment is not in the same currency of such Hedged Share Class. Investors who choose to convert other currencies into such base currency to invest in such Hedged Share Class should understand that they may be exposed to higher currency risks and may suffer a higher loss as a result of exchange rate fluctuations than an investor whose base currency of investment is in the same currency of the Hedged Share Class.

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

It is intended that the currency hedging strategy which will be employed will be based on the most up-to-date information in relation to the Net Asset Value of a Fund, and will also take into account future transactions relating to shareholder activity that will be processed through each Share Class in a Fund as at the relevant Valuation Point. The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Fund.

Futures, forwards, swaps (including credit default swaps), options and contracts for difference may be used to hedge against downward movements in the value of a Fund's portfolio, either by reference to specific securities or markets to which the Fund may be exposed.

Forward foreign exchange contracts are also used more specifically to hedge the value of certain classes of Shares in the ICAV's Funds against changes in the exchange rate between the currency of denomination of the class of Shares and the Base Currency of the Fund. Hedged classes will be identified in the relevant Supplement for each Fund.

#### **2.14. Investment in China A shares via Stock Connect**

Certain Funds may seek to achieve their investment objectives through investing in China A Shares via the Stock Connect. The Stock Connect is a securities trading and clearing linked programme developed by Hong Kong Exchanges and Clearing Limited (“**HKEX**”), Shanghai Stock Exchange (“**SSE**”), the Shenzhen Stock Exchange (“**SZSE**”) and China Securities Depository and Clearing Corporation Limited (“**CSDCC**”) with an aim to achieve mutual stock market access between Mainland China and Hong Kong. It comprises the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including a Fund), through their Hong Kong brokers and a securities trading service company as established by The Stock Exchange of Hong Kong Limited (“**SEHK**”) and the Hong Kong Securities Clearing Company Limited (“**HKSCC**”), may be able to trade eligible China A shares listed on SSE by routing orders to SSE. Under the Southbound Trading Link, eligible investors, through PRC securities firms and a securities trading service

company established by the SSE, are able to trade eligible shares listed on the SEHK by routing orders to the SEHK. The same arrangement applies to the Shenzhen-Hong Kong Stock Connect.

#### *Eligible Securities*

##### (i) Shanghai-Hong Kong Stock Connect

Under the Shanghai-Hong Kong Stock Connect, Hong Kong and overseas investors (including a Fund) are able to trade certain stocks listed on the SSE market (i.e. “**SSE Securities**”). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A shares that are not included as constituent stocks of the relevant indices but which have corresponding China H Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the “risk alert board”.

It is expected that the list of eligible securities will be subject to review.

##### (ii) Shenzhen-Hong Kong Stock Connect

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including a Fund) are able to trade certain eligible shares listed on the SZSE market (i.e. SZSE Securities). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A shares which have corresponding China H Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the “risk alert board” or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect, investors eligible to trade shares that are listed on the ChiNext Board under Northbound trading will be limited to institutional professional investors (which a Fund will qualify as such) as defined in the relevant Hong Kong rules and regulations, subject to resolution of related regulatory issues, other investors may subsequently be allowed to trade such shares.

It is expected that the list of eligible securities will be subject to review.

#### *Trading day*

Investors (including a Fund) will only be allowed to trade on the other market on days where both markets are open for trading, and banking services are available in both markets on the corresponding settlement days.

#### *Trading quota*

Trading under the Stock Connect will be subject to a daily quota (“**Daily Quota**”), which will be separate for Northbound and Southbound trading. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The quotas do not belong to the Funds and are utilised on a first-come-first-serve basis. The SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX’s website. The Daily Quota may change in future. Investors will not be notified in case of a change of quota.

#### *Settlement and Custody*

The HKSCC is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

### *Corporate actions and shareholders' meetings*

Under the Shanghai-Hong Kong Stock Connect, notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE listed companies still treats the HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities. The HKSCC will monitor the corporate actions affecting SSE Securities and keep the relevant CCASS participants informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. The same arrangement is applicable to SZSE Securities under the Shenzhen-Hong Kong Stock Connect.

### *Currency*

Hong Kong and overseas investors (including a Fund) will trade and settle SSE Securities and SZSE Securities in RMB only.

### *Trading fees*

In addition to paying trading fees and stamp duties in connection with China A Share trading, a Fund may be subject to other fees and taxes concerned with income arising from stock transfers which are determined by the relevant authorities.

### *Coverage of Investor Compensation Fund*

A Fund's investments through Northbound trading under Stock Connect is not covered by Hong Kong's Investor Compensation Fund. Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default in Northbound trading via Stock Connect do not involve products listed or traded in the SEHK or the Hong Kong Futures Exchanges Limited, such trading is not covered by Hong Kong's Investor Compensation Fund. On the other hand, since a Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, such trading is not protected by the China Securities Investor Protection Fund in the PRC.

Further information about the Stock Connect is available at the website: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm).

## **2.15. QFII regime**

Under current regulations in the PRC, foreign investors can invest in the domestic securities market via various ways, including through certain foreign institutional investors that have obtained status as a QFII or RQFII from the CSRC for the purpose of investing in the PRC's domestic financial markets (starting from 1 November 2020, the QFII and RQFII schemes have been consolidated into one and thus for the purposes of this Prospectus, QFII and RQFII are collectively referred to as the "QFII").

The QFII regime is governed by (i) the "Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by CSRC, People's Bank of China ("PBoC") and the State Administration of Foreign Exchange ("**SAFE**") and effective from 1 November 2020; (ii) the "Provisions by the China Securities Regulatory Commission on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by CSRC and effective from 1 November 2020; (iii) the "Provisions on the Administration of Domestic Securities and Futures Investment Funds of Foreign Institutional Investors" issued by PBoC and SAFE and effective from 6 June 2020; and (iv) the "Implementing Rules of China Securities Depository and Clearing Co., Ltd. for the Depository and Clearing of Domestic Securities Investment of Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" issued by CSDCC and effective from 1 November 2020; and (v) if any, other applicable regulations promulgated by the relevant authorities from time to time (collectively, the "**QFII Regulations**").

The Investment Manager has obtained QFII status pursuant to the QFII Regulations. The Investment Manager confirms that, in accordance with PRC laws: securities account(s) with CSDCC and maintained by the PRC Custodian and RMB special deposit account(s) with the PRC Custodian (respectively, the “securities account(s)” and the “cash account(s)”) will be opened in the joint names of the Investment Manager (as the QFII holder) and the Fund (as a sub-fund of the ICAV), for the sole benefit and use of the Fund in accordance with all applicable laws and regulations of the PRC and with approval from all competent authorities in the PRC.

All of a Fund’s assets in the PRC acquired using the Investment Manager’s QFII status (including onshore PRC cash deposits and other investments) will be held by a PRC Custodian. A securities account has been opened with the CSDCC in the joint names of the Investment Manager (as the QFII holder) and a Fund. A special RMB cash account will be established and maintained with the PRC Custodian in the joint names of the Investment Manager (as the QFII holder) and a Fund. The PRC Custodian shall, in turn, have a cash clearing account with CSDCC for trade settlement according to applicable regulations.

## 2.16. Dividend Policy

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. The Instrument of Incorporation of the ICAV empower the Directors to declare dividends in respect of any Shares in the ICAV out of the net income of the ICAV.

For Shareholders of distribution classes who receive dividends in cash, payment will normally be made by telegraphic transfer to their pre-designated bank accounts, net of bank charges. Dividends will generally be paid in the Class currency of the relevant distribution class of the Fund. With the prior consent of the Directors, arrangements can be made for dividends to be paid in any major currency other than the Class currency of the relevant distribution class.

**In the event that the net distributable income attributable to the relevant distribution class during the relevant period is insufficient to pay dividends as declared, the Directors may in their discretion determine such dividends be paid from capital of the Fund. Investors should note that where the payment of dividends are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested (excluding par value) or capital gains attributable to that, and may result in an immediate decrease in the value of the Shares of the relevant distribution class and will reduce any capital appreciation for the Shareholders of such distribution class. Payment of dividends out of capital will have the following effects: (i) capital will be eroded, (ii) distribution is achieved by forgoing the potential for future capital growth of the ICAV and (iii) the cycle may continue until all capital is depleted. Distributions out of the capital of the Fund should be understood as a type of capital reimbursement.**

Any such payments out of capital will only be made to seek to maintain, so far as is reasonable, a stable payment per Share of the relevant distribution class but the payment per Share of a distribution class is not fixed and will vary according to economic and other circumstances and the ability of the Fund to support stable monthly payments without a long term positive or negative impact on capital. Shareholders should note that the payment of dividends out of capital may have different tax implications to distributions out of income and Shareholders should seek tax advice in this regard.

The Fund is managed in the interests of all Shareholders in line with the stated investment objective and is not managed to maintain a stable payment per Share of any particular distribution class of the Fund. To the extent that net distributable income attributable to these distribution classes exceeds the amount declared payable, the excess amount will be reflected in the respective Net Asset Value of the Shares of such distribution classes. Alternatively, the amount of dividend may exceed the net distributable income attributable to these distribution classes. Accordingly, the level of dividend does not necessarily indicate the total return of the Fund. In order to assess the total return of the Fund, both the Net Asset Value movement (including dividend) and the dividend distribution should be considered. The Net Asset Value of the relevant Classes will be adjusted by such amount of dividend on the ex-date (i.e. the first date following the declaration of a dividend).

There is neither a guarantee that such dividends will be made nor that there will be a target level of dividend payout. Dividends will be declared on the last Business Day of each calendar month or on such date as may be determined by the Directors, or such other time or frequency as the Directors consider appropriate. The Directors

will also have the discretion to determine if, and to what extent, dividends paid include realised capital gains and/or are paid out of capital. Such dividends will be paid in cash. However, if the amount of dividends for the relevant Shareholder is less than USD100 (or its equivalent amount in the respective class currency), or such other amount determined by the Directors from time to time, the dividends will not be paid in cash and will be applied to subscribe for additional Shares in the relevant Distribution Class of the Fund.

Dividends of a distribution class declared, if any, shall be distributed among the Shareholders of the relevant distribution class rateably in accordance with the number of Shares held by them on the record date as determined by the Investment Manager in respect of the corresponding distribution. For the avoidance of doubt, only Shareholders whose names are entered on the register of members on such record date shall be entitled to the distribution declared in respect of the corresponding distribution. Any payment of distributions will be made in the Class currency of the relevant Class of Shares on a monthly basis.

Where a Fund may pay dividends out of capital, the compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months will be made available by the Investment Manager on request and also on the website <https://www.valuepartners-group.com>.

Dividends not claimed within six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the ICAV.

## 2.17. EU Sustainable Finance Disclosure Regulation (“SFDR”)

As an EU entity, the Manager is subject to the SFDR. This section summarises the Manager’s status under SFDR and cross-refers to other sections of this Prospectus where additional information is provided.

### (i) Sustainability risks

The Manager has delegated portfolio management to the Investment Manager. The Investment Manager has implemented a policy in respect of the integration of sustainability risks in its investment decision making process. Further information on this policy is set out below under “Responsible investing” below.

### (ii) Principal adverse impacts

The Manager, in conjunction with the Investment Manager, does not currently consider the principal adverse impacts of its Funds’ investment decisions on sustainability factors pursuant to Article 4 of the SFDR as explained below under “No consideration of adverse impacts” below. Where a principal adverse impacts policy is adopted in respect of a particular Fund, this will be set out in the relevant Supplement.

### (iii) Article 8 and 9 SFDR; the Framework Regulation

While the Investment Manager may apply exclusionary screening criteria for particular issuers / industries / jurisdictions / geographies, on the basis of sustainability characteristics, such exclusionary screening criteria are not binding. Where the Manager, in consultation with the relevant Investment Manager, categorises a Fund as meeting the provisions set out in Article 8 of SFDR for products which promote environmental and social characteristics or Article 9 of SFDR for products that have a sustainable investment objective, additional disclosure requirements for such financial products as referred to in Article 8 or Article 9 SFDR will be set out in the Supplement for the relevant Fund.

Funds that do not have sustainable investment as their objective and do not promote environmental or social characteristics for the purpose of the SFDR are not subject to the additional disclosure requirements for financial products referred to in Article 8 or Article 9 SFDR nor are they required to make certain disclosures under the Framework Regulation. Unless otherwise specified in the Supplement for the relevant Fund, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### *No Consideration of Adverse Impacts*

The SFDR requires the Manager, in conjunction with the Investment Manager, to make a “comply or explain” decision whether to consider the principal adverse impacts (“**PAIs**”) of investment decisions relating to the Funds on sustainability factors, in accordance with a specific regime outlined in SFDR. The Manager, in conjunction with the Investment Manager, has opted not to comply with that regime (both generally and in relation to the Funds). Accordingly, the Manager, in conjunction with the Investment Manager, does not consider the principal adverse impacts of its investment decisions on sustainability factors (either generally or in relation to the Funds).

The Manager, in conjunction with the Investment Manager, has carefully evaluated the requirements of the PAI regime in Article 4 SFDR, and in the draft Regulatory Technical Standards which were published in April 2020 (the “**PAI regime**”). The Manager, in conjunction with the Investment Manager, is supportive of the policy aims of the PAI regime, to improve transparency to clients, investors and the market, as to how financial market participants integrate consideration of the adverse impacts of investment decisions on sustainability factors. However, taking account of the ICAV’s size, the nature and scale of the Investment Manager’s activities and the types of products the Investment Manager makes available, the Manager, in conjunction with the Investment Manager, considers that it would be disproportionate to comply with the specific PAI regime of the SFDR.

In addition, the Manager, in conjunction with the Investment Manager, considers that the Fund’s primary investment strategies and client relationships do not support adoption of the PAI regime within SFDR. For example, certain of the Funds involve investment strategies where it is not possible to conduct detailed diligence on the principal adverse impacts of the Investment Manager’s investment decisions on sustainability factors, including algorithmic, quantitative or high frequency trading and macro strategies.

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

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

Notwithstanding the Manager’s, in conjunction with the Investment Manager, decision not to comply with the PAI regime, the Manager and the Investment Manager have implemented positive environmental, social or governance (“**ESG**”) related initiatives and policies, as part of their overall commitment to ESG matters, as summarised below. For the avoidance of doubt, none of the following information is intended to suggest that the Manager or the Investment Manager comply with the PAI regime.

### *Responsible investing*

The Investment Manager has implemented an Environmental, Social and Governance policy which it follows in its investment management of the Funds. Under this policy, the Investment Manager has integrated consideration of ESG issues into its investment processes (including in respect of the Funds), with a view to ensuring that its investments promote positive environmental, social and governance outcomes and/or seek to mitigate the negative impact of those investments on environmental, social and governance factors. The Investment Manager’s responsible investing policy is available on its website at: <https://www.valuepartners-group.com/en/about-us/social-responsibility/>.

### *Summary of the Investment Manager’s Sustainability Risks Policy*

The Investment Manager has implemented a Sustainability Risks Policy (the “**Policy**”), which sets out the Investment Manager’s policies in respect of the integration of sustainability risks in its investment decision-making process, as required by the SFDR. This following section is a summary description of the key features of the Policy.

Under SFDR, “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. The Policy therefore approaches sustainability



risk from the perspective of the risk that ESG events might cause a material negative impact on the value of its clients' investments.

As part of its broader risk management processes when investing, the Investment Manager has implemented procedures to (i) identify, (ii) measure, (iii) manage and (iv) monitor sustainability risks.

**Identify:** The Investment Manager recognises that sustainability risk is both a standalone risk but also a cross-cutting risk which manifests through many other established principal risk types (such as financial risks, operational risks, credit risks, etc).

The Investment Manager is required to review the sustainability risks which are potentially likely to cause a material negative impact on the value of the ICAV's investments, should those risks occur. These are summarised below in section 5 of this policy and are broadly divided into the three categories of environmental, social and governance risks.

**Measure:** Having identified the sustainability risks which may pose a negative impact of the value of any sub-fund investments, the Investment Manager has in place a way of measuring these risks and reporting the results of these measurements to us on a regular frequency.

The Investment Manager measures sustainability risk according to two metrics. The first is likelihood of occurrence of each risk, within the typical investment horizon for the sub-funds. The second is severity of impact to the value of a client's investments, should the risk occur. Each metric is assigned a Risk Rating score, which is recorded in a separate Portfolio Risk Matrix type document.

**Management:** The Investment Manager does not impose absolute risk limits, risk obligations or appetite thresholds which relate exclusively to sustainability risk as a separate category of risk on the ICAV. While the Investment Manager provides its portfolio managers and analysts with information on sustainability risks and they are encouraged to take sustainability risks into account when making an investment decision, including when electing which underlying investment funds to invest into, sustainability risk would not by itself prevent the Investment Manager from making any investment. Instead, sustainability risk forms part of the overall risk management processes, and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk.

**Monitoring:** The Investment Manager has an effective risk management process in place. As part of its risk management function, the Investment Manager is expected to periodically monitor the underlying Fund portfolios to identify the scale of sustainability risk within the Funds' positions and ensure effective reporting it delivered to the portfolio management team and, in turn, to the Manager.

The Investment Manager has taken steps to identify each key environmental, social and governance risks which could, if it occurs, cause an actual or a potential material negative impact on the value of an investment within a Fund. These are summarised below:

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

Environmental sustainability risks for the value of our clients' portfolios include:

- Carbon emissions
- Poor waste management and recycling practices
- natural resource scarcity
- Greenhouse gases

Social risks may be internal or external to a business and are associated with employees, local communities and customers of companies in which the Funds may invest or otherwise have exposure. Social risks also relate to

the vulnerability of a business to, and its ability to take advantage of, broader social “megatrends”. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Social sustainability risks for the value of our clients’ portfolios include:

- labour relation issues
- Fail to protect customer data
- Workplace health and safety
- Product safety
- Impact on local communities

Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies in which the Funds may invest or otherwise have exposure. Such risks may arise in respect of the company itself, its affiliates or in its supply chain. Governance sustainability risks for the value of our clients’ portfolios include:

- Lack of diversity at Board or governing body level
- Inadequate external or internal audit
- Infringement or curtailment of rights of (minority) shareholders
- Bribery and corruption
- Reliance on specific relationship with government or personnel
- Staff diversity
- Consistency and transparency in reporting and accounting

## 2.18. Risk Factors

### *General*

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

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

### *Change in market conditions*

Global markets are currently experiencing substantial levels of volatility, resulting in wider credit spreads, tightened liquidity conditions and a significant downturn in the economic environment. A Fund's performance may be adversely affected by unfavourable international markets and unstable economic conditions or other international events, which may result in unanticipated losses that are beyond the control of the Fund.

Various economic and political factors can impact on the performance of a Fund and may lead to increased levels of volatility and instability in the net asset value of that Fund. Please refer to the sub-section titled **Political, Regulatory, Settlement and Sub-Custodial Risk** in this section for further details of such risk factors.

It is not yet clear that the changes or measures effected in government fiscal, monetary and regulatory policies of a government, including government policies to manage the current decline in market conditions, will be fully successful in preventing further disruption in the financial markets or the further failure of financial sector companies. If there are further disruptions or failures, a Fund's portfolio could decline sharply and severely in value or become valueless and the Investment Manager may not be able to avoid significant losses in that Fund. Investors may lose a substantial proportion or all of their investments.

### *Investment Risk*

Each Fund may invest in companies which are less well-established or in their early stages of development. These companies may often experience significant price volatility and potential lack of liquidity due to low trading volume of their securities.

In addition, a Fund may invest in the securities of small and medium sized companies. This can involve greater risk than is customarily associated with investments in larger and more established companies. In particular, smaller companies often have limited product lines, markets and/or financial resources and management may be dependent on a few key individuals. As a result, price movements in those companies may be more volatile. Transaction costs on dealing with securities of smaller capitalisation companies can be higher than those of larger capitalization companies and there may be less liquidity which may constrain the Investment Manager's ability to realise some or all of a Fund's portfolio.

### *Possible Business Failure*

In the current economic environment, global markets are experiencing very high levels of volatility and an increased risk of corporate failures. The insolvency or other corporate failures of any one or more of a Fund's investments may have an adverse effect on that Fund's performance and ability to achieve its objectives. Each Fund intends to diversify their investments to minimise such adverse impact but there is no guarantee that such a diversification strategy can mitigate any such adverse impact. Investors may lose money by investing in a Fund.

### *Performance of Underlying Investments*

It should be appreciated that because the value of Shares in a Fund, and income from them (if any), is primarily based on investments in the securities as outlined in each Fund Supplement, the value of the Shares in a Fund will rise or fall as a result of fluctuations in the value or performance of such underlying securities.

### *Foreign Account Tax Compliance Act*

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

The ICAV and/or each Fund will endeavour to satisfy the requirements imposed under FATCA or the Irish IGA to avoid any withholding tax. In the event that the ICAV and/or a Fund is not able to comply with the requirements imposed by FATCA or the Irish IGA and the ICAV and/or a Fund does suffer U.S. withholding tax on its investments as a result of non-compliance, the Net Asset Value of the ICAV and such Fund may be adversely affected and the ICAV and such Fund may suffer significant loss as a result.

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

#### *Organisation for Economic Co-operation and Development (“OECD”) Common Reporting Standard*

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Ireland has legislated to implement the CRS. As a result the ICAV will be required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of its Shares in the Fund.

#### *Market Risk*

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

In addition, some of the Recognised Exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

#### *Investment Objective Risk*

There is no guarantee that in any time period, particularly in the short term, a Fund's portfolio will achieve any capital growth or even maintain its current value. Whilst the Investment Manager seeks to select the stocks which it believes are being traded at deep discounts to their intrinsic values, there are no assurances that such discounts will persist in any meaningful time frame. Investors should be aware that the value of shares may fall as well as rise.

Whilst it is the intention of the Investment Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in a Fund. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Fund.

#### *No Right to Control the Fund's Operation*

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

#### *Reliance on the Investment Manager*

A Fund will rely upon the Investment Manager in formulating the investment strategies and its performance is largely dependent on the continuation of an agreement with the Investment Manager and the services and skills of their respective officers and employees. In the case of loss of service of the Investment Manager or any of its

key personnel, as well as any significant interruption of the Investment Manager's business operations, or in the extreme case, the insolvency of the Investment Manager, a Fund may not find successor investment managers quickly and the new appointment may not be on equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in a Fund's performance and investors may lose money in those circumstances.

#### *Active Investment Management*

It is possible that a Fund's investments will not track a particular share index or other predetermined benchmarks. Instead, a Fund's assets may be actively managed by the Investment Manager, based on the expertise of individual fund managers, who will have discretion (subject to the Fund's investment restrictions) to invest the Fund's assets in investments that it considers will enable the Fund to achieve its investment objective. There is no guarantee that a Fund's investment objective will be achieved based on the investments selected.

#### *Risks of investing in other funds*

Investing in other funds may expose a Fund to the following risks:

*Additional fees associated with investing in underlying funds:* The value of the shares or units of the underlying funds will take into account their fees and expenses, including fees (in some cases including performance fees) charged by their management companies or investment managers. Some underlying funds may also impose fees or levies which may be payable by a Fund when it subscribes to or redeems out of such underlying funds. Whilst the Investment Manager will take the level of any such fees into account when deciding whether or not to invest, investors should nevertheless be aware that investing into underlying funds may involve another layer of fees, in addition to the fees charged by a Fund.

*Investment objective risk:* Although the Investment Manager will use due diligence procedures to select and monitor underlying funds, there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved. The underlying funds in which a Fund may invest may also not be regulated by any regulatory authority.

*Conflicts of interest risk:* A Fund may from time to time invest in other funds managed by the Investment Manager or its Connected Persons. In such circumstances, all initial charges on the underlying fund must be waived for a Fund and the Investment Manager may not obtain a rebate on any fees or charges levied by the underlying fund or its manager. In addition, where an underlying fund is managed by the Investment Manager, all management and performance fees charged by the underlying fund will be waived for the Fund. However, despite such measures, conflicts of interest may nevertheless arise out of such investments, and in such event the Investment Manager will use its best endeavours to avoid and resolve such conflicts fairly.

#### *Sovereign Debt Risk*

A Fund may invest in sovereign debt securities and such investments involve special risks. The repayment of debts by a government is subject to various risks including the economic and political factors. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. Since a Fund's recourse against a defaulting sovereign is limited, a Fund may incur substantial loss if the sovereign defaults.

#### *Repatriation Limitations*

Some countries may impose restrictions on foreign exchange, especially in relation to the repatriation of foreign funds. Such markets may prohibit the repatriation of foreign funds for a fixed time horizon and limit the percentage of invested funds to be repatriated at each time. As a result, a Fund can incur loss from any prohibition or delay in its ability to repatriate funds from those countries and therefore cause a decline in the net asset value. Investors may lose money or may be unable to redeem the full amount of their shares or may experience some delay.

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

Uncertainty with any change in social conditions, government policies or legislation in the countries in which a Fund may invest may adversely affect the political or economic stability of such countries. The value of the assets of a Fund may be affected by uncertainties such as domestic and international political developments, changes in social conditions, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, the level of interest rates, currency fluctuations, fluctuations in both debt and equity capital markets, sovereign defaults, inflation and money supply deflation, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not occur without prior notice. Any such changes or developments may affect the value and marketability of a Fund's investments. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### *Liquidity Risk*

It is possible that there may be no liquidity or no bid or offer prices or no reliable bid or offer prices quoted for certain securities that a Fund may invest in, in particular debt securities and securities that are not listed on a recognised stock exchange. It may be difficult to determine the appropriate valuation of such investments and a Funds' ability to sell or liquidate investments at favourable times or for favourable prices may be restricted.

### *Redemption Risk*

If significant redemptions of shares in a Fund are requested, it may not be possible to liquidate a Fund's investments at the time such redemptions are requested or a Fund may be able to do so only at prices which the Fund believes does not reflect the true value of such investments, resulting in an adverse effect on the return to investors. Where significant redemptions of shares are requested, a Fund may limit the number of shares that are redeemed on any Dealing Day. Please see the section headed **Redemption Gate** for further details. The Investment Manager has also put in place anti-dilution levy to make dilution adjustment and swing pricing mechanism on the subscription price and redemption price with a view to protecting the interests of Shareholders. Please see the sections headed **Anti-Dilution Levy/Duties and Charges** and **Net Asset Value and Valuation of Assets** for further details.

### *Credit Risk*

Credit risk, a fundamental risk relating to all fixed income securities as well as Money Market Instruments, is the risk that an issuer and or counterparty will fail to make principal and interest payments when due or default completely.

Each Fund may invest in higher yielding securities which are rated below investment grade. A Fund may be subject to additional risks due to the speculative nature of investing in securities with a rating below investment grade. Accordingly, an investment in these securities may be accompanied by a higher degree of credit risk than is present with investment in higher rated, lower yielding securities. Below investment grade securities such as, for example, high yield debt securities, may be considered speculative and can include securities that are unrated and/or in default.

Even in the absence of the issuer's default, if the mark-to-market value is lower than the cost of the investment, a Fund may suffer immediate diminution in the net asset value, even if a Fund holds that investment to maturity and yields a profit.

In times of market turmoil and where there is pressure to make a redemption, a Fund may be forced to realise a substantial portion of its investments at a value which may result in significant losses to the Fund and investors may lose money in such circumstances.

Issuers with higher credit risk typically offer higher yields for this added risk. Conversely, issuers with lower credit risk typically offer lower yields.

Changes in the financial conditions of an issuer, changes in economic and political conditions in general, or changes in economic and political conditions specific to an issuer, are all factors that may have an adverse impact on an issuer's credit quality and security values.

Prices of a Fund's investments may be adversely affected if any of the issuers or counterparties it is invested in are subject to an actual or perceived deterioration in their credit quality. Credit spreads may increase, which may reduce the market values of a Fund's securities. Credit spread risk is the risk that economic and market conditions or any actual or perceived credit deterioration may lead to an increase in the credit spreads (i.e., the difference in yield between two securities of similar maturity but different credit quality) and a decline in price of an issuer's securities.

#### *Credit Ratings Risk*

Investment in debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The ratings of fixed-income securities by agencies, such as Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category. In the event of a down-grading of the credit rating of a security or an issuer relating to a security, the value of a Fund investing in such security may be adversely affected.

#### *Currency Risk*

The investments of a Fund will mainly be denominated in currencies other than the Base Currency of the Fund and, accordingly, any income received by the Fund from such investments will be made in such other currencies. A Fund will compute its net asset value in the Base Currency of the Fund, and therefore in this regard, there is a currency exchange risk involved as a result of fluctuations in exchange rates between US dollars and such other currency which can be substantial and may occur suddenly. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. In addition, foreign exchange control in any country may cause difficulties in the repatriation of funds from such countries.

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

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

### *Share Currency Designation Risk*

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Redemption proceeds and any distributions to shareholders will normally be made in the currency of denomination of the relevant Class. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading **Currency Risk** provided that such instruments shall not result in over hedged positions exceeding 105% of the Net Asset Value attributable to the relevant Class of Shares of the Fund and hedged positions materially in excess of 100% of Net Asset Value will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

### *Equity Risk*

A Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors. Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include changes in investment sentiment, political and economic conditions and issuer-specific factors, the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value.

### *Geographical Concentration Risk*

Certain Funds with a geographical focus may be more volatile than a broad-based fund, such as a global fund, as they are more susceptible to fluctuations in value resulting from adverse conditions in the countries in which they invest.

### *Interest Rate Risk*

A Fund may invest in fixed income securities which are subject to interest rate risk. A fixed income securities value will generally increase in value when interest rates fall and decrease in value when interest rates rise. Certain fixed income securities give an issuer the right to call its securities, before their maturity date, in periods of declining interest rates. The possibility of such "pre-payment risk" may force a Fund to reinvest the proceeds of such investments in securities offering lower yields, thereby reducing the Fund's interest income.

### *Investing in Fixed Income Securities*

Fixed income securities are subject to many risk factors, including economic conditions, government regulations, market sentiment, and local and international political events. The market value of these securities in which a Fund invests may be subject to higher volatility and will fluctuate in response to changes in creditworthiness of the issuer, interest rates, currency values, and other economic, political and market factors. Such fluctuations may be substantial. There is a risk that one or more issuers of securities held by a Fund may default in payment of interest and/or principal. That portion of a Fund invested in securities which are rated below investment grade, or are deemed equivalent thereto by the Investment Manager, are subject to significantly greater risk of such defaults.

Lower rated securities are considered by credit rating agencies to be speculative and to carry a high level of risk. The lower rated securities in which a Fund may invest are subject to higher volatility and may have a significantly greater risk of default in payments of interest, principal, or both, than the risk of default for investment grade bonds. Issuers of below investment grade securities present a higher risk of bankruptcy or reorganisation than



issuers of investment grade bonds or may have recently been in bankruptcy or reorganisation proceedings. A Fund may invest in securities which are rated below investment grade. A Fund may be subject to additional risks due to the speculative nature of investing in securities with a rating below investment grade such as high yield debt securities, which may be considered speculative and can include securities that are unrated and/or in default. An investment in these securities may be subject to a higher degree of credit risk and a greater possibility of default.

The secondary market for lower rated securities is typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. The market price of lower rated securities will be affected by the bond market's perception of credit quality and the effect of stronger or weaker economic growth as well as political developments.

The market price of lower rated securities may also be affected by general changes in interest rates (decreasing as rates rise and increasing as rates fall) that affect the market price of all bonds, although lower rated securities may be less sensitive to interest rate changes than investment grade bonds. The below investment grade security market at times will be very illiquid. Market prices of lower rated securities may be affected by imbalances in sell and buy orders among institutional investors and dealers. In addition to credit risk and liquidity risk concerns, the market price of lower rated securities in particular may be adversely impacted by legislative or regulatory developments, such as determinations that certain categories of institutional investors must divest their below investment grade holdings, or changes in rules regarding taxation or corporate reorganisations.

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. In addition, the credit rating of a debt security may subsequently be downgraded, which may adversely affect the value of a Fund. The Investment Manager may or may not be able to dispose of the debt security being downgraded.

Valuation of a Fund's investments may also involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the calculation of the Net Asset Value of a Fund.

A Fund may also have to sell holdings of below investment grade securities at unfavorable prices in order to raise proceeds to pay for redemptions of Shares.

#### *Borrowing Risks*

A Fund may borrow for the account of the Fund for various reasons, such as facilitating redemptions or to acquire investments for the account of the Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Fund will be able to borrow on favourable terms, or that the Fund's indebtedness will be accessible or be able to be refinanced by the Fund at any time.

#### *Counterparty Risk*

Financial institutions, such as brokerage firms, broker-dealers and banks, may enter into transactions with the relevant Investment Manager on account of a Fund in relation to the Fund's investments. These financial institutions, being a counterparty to the transactions, may also be issuers of securities or other financial instruments in which a Fund invests. This exposes the Fund to the risk that a counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Fund to suffer a loss.

Deposits of securities or cash with a custodian, bank or financial institution ("**custodian or depository**") will also carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency or default by them. In these circumstances, a Fund may be required to unwind certain transactions, may encounter delays of some years, and may encounter difficulties with respect to court procedures in seeking recovery of the Fund's assets. In most cases, the Fund's assets will be maintained by the custodian or depository in segregated accounts and would be protected in the event of the insolvency of the custodian or depository. However, in some custody, sub-custody or stock lending arrangements, a Fund may not have a right to have specific assets returned to it, but rather, the Fund may only have an unsecured claim

against the custodian or counterparty, in which case it may lose all or the greater part of the value of the relevant assets.

#### *Amortised Cost Method*

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

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

#### *Valuation and Accounting*

In some instances where there may be no liquidity or no bid or offer prices or no reliable bid or offer prices quoted for certain securities that a Fund may invest in (in particular, debt securities and securities that are not listed on a recognised stock exchange), it may be difficult to determine the appropriate valuation of such investments. The Administrator may consult the Investment Manager (as deemed to be a competent person by the Directors), with respect to the valuation of certain investments and the Investment Manager may have a conflict of interest in striking such valuation since its management and performance fees will be affected by the value of assets under management. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the ICAV has directed the Investment Manager to follow industry standard procedures and the requirements of the Central Bank for valuing unlisted investments.

Further, under current market conditions, it may be the case that the bid-offer spread will be very wide for financial instruments held by a Fund, particularly in the case of debt securities that are not listed on a recognised stock exchange, although such spread may be expected to narrow over time. One consequence of this is that to the extent a Fund values its portfolio by reference to bid prices, it will incur an immediate diminution in net asset value on the purchase of such debt instruments.

The Directors intend to adopt IFRS in drawing up the annual accounts of the ICAV. However, the calculation of the net asset value in the manner described below in the section headed **Net Asset Value and Valuation of Assets** (which the Directors intend to adopt for the purpose of the calculation of various fees as described in this Prospectus) may not necessarily be in compliance with generally accepted accounting principles, that is, IFRS. Accordingly, the net asset value as described in this Prospectus may not necessarily be the same as the net asset value to be reported in the annual accounts as the Investment Manager may make necessary adjustments in the annual accounts to comply with IFRS.

In addition, for any subscription of shares which are not paid in full and in cleared funds within the specified period, the Investment Manager may cancel the relevant shares, and the relevant shares shall be deemed never to have been issued. There is a risk that the calculation of the net asset value may be affected, as the valuations of a Fund will not be re-opened or invalidated as a result of the cancellation of such shares, and there is no guarantee that the Fund will be able to recover from the investor the fees and costs charged by the Fund for the cancellation of such shares.

#### *Accounting and Reporting Standards*

The accounting standards and regulatory requirements of financial reporting and information disclosure in some markets in which a Fund may invest may not follow international standards as there are differences between international standards and reporting practices in such markets. These differences may lie in areas such as different valuation methods of the properties or the assets, and the requirements for disclosure of information to investors. Therefore, a Fund may be forced to make investment decisions based on incomplete or incorrect data. If those data turn out to be incomplete or incorrect, the security in which that Fund has invested into could decline in value or become valueless. Investors may lose money in those circumstances.

### *Risk Relating to War or Terrorist Attacks*

It is possible that the terrorist attacks in the United States in September 2001, the United Kingdom in July 2005 and in India in November 2008 may have an adverse political and/or economic impact in Asia. There can be no assurance that there will not be any terrorist attacks which could have a direct or indirect effect on the Asian markets in which investments of a Fund may be located and the corresponding political and/or economic effects arising therefrom if any, may in turn adversely affect the operation and profitability of the Funds.

### *Risk Relating to Pandemics or Natural Disasters*

It is possible that a serious pandemic (such as the COVID-19 outbreak in 2020/2021) or a natural disaster may cause severe disruption on the global economy and may have an adverse impact on the operation of the Funds. The continued spread of COVID-19 or an outbreak of other pandemics or any natural disaster or the measures taken by the governments of affected countries may have an adverse effect on global or regional economic conditions and may adversely affect the ability of the Funds to accurately determine the value of their underlying investments.

### *Performance Fee Risk*

The payment of the performance fee as described under the section entitled **Fees and Expenses** in the relevant Fund Supplement to the Investment Manager based on the performance of the ICAV may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. The Investment Manager will have discretion as to the timing and the terms of the ICAV's transactions in investments and may therefore have an incentive to arrange such transactions to maximise its fees. Prospective investors should also note that the management fee and performance fee payable to the Investment Manager are based on net realised and net unrealised gains and losses as at the end of each calculation period and as a result, performance fees may be paid on unrealized gains which may subsequently never be realised by a Fund.

There is no equalisation arrangement in respect of the calculation of the performance fees. As there is no adjustment of equalisation credit or equalisation losses on an individual Shareholder basis, a Shareholder may incur a performance fee notwithstanding the Shareholder may have suffered a loss in investment in the Shares. On the other hand, a Shareholder may not be subject to any performance fee notwithstanding the Shareholder concerned may have realised a gain in investment in the Shares.

During a thematic review of performance fees in 2018, the Central Bank identified that, where performance fees are paid on the basis of achieving a new high net asset value per Share, such fees accruing may be the result of market movements rather than due to the performance of the Investment Manager. The Central Bank identified inadequate disclosure practices in this regard and considers that investors may not be fully aware of the circumstances which led to the payment of the performance fee.

### *Securities Lending Risk*

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Where a Fund enters into securities lending arrangements there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part of the Depositary, the Investment Manager or lending agent. In addition there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in such securities lending arrangements is the insolvency of the counterparty. In this event the ICAV could experience delays in recovering its securities and such event could possibly result in capital losses.

### *Repurchase Transaction Risk*

In the event of the failure of the counterparty with which collateral has been placed, a Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

### *Reverse Repurchase Transaction Risk*

In the event of the failure of the counterparty with which cash has been placed, a Fund may suffer loss as there may be delays in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

### *Cross-Liability for other Funds*

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

### *Stocklending or Repo Transactions Risk*

All stocklending or repo transactions involve an element of risk. The ICAV may use one or more separate approved counterparties to undertake such transactions on behalf of a Fund and may be required to pledge collateral paid from within the assets of a Fund to secure such transactions. There may be a risk that an approved counterparty will wholly or partially fail to honour their contractual arrangements under the transaction with regard to the return of collateral and any other payments due to a Fund and the Fund may suffer losses as a result. The counterparty will forfeit its collateral if it defaults on the transaction. However, if the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to a Fund or to purchase replacements for the securities that were lent to the counterparty. This may result in losses for the investors.

Risks related to a counterparty's right of reuse of any collateral include that, upon the exercise of such right of reuse, 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 a Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. Assets subject to a right of reuse by a counterparty may form part of a complex chain of transactions over which the ICAV will not have any visibility or control.

### *Below investment grade or unrated debt securities risk*

A Fund may invest in debt securities which are below investment grade or unrated. Investments in debt securities which are below investment grade or unrated are considered to have a higher risk exposure than debt securities which are investment grade with respect to payment of interest and return of the principal. Lower rated or unrated debt securities generally offer a higher current yield than higher grade issues. However, lower rated or unrated debt securities involve higher risks and are more sensitive to adverse changes in general economic conditions and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers and changes in interest rates. Additionally, the market for lower rated or unrated debt securities is generally less active than that for higher quality debt securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. The value of lower-rated or unrated corporate bonds is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality. Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and a Fund could sustain losses on such investments. A Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that a Fund will not acquire securities with respect to which the issuer subsequently defaults.

### *High Portfolio Turnover Risk*

A Fund may engage in active and frequent trading leading to increased portfolio turnover, higher transaction costs, and the possibility of increased capital gains, including short-term capital gains that will generally be taxable to Shareholders as ordinary income.

### *Industry and Sector Focus Risk*

At times, a Fund may increase the relative emphasis of its investments in a particular industry or sector. The prices of securities of issuers in a particular industry or sector may be more susceptible to fluctuations due to changes in economic or business conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry or sector more than securities of issuers in other industries and sectors. To the extent that a Fund increases the relative emphasis of its investments in a particular industry or sector, its Shares' values may fluctuate in response to events affecting that industry or sector.

### *High Growth Industry Related Risks*

A Fund may have significant investments in the securities of high growth companies. It is noted that these securities may be very volatile. In addition, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the development stages of their businesses, have limited ability to protect their rights to certain patents, copyrights, trademarks and other trade secrets, or be otherwise adversely affected by the extremely competitive markets in which many of their competitors operate.

### *Transactions Risk*

A Fund could experience a loss and its liquidity may be negatively impacted when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. Similarly, large purchases of Shares may adversely affect a Fund's performance to the extent that the Fund is delayed in investing new cash and is required to maintain a larger cash position than it ordinarily would.

### *Emerging Market Risk*

When a Fund invests in equity markets, its performance is primarily influenced by company-specific changes and changes in economic environment. Moreover, investments in Emerging Markets carry a higher price risk. Prices of securities traded in Emerging Markets tend to be less liquid and more volatile.

Frequent political and social unrest in Emerging Markets and associated high inflation and interest rates may lead to significant fluctuations in currencies and stock market prices. Due to the smaller size of many Emerging Markets, there is also a risk of restricted liquidity, and possible restrictions on foreigners carrying out currency transactions or investments in certain Emerging Markets represent further risks. It is therefore important that investments in a Fund are viewed as long-term in nature.

The trading and settlement practices of some of the stock exchanges or markets on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. In addition, a Fund will be exposed to credit risk in respect of parties with whom it trades and will bear the risk of settlement default.

Currency fluctuations can be severe in developing countries that have both floating and fixed exchange rate regimes. The latter can undergo sharp one-time devaluations.

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of Shareholder protection or information to investors as would generally apply in many developed

countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Local custody services remain underdeveloped in many Emerging Markets and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some Emerging Markets evidence of title to shares is maintained in "book-entry" form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holding of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

#### *Investment in Russia*

In so far as a Fund invests in Russia, investors should note that Russia has weaker corporate governance, auditing and financial reporting standards than those in developed markets, which could result in a less thorough understanding of the financial condition, results of operations and cash flow of companies in which a Fund invests. Accordingly, an investment in a Russian corporate will not afford the same level of investor protection as would apply in more developed jurisdictions.

#### *Risks associated with Investments in the Asia Pacific Region Risk*

Investments in the Asia Pacific Region may be subject to a higher risk than investments in developed market economies. Many countries in the Asia Pacific Region are considered emerging markets, and hence subject to risks such as heightened political unrest, securities whose valuations fluctuate widely, war or social uprising, and domestic economic management (including the risks of remittance restrictions and exchange controls) or sovereign intervention (including the risk of expropriation). These risks may impact on entities with operations in the region. Such instability may be reflected in the value of investments made in Asia Pacific Region economies, increasing the risk of adverse performance, and/or loss of investor capital.

#### *Asian Country Risk and Legal Infrastructure*

Countries in the Asia region have diverse legal, banking and exchange control systems with which investors may not be accustomed. The laws of some countries in the Asian region are in their early stages of development. As their legal infrastructure develops, certain new laws may have a negative impact on the value of an investment which cannot be foreseen at the time the investment is made. As the efficacy of such laws is as yet uncertain, there can be no assurance as to the extent to which rights of foreign shareholders can be protected. In addition, there may also be a shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws in some jurisdictions. It may also be difficult for a Fund to obtain effective enforcement of its rights by legal or arbitral proceedings in the Asia region than in countries with more mature legal systems. The value of a Fund's portfolio can be affected negatively by changes in those legal, banking or exchange control systems. Shareholders may lose money in those circumstances.

#### *Potential Market Volatility*

Investors should note that some of the stock exchanges in the Asia Pacific Region are still at a developmental stage, and their respective market capitalisation and trading volume are much lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volume in such markets may result in prices of securities traded on such markets fluctuating significantly, which may result in substantial changes to the price of the Shares of a Fund.

### *Political, Economic and Social Risks*

Political changes, social instability and unfavourable diplomatic developments which may take place in any part of the Asia Pacific Region could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by a Fund in such place. Investors should also note that any change in the policies of any part of the Asia Pacific Region may impose an adverse impact on the securities markets in such place as well as the Shares of a Fund.

### *Accounting and Reporting, Corporate Disclosure and Regulatory Standards*

Accounting, auditing and financial reporting standards and practices applicable to companies in some parts of the Asia Pacific Region may differ from those in countries that have more developed financial markets. These differences may lie in areas such as different valuation methods of the properties and assets, and the requirements for disclosure of information to investors.

The disclosure and regulatory standards in some countries in the Asia region are in many respects less stringent than standards in certain OECD Countries. There may be less publicly available information about Asia region 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. Asia region companies may be 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 the 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 a Fund.

### *Brexit and the European Union*

In an advisory referendum held in June 2016, the UK electorate voted to leave the European Union. On 31 January 2020, the United Kingdom officially left the European Union. The United Kingdom left the European Union customs union and single market on 1 January 2021. The future economic and political relationship between the United Kingdom and the European Union (and between the United Kingdom and other countries) is uncertain, and as a result a period of economic and political uncertainty is expected in the United Kingdom, in the rest of the European Union and globally. The result of the United Kingdom's referendum has caused severe currency movements and volatility in global markets and is likely to continue to do so as events develop. The United Kingdom's exit from the European Union is expected to result in regulatory changes, which may be adverse to the ICAV and its service providers. Other Member States may also reconsider their European Union membership. This could result in one or more other countries leaving the European Union, or in major reforms or other changes being made to the European Union or to the Eurozone. The ultimate nature and extent of the impact of these events are uncertain but may be significant.

### *Derivatives and Techniques and Instruments Risk*

#### *General*

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of hedging and investment techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed

to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) the ability to meet redemption.

#### *Correlation Risk*

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

#### *Legal Risk*

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

#### *Liquidity of Futures Contracts*

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

#### *Forward Trading*

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

#### *Foreign Exchange Fluctuation*

Where a Fund utilises derivatives which alter the currency exposure characteristics of transferable securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held. In addition, fluctuation in the exchange rate between the denomination currency of the underlying shares and the derivatives will affect the value of the derivatives, the redemption amount and the distribution amount on the derivatives.

#### *Risk of Investing in Convertible Bonds*

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

#### *OTC Markets Risk*

Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility. In particular, investments in Participation Notes involve certain risks in addition to those associated with a direct investment in the underlying foreign companies or foreign securities markets whose return they seek to replicate. There can be no assurance that there will be a trading market or that the trading price will equal the underlying value of the foreign company or foreign securities market that it seeks to replicate.



### *Derivatives Counterparty Risk*

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

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

The Funds are relying on the creditworthiness of the counterparty issuing the Participation Notes and has no rights under a Participation Note against the issuer of the underlying security. Therefore, if such counterparty were to become insolvent, the Funds would lose their investment. This risk may be amplified because the Funds can purchase Participation Notes issued by as few as one issuer. In seeking to limit its counterparty risk, the Funds will endeavour to transact with a number of counterparties provided the Investment Manager sees fit. Participation Notes may also include transaction costs in addition to those applicable to a direct investment.

### *Absence of Regulation; Counterparty Default*

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

### *Necessity for Counterparty Trading Relationships*

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

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

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

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

#### *Re-Investment of Cash Collateral*

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

#### *Operation of Collection Accounts*

The Administrator operates a Collection Account in accordance with the Central Bank's Investor Money Regulations. The Collection Account is held at a credit institution as prescribed by the Investor Money Regulations ("**Relevant Credit Institution**") in the name of the Administrator and is designated as a "**Collection Account**". All monies in the Collection Account will be held at the Relevant Credit Institution on a segregated basis by the Administrator for the benefit of the investors and on behalf of, and at the risk of, the investors for whom such investor monies are being held. The Relevant Credit Institution will hold the cash on the Administrator's behalf (for the benefit of the investors on behalf of whom such monies are being held) in an account separate from any money the Relevant Credit Institution holds for the Administrator in its own right.

#### *Risks relating to the PRC*

##### PRC securities markets risk

The PRC securities markets, including the Shanghai Stock Exchange and Shenzhen Stock Exchange may be considered to have higher liquidity risk than markets in more developed countries, which may in turn result in higher transaction costs, price volatility and potentially result in difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. 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. The PRC's regulatory authorities have been catching up with other more developed jurisdictions to prohibit fraudulent and unfair market practices relating to securities markets, such as insider trading and market abuse, and to regulate substantial acquisitions of shares and takeovers of companies. All of these factors may lead to a higher level of volatility and instability associated with the PRC securities markets relative to more developed markets.

##### PRC economic risk

The economy in the PRC has experienced rapid growth in recent years. However, such growth may or may not continue nor apply evenly across different sectors of the PRC economy. The PRC government has also implemented various measures from time to time to prevent overheating of the economy. Furthermore, the transformation of the PRC from a socialist economy to a more market-oriented economy has led to various economic and social disruptions in the PRC and there can be no assurance that such a transformation will be continued or be successful. All these may have an adverse impact upon the performance of the investments of the Fund which are related to the PRC.

##### Government intervention and restrictions risk

The PRC securities markets have lower trading volumes than most OECD exchanges and the market capitalisations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD Countries. The liquidity and price volatility associated with China A Share markets are subject to greater risks of government intervention (for example, to suspend trading in particular stocks) and imposition of trading band restrictions for all or certain stocks from time to time. In addition, China A Shares traded in the PRC are still subject to trading band limits that restrict maximum gain or loss in stock prices, which means the prices of stocks may not necessarily reflect their

underlying value. Such factors may affect the performance of the Fund, and the subscription and redemption of Shares may also be disrupted.

#### Legal system of the PRC

The legal system of the PRC is based on written laws and regulations. However, many of these laws and regulations are still untested and the enforceability of such laws and regulations remains unclear. In particular, the PRC regulations which govern currency exchange in the PRC and the investments of the ICAV as a foreign investor are relatively new and their application is uncertain. Such regulations also empower the CSRC and the State Administration of Foreign Exchange to exercise discretion in their respective interpretation of the regulations, which may result in uncertainties in their application.

#### Accounting and reporting standards risk

PRC companies are required to follow PRC accounting standards and practice which follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with the PRC accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in the PRC are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in the PRC on which the Investment Manager can base investment decisions.

#### RMB currency and conversion risks

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currency will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund. Investors whose assets and liabilities are predominantly in currencies other than RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB as well as associated fees and charges. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

In calculating the Net Asset Value per Share of a Class denominated in RMB and in effecting any currency conversions involving RMB, the Investment Manager may apply the CNH rate (i.e. the exchange rate for the offshore RMB market in Hong Kong). Whilst the RMB (CNH) and RMB (CNY) (i.e. the exchange rate for the onshore RMB market in Hong Kong) represent the same currency, they are traded in different rates and separate markets which operate independently. As such, RMB (CNH) may trade at a premium or discount to RMB (CNY) and they may even move in different directions. Any divergence between RMB (CNH) and RMB (CNY) may adversely impact investors.

#### Custody risk

In a limited number of markets, such as the PRC, where a no failed trade policy is standard market practice, once a sale order is placed in relation to assets of the Fund, by virtue of the operation of the settlement system within those markets, those assets will automatically move from custody of the Depositary without the need for the prior approval of the Depositary. Where this occurs the consideration for those assets is remitted to the entity releasing the assets.

#### *QFII regime related risks*

To the extent that a Fund invests through QFII in the PRC, the following risks, without limitation, may apply:

#### QFII systems risk

The current QFII Regulations include rules on investment restrictions applicable to a Fund. Although the Investment Manager does not anticipate that such investment restrictions will impact the ability of the Fund to achieve its investment objectives, investors should note that the relevant PRC laws and regulations may limit the

ability of a QFII to acquire China A Shares in certain PRC issuers from time to time. This may occur in a number of circumstances, such as: (i) where the QFII holds in aggregate 10% of the total share capital of a listed PRC issuer (regardless of the fact that the QFII may hold its interest on behalf of a number of different ultimate clients); and (ii) where the aggregated holdings of all overseas investors (including the QFII, whether or not connected in any way to the Fund) already equal 30% of the total share capital of a listed PRC issuer. In the event that these limits are exceeded the QFII will be required to dispose of the China A Shares in order to comply with the relevant requirements and, in respect of (ii), each overseas investors (including the QFII) will dispose of the relevant China A Shares on a “last in first out” basis. Transaction sizes for QFIIs are relatively large (with the corresponding heightened risk of exposure to decreased market liquidity and significant price volatility leading to possible adverse effects on the timing and pricing of acquisition or disposal of securities).

Onshore PRC securities acquired by a QFII for a Fund may be registered in the name of the Fund or the QFII in accordance with the relevant rules and regulations, and maintained in electronic form via a securities account with the CSDCC. In the event the QFII sets up an omnibus account for all its underlying products, the account would be marked as “QFII + client’s assets”, where the specific name of the client (like a Fund) would neither be identified nor shown in the name of such account. The PRC Custodian is appointed to maintain records of the assets attributable to the Fund, though certain assets of the Fund may be co-mingled with assets of other funds or accounts managed by the QFII in such an omnibus account. It is possible that, in the event of any insolvency proceedings being brought against the QFII in the PRC or other circumstances including but not limited to the PRC Custodian making errors in handling the assets or accounts of the funds, even though the PRC laws legally recognise the collective ownership of the assets owned by all of the QFII’s funds or accounts that make QFII investments, the courts in the PRC may not recognise the right of the Fund to the assets held by the QFII in respect of the Fund. Accordingly, there could be a certain level of risk that the assets of the Fund will be exposed to the risk arising from the losses of another fund or account managed by the QFII.

The QFII selects PRC brokers (each a “**PRC broker**”) to act on its behalf in the onshore PRC securities markets as well as the PRC Custodian to maintain its assets in safe custody.

In the event of any default of either a PRC broker or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC, a Fund may encounter delays in recovering its assets which may in turn impact the net asset value of the relevant Fund.

The regulations which regulate investments by QFIIs in the PRC and the repatriation of capital from QFII investments are relatively new. The application and interpretation of such investment regulations are therefore relatively untested and there is no certainty as to how they will be applied as the PRC authorities and regulators have been given wide discretion in such investment regulations and there is no precedent or certainty as to how such discretion may be exercised now or in the future. It is not possible to predict the future development of the QFII system and there can be no assurance that changes to the regulations will not prejudice QFIIs, or that the QFII investment quotas that have been removed recently would not be reinstated in the future. Any such changes may adversely affect the Fund.

Additionally, there can be no assurance that the QFII status of the Investment Manager will not be suspended or revoked. Such an event may adversely affect the Fund’s performance as it may not be possible to implement the investment strategy of the Fund through QFII in full or in part.

#### PRC Custodian and PRC broker risk

Onshore PRC assets acquired by a Fund through the Investment Manager’s QFII status will be maintained by the PRC Custodian in electronic form via a securities account with the CSDCC and a cash account with the PRC Custodian. Pursuant to the relevant agreements entered into between the ICAV, the PRC Custodian, the Depositary and the Investment Manager (as QFII Holder) relating to the custody, operation and management of a Fund’s assets in the PRC, the PRC Custodian is responsible for providing custody services in respect of a Fund’s cash and securities assets in the PRC acquired through or in connection with the Investment Manager’s QFII status. The Depositary shall be liable for the acts and omissions of the PRC Custodian in relation to assets forming part of the assets of a Fund in the same manner as if such acts or omissions were those of the Depositary.

The QFII also selects one or more PRC brokers to execute transactions for a Fund in the PRC markets. A Fund may incur losses due to the acts or omissions or insolvency of the PRC brokers or the PRC Custodian in the execution or settlement of any transaction or in the transfer of any funds or securities. Subject to the applicable laws and regulations in the PRC, the Investment Manager will make arrangements to ensure that the PRC brokers and the PRC Custodian have appropriate procedures to properly segregate a Fund's securities from those of the relevant PRC brokers and the PRC Custodian.

According to the QFII Regulations and market practice, the securities and cash accounts for a Fund in the PRC are to be maintained in the joint names of the Investment Manager as the QFII and a Fund.

#### Repatriation risk

Repatriations by QFIIs conducted in RMB for a fund such as the Funds of the ICAV are not subject to any lock-up periods or prior approval. The realised cumulative profits generated from investments via the QFII for the account of a Fund may be repatriated out of the PRC, as and when the Investment Manager instructs the PRC Custodian to do so after the Investment Manager has issued an undertaking letter to fully pay taxes in accordance with the relevant tax laws and regulations in the PRC, for the PRC Custodian to handle the relevant fund remittance procedures. There is no assurance, however, that PRC rules and regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on a Fund's ability to meet redemption requests from Shareholders.

#### *Risks associated with Stock Connect*

Subject to the requirements of the Central Bank, the Fund may seek exposure to stocks issued by companies listed on China stock exchanges via Stock Connect and the Fund may be subject to the following additional risks:

**Quota limitations** – Stock Connect is subject to quota limitations. Once the remaining balance of the daily quota drops to zero or the daily quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

**Suspension risk** – Each of the SEHK, 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 in trading through the Stock Connect is effected, the Fund's ability to invest in China A Shares or access the PRC market will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.

**Differences in trading days** – The Stock Connect only operates on days when both the PRC and Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC stock markets but the Fund cannot carry out any China A Shares trading. Due to the differences in trading days, the Fund may be subject to a risk of price fluctuations in China A Shares on a day that the PRC stock markets are open for trading but the Hong Kong stock market is closed.

**Operational risk** – The Stock Connect provides a channel for investors from Hong Kong and overseas to access the PRC stock markets directly.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in this programme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

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

Further, the “connectivity” in the Stock Connect requires routing of orders across the border. SEHK has set up an order routing system (“**China Stock Connect System**”) to capture, consolidate and route the cross boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the programme could be disrupted. The Fund’s ability to access the China A Shares market (and hence to pursue its investment strategy) will be adversely affected.

Recalling of eligible stocks – When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Clearing and settlement risk – The HKSCC and ChinaClear have established the clearing links and each is a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC’s liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders’ meetings – According to existing Mainland China practices, the Fund as a beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders’ meetings on its behalf.

Currency risk – As the Fund is denominated in US dollars, the performance of the Fund may be affected by movements in the exchange rate between RMB (i.e. the currency in which SSE Securities and SZSE Securities are traded and settled) and HK dollars. The Fund may, but is not obliged to, seek to hedge foreign currency risks. However, even if undertaken, such hedging may be ineffective. On the other hand, failure to hedge foreign currency risks may result in the Fund suffering from exchange rate fluctuations.

No Protection by Investor Compensation Fund – Investment through the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers’ in their obligations.

The Fund’s investments under the Stock Connect is not covered by the Hong Kong’s Investor Compensation Fund. Therefore the Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect. Further, since the Fund is carrying out trading through securities brokers in Hong Kong but not PRC brokers, it is not protected by the China Securities Investor Protection Fund in the PRC.

Regulatory risk – The Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The relevant rules and regulations on the Stock Connect is subject to change, which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through the Stock Connect, may be adversely affected as a result of such changes.

#### *Risks associated with China A Shares CIS*

The Fund may invest in China A Shares CIS subject to the investment restrictions applying to the ICAV. The lack of adequate custodial systems in the PRC may subject the China A Shares CIS to greater custodial risks. The

China A Shares CIS may also incur losses due to a default, act or omission of the PRC custodian in the execution or settlement of any transaction or in the transfer of any funds or securities.

#### *Risks associated with investing in Bond Connect*

A Fund can invest in the China Interbank Bond Market via the CIBM Initiative, Bond Connect and subject to any other rules and regulations and administrative procedures as promulgated by the Mainland Chinese authorities ("**Foreign Access Regime**").

Under the prevailing regulations in the PRC, foreign institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent (as in CIBM Initiative) or offshore custody agent (as in Bond Connect), and such agent will carry out the relevant filings and account opening with the relevant authorities. There is no quota limitation. As such, relevant Funds may be subject to the risks of default or errors on the part of such agents.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of such securities to fluctuate significantly. A Fund investing in such securities is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and a Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such securities.

To the extent that a Fund transacts in the China Interbank Bond Market, a Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with a Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

Investment in the PRC bond market may also be subject to credit rating risks. The PRC domestic credit rating regime has yet to be reconciled with international standards. Other than certain bonds issued by the governmental entities, large banks and enterprises which are rated by international credit standards, most bond credit evaluations are still based on ratings given by domestic credit rating agencies. This may create difficulties for a Fund to correctly assess the credit quality and credit risk of its bond investment. Domestic Chinese bonds invested in by a Fund may be rated below investment grade or may not be rated by any rating agency of an international standard. Such securities are generally subject to a higher degree of credit risk and a lower degree of liquidity, which may result in greater fluctuations in value. The value of these securities may also be more difficult to ascertain and thus the Net Asset Value of a Fund which invests in such securities may be more volatile. Investors should therefore be aware that an investment in such a Fund is subject to higher volatility, price fluctuations and risks than an investment in bond products in more developed markets.

Investing in domestic Chinese bonds via CIBM Initiative and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, or recall any types of bond products from the scope of investable bonds, a Fund's ability to invest in domestic Chinese bonds will be adversely affected. In such event, a Fund's ability to achieve its investment objective will be negatively affected and, after exhausting other trading alternatives, such Fund may suffer substantial losses as a result.

Moreover, although there is no quota restriction under the China Interbank Bond Market investment regulations, relevant information about a Fund's investments, such as the investment term, needs to be filed with the PBoC and an update filing will be required if there is any significant change to the filed information. It cannot be predicted whether the PBoC will make any comments on or require any changes with respect to such information for the purpose of filing. If so required, the Fund will need to follow PBoC instructions and make the relevant changes accordingly, which, may not be in the best interests of the Fund and the investors from a commercial perspective.

The regulations allow foreign investors to remit investment amounts in RMB or foreign currency into the PRC for investing in the China Interbank Bond Market. For repatriation of funds out of the PRC by the Fund, the ratio of RMB to foreign currency should generally match the original currency ratio when the investment principal was remitted into the PRC, with a maximum permissible deviation of 10%. Such requirements may change in the

future, and the nature and extent of such changes, and their impact on the Fund's investment in the China Interbank Bond Market, are uncertain.

The CIBM Initiatives require a Fund investing through such initiatives to appoint an onshore custodian/agent bank. In the case where such custodian/agent bank refuses to act in accordance with the instructions of the Fund or in the rare case where the custodian/agent itself is insolvent, the enforcement of the trading documents and against the underlying assets may be subject to delay and uncertainty. Under PRC law, in case of liquidation or bankruptcy, although the assets kept in the custody of the PRC custodian banks in favour of the Fund are ring-fenced from the proprietary assets of the custodian, the retrieval of custodian assets may be subject to various legal procedures that are time-consuming.

In addition, PBoC will exercise on-going supervision on the onshore settlement agent and the Fund's trading activities under the China Interbank Bond Market investment regulations. In the occurrence of any non-compliance of these regulations by either the onshore settlement agent or the Fund, the PBoC may take relevant administrative actions such as suspension of trading or business and mandatory exit against the onshore settlement agent, the Fund and/or the Investment Manager. The Fund and the investors may suffer substantial losses due to such suspension or mandatory exit.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the China Interbank Bond Market through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Under the Bond Connect, a trading order can only be executed with onshore market makers approved by the Chinese regulators as the counterparty. As of April 2020, there were a total number of 56 approved market makers with more to be added to the list. The debt securities purchased through Bond Connect generally may not be sold, purchased or otherwise transferred other than through Bond Connect in accordance with applicable rules. This may expose the Fund to settlement risks if its counterparty defaults and limit the Fund's ability to execute trades with different counterparties.

Debt securities purchased via Bond Connect will be held in the name of CMU. The Fund's ownership in those debt securities may not be reflected directly in record entry with CCDC/SHCH and will instead be reflected on the record of CMU. The Fund may therefore depend on CMU's ability or willingness as the record holder of debt securities purchased under Bond Connect to enforce the ownership rights on behalf of and for the benefit of the Fund. If the Fund wishes to enforce directly its ownership rights or creditor rights against the bond issuers, there lacks judicial precedents in China whether such an action will be recognised and enforced by the Chinese courts.

#### *Risk Factors not exhaustive*

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

#### **2.19. Management and Administration**

The ICAV has delegated the day to day management and running of the ICAV to the Manager in accordance with policies approved by the Directors. The Directors control the affairs of the ICAV and are responsible for the formulation of investment policy. The Directors have delegated certain of their duties to the Depositary, Administrator, the Investment Manager and Distributor. For the avoidance of doubt, although certain management functions may be delegated to such parties, the responsibilities and obligations of the Directors may not be delegated.



## 2.20. Directors

### ***Wilson Wai Sing LAM (Chinese)***

Mr. LAM is Senior Director, Fund Operations of Value Partners, where he oversees the company's fund administration function including trade settlement and portfolio valuations. He is also responsible for developing fund service solutions, setting policies and procedures, monitoring operations and services delivery.

Mr. LAM has over 20 years' experience in the financial services industry. He has solid experience in operating with long/short equity funds, hedge funds, fund of funds and private equity funds across different investment strategies and a range of fund structures. Mr. LAM started his career at Value Partners in February 1999. He has participated in the development of operation flow for the company's fund trading system over the years. He was promoted to Director in 2019 and has been promoted to the role of Senior Director of Fund Operations in January 2021.

### ***Wimmie CHEUNG (Chinese)***

Ms. CHEUNG is Value Partners' General Counsel. She leads the legal team and oversees all legal affairs for the company.

Ms. CHEUNG is an experienced legal professional with over 20 years in the field. She joined Value Partners in August 2005 as a Legal Advisor. She was promoted to Senior Legal Advisor in 2007 and Head of Legal in January 2010.

Prior to joining Value Partners, Ms. CHEUNG was a Corporate Counsel with a group of companies listed on the Main Board of the Stock Exchange of Hong Kong Limited. Ms. CHEUNG received her Master of Laws (LL.M) from the University of London and obtained her Postgraduate Certificate in Laws (P.C.L.L.) from the University of Hong Kong.

### ***Fionán BREATHNACH (Irish)***

Mr. Fionán BREATHNACH is a professional independent non-executive director and a qualified solicitor in Ireland. Mr. BREATHNACH established the Irish office of international law firm Simmons & Simmons in 2018 and led that office, and its Asset Management and Investment Funds practice, for five years as Country Head.

He began his career in 1992, training with Irish law firm William Fry and working in its Asset Management practice. In 1997, he was appointed General Counsel at Bank of Bermuda's Irish operations and in 2000, he joined the Banking and Financial Services practice of Landwell in Ireland.

Mr. BREATHNACH joined Mason Hayes & Curran in 2003, establishing that firm's Investment Funds and Financial Regulation practice, which he led for 14 years before joining Simmons & Simmons. He has 30 years' experience in the investment funds industry, both in private practice and in industry. He is a law graduate of Trinity College, Dublin, and was awarded a Certified Diploma in Accounting and Finance by the Association of Chartered Certified Accountants in 2000.

### ***David TOWNSEND (British)***

Mr. TOWNSEND is Managing Director of the EMEA Business of Value Partners. Based in London, he is responsible for leading Value Partners' engagement with institutional investors in Europe, the Middle East and Africa ("EMEA"). He will also supplement the group's coverage of international wholesale distribution partners across the EMEA region.

Mr. TOWNSEND joined Value Partners in April 2022. He has extensive experience in the investment management and financial industry. Most recently, he advised Alderwood Capital LLP as the Head of Investor

Relations. Before joining Alderwood Capital LLP, he served as Head of EMEA Institutional at First Eagle Investment Management, in charge of the firm's London office. Prior to that, he served as Managing Director, Head of EMEA and Global Consultant Relations at Martin Currie Investment Management. He was also Head of UK Institutional Sales at AXA Investment Managers UK and at Framlington Investment Management. He started his career at Fidelity.

Mr. TOWNSEND holds a Bachelor's of Arts in Modern European Studies from Nottingham Polytechnic, and a Master's of Arts in Near and Middle East Area Studies from the School of Oriental and African Studies, University of London.

***Elizabeth BEAZLEY (Irish)***

Please see details for Ms. BEAZLEY in the section entitled **Manager** below.

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

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

***Alternate Directors***

Mr. Aaron Kwong Chi CHEUNG has been appointed as alternate director for Mr. Wilson Wai Sing LAM in accordance with the terms of the Act and the Instrument of Incorporation.

***Aaron Kwong Chi CHEUNG***

Mr. CHEUNG is responsible for the full spectrum of company secretarial duties for the Value Partners Group Limited ("**VP Group**") and its subsidiaries. He also holds multiple directorships of certain subsidiaries of the VP Group.

Mr. CHEUNG first joined Value Partners in April 2007. Prior to joining Value Partners, he held company secretarial positions in various companies listed in Hong Kong.

Mr. CHEUNG graduated from the City University of Hong Kong with a Master's degree in Professional Accounting and Information System, and obtained a Bachelor's Degree in Business Administration from Hong Kong Baptist University. He is a member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Company Secretaries, respectively.

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

**2.21. Manager**

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

*Management of the ICAV - General*

The Directors control the affairs of the ICAV and have delegated certain of their duties to the Manager, which, in turn, has delegated certain of its duties to the Administrator, the relevant Investment Manager and the Distributor.

The Depositary has also been appointed to hold the assets of each Fund. Consequently, all Directors of the ICAV in relation to the ICAV are non-executive.

### *The Manager*

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

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

The Manager has delegated certain investment management functions in respect of each Fund to the Investment Manager, the Distributor and the Administrator.

The directors of the Manager are:

#### **Neil CLIFFORD (nationality: Irish – Irish resident)**

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

#### **Teddy OTTO (nationality: German – Irish resident)**

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

#### **Aleda ANDERSON (nationality: USA – Irish resident)**

Ms. ANDERSON is an independent non-executive director with over 30 years' experience within the investment industry, most recently as Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ:PFG), a global investment firm and FORTUNE 500 member.

Prior to relocating to Ireland from the United States in 2018 to establish a Dublin office for Principal Global Investors, she was director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30-year career, Ms. ANDERSON has held various positions at Charles Schwab

in San Francisco, CA. including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds.

Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Ms. ANDERSON studied Philosophy and Religion from San Francisco State University and holds Professional Diplomas in Strategic Management and Applied Alternative Investments, and a Professional Certificate in Complex Financial Instruments from University College Dublin.

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

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

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

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

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

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

**Christophe DOUCHE (nationality: French – Luxembourg resident)**

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

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

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

**Jackie O'CONNOR (nationality: British – Irish resident)**

Ms. O'CONNOR is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish

domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Ms. O'CONNOR was responsible for setting up GSAMFSL in Ireland.

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

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

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

#### *Remuneration Policy of the Manager*

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

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

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

#### **2.22. Investment Manager**

The Manager has appointed Value Partners Hong Kong Limited ("**VPHK**") as investment manager of the ICAV.

VPHK was incorporated in Hong Kong on 10 May, 1999. It is licensed under the Securities and Futures Ordinance of Hong Kong and regulated by the Securities and Futures Commission of Hong Kong. Value Partners Hong Kong Limited's primary business is asset management in the Asia-Pacific region with investment focus on Greater China, which includes the People's Republic of China, Hong Kong and Taiwan. VPHK invests in this geography through a range of product lines including absolute return long-biased funds, hedge funds, private equity funds, quantitative funds and ETF products. VPHK also manage white label or co-branded funds, as well as segregated portfolios for institutional investors.

The contact details of the Securities and Futures Commission of Hong Kong are set out below:

Securities and Futures Commission  
54/F, One Island East  
18 Westlands Road  
Quarry Bay  
Hong Kong

#### **2.23. Liquidity Management Policy**

The Investment Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Funds and to ensure that the liquidity profile of the investments of the Funds will

facilitate compliance with the relevant Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Investment Manager, also seeks to achieve fair treatment of Shareholders and safeguard the interests of remaining Shareholders in case of sizeable redemptions.

The Investment Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of the relevant Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by the relevant Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the heading entitled **Redemption of Shares** in the section headed **The Shares**, and will facilitate compliance with the relevant Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Investment Manager to manage the liquidity risk of the relevant Fund under normal and exceptional market conditions.

The Investment Manager has also established an independent committee comprising members from relevant departments where meetings will be organised regularly and on an ad hoc basis to resolve any liquidity issues and to monitor the liquidity management policy. The risk management committee of the Investment Manager oversees the liquidity management function of the ICAV. The risk management committee comprises of members independent from the day-to-day portfolio investment function of the Investment Manager. Any risk management control weakness and the corresponding actions plans will be reported to the committee for monitoring and tracking purpose and the committee will further escalate any significant findings to the Board of Directors of the Investment Manager and copy the same to the audit committee of the Investment Manager for noting purpose.

The following tool(s) may be employed by the Investment Manager or the ICAV to manage liquidity risks:

- Redemption gate: the Investment Manager may limit the total number of Shares of the relevant Fund redeemed on any Dealing Day to 10% in aggregate of the total number of Shares in issue of the relevant Fund (subject to the conditions under the heading entitled **Redemption of Shares** in the section headed **The Shares**);
- Suspension of valuation of assets: the Directors may, in consultation with the Manager and the Depositary, at any time and from time to time, and in the best interests of the Shareholders, temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class under the circumstances set out in the section headed **Suspension of Valuation of Assets**;
- Swing pricing: the Directors may adjust through swing pricing mechanism the subscription price and redemption price with a view to protecting the interests of Shareholders under exceptional circumstances as determined by the Directors from time to time (as detailed in the section headed **Net Asset Value and Valuation of Assets**);
- Dilution adjustment: the ICAV may make a dilution adjustment to the Net Asset Value per Share by imposing an anti-dilution levy representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund (as detailed in the section headed **Anti Dilution Levy/Duties and Charges**); and
- Fair value adjustment: in the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in the section headed **Net Asset Value and Valuation of Assets**, or if such valuation is not representative of the asset's fair market value, the Directors or their delegate is entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is approved by the Depositary.

## 2.24. Distributor

The Manager has also appointed Value Partners Hong Kong Limited as distributor of Shares in the ICAV pursuant to the Investment Management and Distribution Agreement. The Distributor has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. Under the terms of the Investment Management and Distribution Agreement, the ICAV shall out of the ICAV's assets indemnify the Distributor against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Distributor in the performance of its duties other than due to the material breach of the agreement, negligence, fraud, bad faith or wilful default of the Distributor in the performance of its obligations.

## 2.25. Administrator

Pursuant to the Administration Agreement, the Manager has appointed the Administrator as the administrator of the ICAV.

The Administrator is responsible under the overall supervision of the Board of Directors of the ICAV for, inter alia, the general administration of the ICAV, which includes keeping the register of shareholders of the Fund, the proper book-keeping of the Fund, arranging for the issue and redemption of shares of the Fund, and calculating net asset valuations of the shares of the Fund.

The Administrator was incorporated in Ireland as a limited liability company on 29 November 1991 and is authorised by the Central Bank of Ireland to act as an administrator of funds. The Administrator is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in England and Wales. As at 30 September 2020, HSBC Holdings plc had consolidated gross assets of approximated US\$2,955,935 million.

The Administrator is entitled to be indemnified by the Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful misconduct on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator as a result of or in connection with performing its obligations or duties.

The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the Fund which is provided by price sources set out in the Fund's pricing policy, services set out in the Administration Agreement, this Prospectus and/or the Fund's constituent document or, in the absence of any such price sources, any price sources on which the Administrator may choose to rely. Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Fund (save as provided in the services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing or valuation information provided by pricing agents, pricing sources or pricing models provided by any person to the Administrator.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Fund using its network of automated pricing services, brokers, market makers, intermediaries or using other pricing sources or pricing models provided by any person.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Fund (including, without limitation, private equity investments) which is processed by it or provided to it by: (i) the Fund, the Fund's Board of Directors (or other governing body), any external valuer appointed by the Investment Manager or the Fund to value any of the Fund's assets (the "External Valuer") (if applicable) or the Investment Manager; and/or (ii) third parties including, but not limited to, any valuer, third party valuation agent, intermediary or other third party, including but not limited to those appointed or authorised by the Fund, the Fund's Board of Directors (or other governing body), the External Valuer (if applicable) or the Investment Manager to provide pricing or valuation information in respect of the Fund's assets or liabilities to the Administrator.

The Administrator will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of the Fund.

The Administrator in no way acts as guarantor or offeror of the Fund's Shares or any underlying investment. The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Fund or the Investment Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of: (i) any act or omission of any person prior to the commencement date of the Administration Agreement; (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider; (iii) any inaccuracy, error or delay in information provided to the Administrator by or on behalf of the Fund or Investment Manager (including any broker, market maker or intermediary) or the External Valuer, and (iv) actions which are reasonably taken by the Administrator or any Affiliate related to taxes. The Administrator shall not otherwise be liable for any loss to the Fund or any other person unless direct loss is sustained as a result of its fraud, negligence or wilful misconduct.

Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to the Administrator's affiliates.

The appointment of the Administrator may be terminated without cause by not less than 90 days' notice in writing.

The Administrator is a service provider to the Fund and is not responsible for the preparation of this document or for the activities of the Fund and therefore accepts no responsibility for any information contained in this document.

## 2.26. **Depository**

Pursuant to the Depository Agreement and for the purposes of and in compliance with the UCITS Regulations, the Depository has been appointed as depository to the ICAV.

The Depository is lawfully established in Ireland as a branch of HSBC Continental Europe and is duly registered with the Companies Registration Office with number 908966. The Depository is subject to the local supervision of the Central Bank of Ireland.

HSBC Continental Europe is a wholly owned subsidiary of HSBC Holdings plc. It is incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38 avenue Kléber, 75116 Paris, France.

HSBC Continental Europe is supervised by the European Central Bank, the French Prudential Supervisory and Resolution Authority as the French National Competent Authority and the French Financial Markets Authority for the activities carried out over financial instruments or in financial markets. The contact details of the European Central Bank, the French Prudential Supervisory and Resolution Authority as the French National Competent Authority and the French Financial Markets Authority are set out below:

European Central Bank  
60640 Frankfurt am Main  
Germany

French Prudential Supervisory and Resolution Authority (Autorité de contrôle prudentiel et de résolution – ACPR)  
4 Place de Budapest  
75436 Paris  
France

French Financial Markets Authority (Autorité des Marchés Financiers)  
17 Place de la Bourse



75082 Paris  
France

The Depositary provides services to the ICAV as set out in the Depositary Agreement and, in doing so, shall comply with the UCITS Regulations.

The Depositary's duties include the following:

- (i) safekeeping the assets of the ICAV's, which includes (i) holding in custody all financial instruments that may be held in custody in accordance with Regulation 34(4)(a) of the UCITS Regulations; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (ii) ensuring that the ICAV's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the ICAV have been received and that all cash of the ICAV has been booked in cash accounts in accordance with Regulation 34(4)(a) of the UCITS Regulations;
- (iii) carrying out its oversight functions and ensuring that sales, issues, redemptions, repurchases and cancellations and the valuation of the shares of the ICAV are calculated in accordance with the UCITS Regulations;
- (iv) carrying out the instructions of the ICAV, unless they conflict with the UCITS Regulations;
- (v) ensuring that in transactions involving the ICAV's assets any consideration is remitted to the ICAV within the usual time limits;
- (vi) ensuring that the ICAV's income is applied in accordance with the UCITS Regulations; and
- (vii) enquire into the conduct of the ICAV in each accounting period and report thereon to the Shareholders. The Depositary's report shall state whether in the Depositary's opinion the ICAV has been managed in that period:
  - (1) in accordance with the limitations imposed on the borrowing powers of the ICAV by the Instrument of Incorporation and by the Central Bank under the powers granted to the Central Bank by the UCITS Regulations;
  - (2) otherwise in accordance with the provisions of the Prospectus, the Instrument of Incorporation and the UCITS Regulations; and
  - (3) if the ICAV has not been so managed in the terms set out in (1) and (2) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

The Depositary may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depositary Agreement. The performance of the safekeeping function of the Depositary in respect of certain of the ICAV's assets has been delegated to the delegates and any sub-delegates listed in Schedule IV. An up to date list of any such delegate(s) or sub-delegates is available from the ICAV on request. The Depositary will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depositary or a delegate on its behalf.

In general, the Depositary is liable for losses suffered by the ICAV as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Agreement, the Depositary will be liable to the ICAV for the loss of financial instruments of the ICAV which are entrusted to the Depositary for safekeeping.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

The ICAV shall indemnify the Depositary, every delegate and their respective officers, agents and employees ("**Indemnified Persons**") on an after-tax basis in respect of any and all Liabilities (as defined in the Depositary Agreement) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:

- (i) the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;
- (ii) any breach by the ICAV of Applicable Law (as defined in the Depositary Agreement), the Instrument of Incorporation, the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the ICAV to disclose to investors any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;
- (iii) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Depositary Agreement);
- (iv) the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined in the Depositary Agreement);
- (v) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the ICAV in connection with any subscription agreements, application forms, investor questionnaires, purchase agreements, related documentation or similar materials relating to the ICAV's investment in any collective investment scheme, managed account, investment company, Underlying Structure (as defined in the Depositary Agreement) or similar pooled investment vehicle on behalf of the ICAV,

provided that such indemnity shall not apply to any Liabilities (as defined in the Depositary Agreement) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the ICAV to indemnify the Depositary for any loss for which the Depositary is liable to the ICAV under the UCITS Regulations.

The Depositary's liability to the investors of the ICAV may be invoked directly or indirectly though the ICAV provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

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

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

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

The Depositary in no way acts as guarantor or offeror of the ICAV's shares or any underlying investment. The Depositary is a service provider to the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV. Save as required by the UCITS Regulations, the Depositary is not responsible for, and accepts no responsibility or liability for, any losses suffered by the ICAV or any investors in the ICAV, as a result of any failure by the ICAV or the Investment Manager to adhere to the ICAV's investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

**The Depositary is a service provider to the ICAV and is not responsible for the preparation of this document or for the activities of the ICAV and therefore accepts no responsibility for any information contained, or incorporated by reference, in this document.**

#### 2.27. **Secretary**

The ICAV has appointed Simmons & Simmons Corporate Services Limited as the Secretary.

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

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

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

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

Details of the paying agents appointed will be set out in the relevant Country Supplement and will be updated upon the appointment or termination of appointment of paying agents.

#### 2.29. **Facilities Agents**

##### *Europe*

The ICAV has appointed Carne Global Financial Services Limited, by way of a European Facilities Agent Agreement dated 31 May 2022, to maintain certain facilities for the ICAV in respect of specific EEA Member States where the relevant Funds have been registered for marketing (the "**European Facilities Agent**"), unless otherwise directed in a separate country supplement.

The facilities are located at the offices of the European Facilities Agent at 2nd Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland.

Where the European Facilities Agent is required to make certain information publicly available pursuant to the CBDF, such information may be available at <https://valuepartners.curator.carnegroup.com/facilitiesagent> and, where relevant, will be in translated form.

#### *United Kingdom*

The ICAV has appointed Value Partners (UK) Limited (the “**UK Facilities Agent**”), by way of a Facilities Services Agency Agreement dated 17 October 2022, to maintain certain facilities in respect of the ICAV, which are required by the rules contained in the Collective Investment Schemes Sourcebook (“**COLL**”) governing recognised schemes published by the FCA as part of the FCA's Handbook of Rules and Guidance for Authorised Firms.

The facilities are located at the offices of the UK Facilities Agent at 16 Berkeley Street, London W1JBDZ, United Kingdom.

At this address:

1. any person may inspect (free of charge) a copy (in English) of:
  - (a) the instrument constituting the ICAV and any instrument amending the instrument constituting the ICAV;
  - (b) the latest Prospectus issued by the ICAV, as the same may be amended and supplemented from time to time;
  - (c) the most recent Key Investor Information Document for each Fund which is recognised by the FCA pursuant to section 264 of the FSMA;
  - (d) the latest annual and half-yearly reports of the ICAV; and
  - (e) any other documents required from time to time by COLL to be made available;
2. any person may obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b),(c) and (d) and at no more than a reasonable charge in respect of the other documents);
3. any person may obtain information orally and in writing (in English) about the most recently published prices of Shares;
4. a Shareholder may redeem or arrange for the redemption of its Shares and obtain payment in relation to such redemption. Any such redemption requests received by the UK Facilities Agent shall be sent to the Administrator for processing;
5. any person may make a complaint about the operation of the ICAV, which complaint the UK Facilities Agent will transmit to the ICAV; and
6. any Shareholder may obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.

#### *Fees and Expenses*

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

#### **2.30. Conflicts of Interest**

The Directors, the Investment Manager and Distributor, the Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the “**Parties**”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the ICAV and/or their respective roles with respect to the ICAV. These

activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the ICAV may invest. In particular, the Investment Manager may advise or manage other Funds and other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the ICAV or its Funds.

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

There is no prohibition on transactions with the ICAV, the Investment Manager and Distributor, the Manager, the Administrator, the Depositary or entities related to the Investment Manager and Distributor, the Manager, the Administrator or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis (as provided in the Central Bank UCITS Regulations).

The Investment Manager may enter into trades for the account of a Fund with the accounts of other clients of the Investment Manager or its affiliates ("cross trades"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients and in accordance with the requirements set out in (i) – (iii) below. Cross trades may also be entered into between house accounts (i.e. account owned by the Investment Manager or any of its connected persons over which it can exercise control and influence) and client accounts in accordance with applicable laws and regulations.

Transactions permitted are subject to:

- (i) certified valuation by a person approved by the Depositary (or the Manager in the case of a transaction with the Depositary) as independent and competent; or
- (ii) executed on best terms on an organised investment exchange under its rules; or
- (iii) where (i) and (ii) are not practical, the Depositary is satisfied that the relevant transaction is conducted at arm's length and is in the best interests of Shareholders or in the case of a transaction involving the Depositary, the Manager is satisfied that the transaction is at arm's length and in the best interests of Shareholders.

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

Cash forming part of the property of the ICAV may be placed as deposits with the Depositary, Investment Manager, or with any connected persons of these companies (being an institution licensed to accept deposits) so long as that institution pays interest thereon at no lower rate than is, in accordance with normal banking practice, the commercial rate for deposits of the size of the deposit in question negotiated at arm's length.

Any transactions between the ICAV and the Manager, the Investment Manager, any delegates of the Manager or Investment Manager, the Directors or any of their connected persons as principal may only be made with the prior written consent of the Depositary.

All transactions carried out by or on behalf of the ICAV must be at arm's length and executed on the best available terms.

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue. Details of the proportion of shares held by the Investment Manager will be made available to investors and prospective investors upon request.

Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the ICAV or to account to the ICAV in respect of (or share with the ICAV or inform the ICAV of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities on a fair basis between the ICAV and other clients having regard to, amongst other matters, the investment objective and policies of the Funds and those of other clients.

Details of interests of the Directors are set out in the Section of the Prospectus entitled **General Information - Directors' Interests**.

#### **2.31. Soft Commissions**

The Investment Manager, its delegates or connected persons may not retain cash or other rebates but may receive, and are entitled to retain, research products and services (known as soft dollar benefits) from brokers and other persons through whom investment transactions are carried out ("**brokers**") which are of demonstrable benefit to the Shareholders (as may be permitted under applicable rules and regulations) and where such arrangements are made on best execution terms and brokerage rates are not in excess of customary institutional full-service brokerage rates and the services provided must be of a type which assist in the provision of investment services to the ICAV. For the avoidance of doubt, the Manager, its delegates or connected persons may not retain cash or other rebates in any form (including soft dollar benefits).

#### **2.32. Fee Rebate**

The Investment Manager may from time to time at its sole discretion and out of its own resources decide to give rebates to some agents or intermediaries of part of or all of the Investment Manager fee and/or performance fee. The Investment Manager also reserves the right to waive all of the Investment Manager fee, performance fee, sales charge, redemption fee and conversion fee.

#### **2.33. Side Letters**

The ICAV, the Investment Manager or its associates may enter into side letter arrangements with investors unless otherwise stated in the relevant Fund Supplement. These may include rebates of fees and/or charges payable to the Investment Manager or its associates. The ICAV, the Investment Manager or its associates may also enter into side letter arrangements whereby all such side letter arrangements are considered by the ICAV, the Investment Manager or its associates to not be material and that such arrangements will not prejudice other investors' interests. As at the date of this Prospectus, the ICAV, the Manager, the Investment Manager and their associates have not entered into any side letters.

#### **2.34. Past Performance & Accounts**

Information regarding the past performance and accounts of the Fund shall be published and made available from time to time on the internet at <https://www.valuepartners-group.com>.

### **3. FEES AND EXPENSES**

#### **3.1. Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the existing Funds have been fully amortised.

The organisational and establishment expenses relating to the creation of any additional Funds and Classes will be borne by such Funds and may be amortised over the first five Accounting Periods of such relevant Fund(s) or

such other period as the Directors may determine and shall be subject to such adjustment following the establishment of new Funds as the Directors may determine. The fees and expenses relating to the establishment of any additional Funds will be set out in the relevant Supplement.

### **3.2. Operating Expenses and Fees**

The ICAV will pay all its operating expenses and the fees hereinafter described as being payable by the ICAV. Expenses paid by the ICAV throughout the duration of the ICAV, in addition to fees and expenses payable to the Manager, the Administrator, the Depositary, the Investment Manager and Distributor and any Paying Agent appointed by or on behalf of the ICAV include but are not limited to brokerage and banking commissions and charges, legal and other professional advisory fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the ICAV, costs and expenses of preparing, translating, printing, updating and distributing the ICAV's Prospectuses, annual and semi-annual reports and other documents furnished to current and prospective Shareholders, stock exchange listing fees, all expenses in connection with registration, listing and distribution of the ICAV and Shares issued or to be issued, all expenses in connection with marketing the ICAV and/or the relevant Funds, where applicable, including but not limited to payments made to fund platforms and factsheet production, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax. Any such expenses may be deferred and amortised by the ICAV at the discretion of the Directors for pricing purposes. While this is not in accordance with Accounting Standards issued by the Accounting Standards Board, and may result in the audit opinion on the annual report being qualified in this regard, the Directors believe that such amortisation would be fair and equitable to investors. An estimated accrual for operating expenses of the ICAV will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the ICAV shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or other methods, which will be fair and equitable to investors, or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

### **3.3. Administrator's Fees**

The fees of the Administrator will be paid out of the assets of the relevant Fund, details of which are set out below unless otherwise specified in the relevant Fund Supplement.

#### *Accounting and Portfolio Valuation Services*

The ICAV shall pay to the Administrator out of the assets of the relevant Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at the following rates:

- 8bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value up to USD 300 million,
- 6bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 300 million up to USD 500 million,
- 4bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 500 million,

subject to a monthly minimum fee of USD 2,500 for the first share class and a monthly minimum fee of USD 250 for each additional share class borne by the Fund (plus VAT, if any thereon).

In respect of its financial statements production/reporting, the Administrator is entitled to a flat fee of USD 1,500 per annum for each Fund, subject to a minimum fee of USD 10,000 per annum at umbrella level. The Administrator is entitled to an annual fee of USD 3,600 for the ICAV in respect of UCITS reporting. This fee is in

respect of the provision of reporting at board meetings, reporting of total expenses ratios and turn over reports as required by the Fund and the Fund will bear its proportion of such fee payable to the Administrator.

#### *Transfer Agency Services*

The Administrator is entitled to maintenance fees for setting up the ICAV, the Fund and the Share Classes on the system and providing support to future changes at the following rates:

- Fund Maintenance charge of USD8,000 per annum; and
- New account set up charge of USD150 per account.

The Administrator is entitled to a Shareholder servicing fee for the opening of shareholder accounts, KYC and anti-money laundering (“**AML**”) checking, registration of client details, registration of broker details, supporting changes to client information, monthly account statements, pledges and storing of original documents at a rate not exceeding USD60 per Shareholder.

The Administrator is entitled to transaction fees at a rate not exceeding USD30 per transaction for orders (including subscription, redemption, transfer and conversion orders). The Administrator is entitled to a cash management fee for setting up the ICAV, the relevant Fund and the Share Classes on the system and providing support to future changes at a rate not exceeding USD30 per transaction.

The Administrator shall also be entitled to be repaid out of the assets of each Fund all of its reasonable out-of-pocket expenses incurred on behalf of each Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

#### **3.4. Depositary's Fees**

The fees of the Depositary will be paid out of the assets of the relevant Fund, details of which are set out below unless otherwise specified in the relevant Fund Supplement.

##### *Depositary Supervisory Fee*

The Depositary shall be entitled to receive out of the assets of the relevant Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at the following rates:

- 2bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value up to USD 500 million,
- 1bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 500 million,

subject to a monthly minimum fee of USD 1,500 borne by the Fund (plus VAT, if any thereon). The Depositary will also be entitled to receive an annual fee of US\$7,000 in respect of cash flow monitoring and reconciliation oversight services.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of each Fund, including legal fees, couriers' fees, transaction charges and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

Each Fund will bear its proportion of the fees and expenses of the Depositary.

#### **3.5. Secretary Fees**

The ICAV shall pay an annual fee of €10,000 (excluding VAT) to the Secretary for the provision of full corporate secretarial services to the ICAV.



The ICAV may also be required to discharge any reasonably vouched out-of-pocket expenses incurred by the Secretary in the provision of services to the ICAV, such as courier charges and travel costs and expenses. All fees and expenses shall be subject to VAT.

### **3.6. Investment Manager Fees**

The ICAV shall pay the Investment Manager out of the assets of the relevant Fund an annual fee accrued at each Valuation Point and payable monthly in arrears at a maximum rate of 3% per annum of the Net Asset Value (before deduction of any accrued performance fees) of each Fund or attributable to a Class in respect of which the Investment Manager is appointed. The Investment Manager may be paid different fees for investment management, including performance fees, in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes. Information in relation to the fees applicable to other Classes in a particular Fund shall be made available by the Investment Manager upon request.

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

In addition, the Investment Manager may receive a performance fee. Any performance fee payable shall be calculated by the Administrator and verified by the Depositary monthly.

Details of any performance fee payable will be set out in the relevant Fund Supplement.

### **3.7. Manager's Fees**

**The Manager shall be paid a fee by the ICAV, out of the assets of the relevant Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of up to 0.05% of the Net Asset Value of the relevant Fund (plus VAT, if any), subject to an annual minimum fee, comprising the higher of (i) up to €15,000 (plus VAT if any) per Fund; or (ii) a proportion of an annual fee payable in respect of the ICAV of up to €63,000 (plus VAT if any), as borne equally by each of the Funds together. The Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses.**

### **3.8. Passive Hedging Calculation Agent Fees**

The Passive Hedging Calculation Agent will receive out of the assets of the relevant Fund a monthly fee of 1.5bps of the Net Asset Value per Hedged Share Class for its services in the preparation of foreign exchange hedging calculations and issue of instructions with the direction and on the approval of the Investment Manager for execution of foreign exchange transactions.

### **3.9. Paying Agents Fees**

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

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

### **3.10. Sales Charge**

Shareholders may be subject to a sales charge calculated as a percentage of subscription monies as specified in the relevant Supplement subject to a maximum of 5% of the subscription amount. Such a fee, if applied, will be charged as a preliminary once off charge. The Investment Manager may, in its sole discretion, waive or reduce, in whole or in part, any such charge. Details of any sales charge payable shall be specified in the relevant Supplement.

### 3.11. **Redemption Fee**

The Directors are empowered to levy a redemption fee not exceeding 3% of the Net Asset Value per Share. Details of the redemption fee, if any, will be set out in the relevant Fund Supplement.

### 3.12. **Conversion Fee**

The Instrument of Incorporation authorises the Directors to charge a fee on the conversion of Shares in any Fund or Class to Shares in another Fund or Class or another Class in the same Fund up to a maximum of 1% of Net Asset Value of Shares in the original Fund. The Directors do not currently intend to charge any conversion fee and will give reasonable notice to Shareholders of any intention to charge such a fee.

The Intermediaries may charge a fee on the conversion of Shares in any Fund or Class to Shares in another Fund or Class or another Class in the same Fund. The Intermediaries may instruct the Administrator to deduct such fee at the time of the switching and pay the fee to the Intermediaries directly. Investors who intend to switch their Shares in one Class to Shares in another Class through Intermediaries should consult with the Intermediaries directly on the conversion fee rate.

### 3.13. **Anti Dilution Levy/Duties and Charges**

The Manager, in consultation with the Directors, reserves the right to impose an “anti-dilution levy” representing a provision for market spreads (the differences between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund, in the event of receipt for processing of net subscriptions and/or redemptions, including subscriptions and redemptions which would be effected as a result of requests for conversion from one Fund into another Fund.

Unless otherwise disclosed in the relevant Supplement, any such provision may be

- (i) added to the price at which Shares will be issued in the case of net subscription requests and
- (ii) deducted from the price at which Shares will be redeemed in the case of net redemption requests

including the price of Shares issued or redeemed as a result of requests for conversion. Such provision will not exceed 3% of the Fund's Net Asset Value under normal market conditions; however the level of provision may exceed 3% and will be increased to such amount as the Directors deem appropriate from time to time whilst the extreme market conditions persist in order to protect the best interests of Shareholders. The application of any provision will be subject to the overall direction and discretion of the ICAV. For the avoidance of doubt, the swing pricing mechanism will be applied as appropriate as set out in the section headed **Net Asset Value and Valuation of Assets**. Under exceptional circumstances where significant net subscriptions or net redemptions take place, the anti-dilution levy may apply in addition to the swing pricing mechanism.

### 3.14. **Directors' Fees**

The Instrument of Incorporation authorises the Directors to charge a fee for their services at a rate determined by the Directors. The Directors shall receive a fee for their services up to a total aggregate maximum fee of €30,000 per annum, or such other amount as may from time to time be disclosed in the annual report of the ICAV. Any increase above the maximum permitted fee will require Shareholders' prior approval. Each Director may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV. 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.

### 3.15. **Allocation of Fees and Expenses**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or other methods which will be fair and equitable to investors. In the case of any fees or expenses of a

regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

### **3.16. Fee Increases**

The rates of fees for the provision of services to any Fund or Class may be increased within the maximum levels stated above so long as reasonable written notice (and in the case of any Funds authorised by the Securities and Futures Commission of Hong Kong, not less than one month's prior written notice) of the new rate(s) is given to Shareholders of the relevant Fund or Class.

## **4. THE SHARES**

### **4.1. General**

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Where a Class of Shares is denominated in a currency other than the Base Currency of a Fund, that Class may be hedged or unhedged as disclosed in the relevant Supplement for the relevant Class. Where a Class is to be unhedged, currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates normally obtained from Bloomberg, Reuters or such other data provider as the Investment Manager deems fit. Where a Class of Shares is to be hedged, the ICAV shall employ the hedging policy as more particularly set out herein. Shares will have no par value and will first be issued on the same day after expiry of the initial offer period specified in the relevant Supplement at the Initial Price as specified in the relevant Supplement. Thereafter, Shares shall be issued at the Net Asset Value per Share.

In the event that a Class of Shares is fully redeemed resulting in a zero Net Asset Value in respect of that Class, the Directors may determine that the Class be kept open to new subscriptions. In such a case, the price at which those Shares may be subscribed for shall be set by the Directors and any historical performance relating to that Class shall be reset.

Title to Shares will be evidenced by the entering of the investor's name on the ICAV's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the ICAV or might result in the ICAV suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the ICAV to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the ICAV, the Investment Manager and Distributor, the Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the ICAV. Such indemnity (including other similar indemnities set out in the Prospectus) will only be applied by the relevant indemnified parties in good faith and on reasonable grounds. It is not the intention of the ICAV, the Investment Manager and Distributor, the Manager, the Depositary, the Administrator or the Directors to apply or exercise any withholding, set-off or rights of deductions pursuant to such indemnity, save to the extent permitted by any applicable laws and regulations.

The Directors have power under the Instrument of Incorporation to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation. If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Shares are owned directly or beneficially by any person or persons in breach of restrictions imposed by the

Directors or any declarations or information is outstanding (including inter alia any declarations or information required pursuant to AML or counter terrorist financing requirements), the Directors shall be entitled (subject to appropriate authority under the Instrument of Incorporation) to give notice (in such form as the Directors deem appropriate) of their intention to compulsorily redeem that person's Shares. The Directors may (subject to appropriate authority under the Instrument of Incorporation) charge any such Shareholder, any legal, accounting or administration costs associated with such compulsory redemption. In the event of a compulsory redemption, the redemption price will be determined as of the Valuation Point in respect of the relevant Redemption Day specified by the Directors in their notice to the Shareholder. The proceeds of a compulsory redemption shall be paid in accordance with the redemption provisions outlined below.

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

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

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

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

- (i) to the extent that there is a delay between a change in the value of a Fund's portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Directors seek to deter and prevent this activity, sometimes referred to as "stale price arbitrage", by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment;
- (ii) the Directors may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in its judgment, the transaction may adversely affect the interest of a Fund or its Shareholders. The Directors may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities including, if it so determines, the compulsory redemption of Shares held in that Fund by the respective Shareholder.

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

#### **4.3. Application for Shares**

An Application Form for Shares in a Fund may be obtained from the Administrator, the Distributor or the Investment Manager. The Minimum Subscription, Minimum Holding and Minimum Transaction Size for Shares are set out in the Supplement for each Fund.

Any of the ICAV, a Director, a duly appointed delegate on behalf of the ICAV or the Investment Manager, may reject any application in whole or in part without giving any reason for such rejection in which event the

subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

Applications for Shares in a Fund may be made through the Administrator (whose details are set out in the relevant Funds Application Form). Applications accepted and received by the Administrator prior to the relevant Dealing Deadline for a Fund for any Dealing Day will be processed on that Dealing Day. Any applications received after the relevant Dealing Deadline for a Fund for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion otherwise determine to accept one or more applications received after the relevant Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day. Applications for Shares in a Fund received after the relevant Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors.

Initial applications should be made by submitting a completed Application Form to the Administrator. Application forms may be submitted by facsimile or by such other means as the Investment Manager may determine and accepted by the Administrator. The original duly completed application must be mailed to the Administrator immediately thereafter. Subsequent applications to purchase Shares in a Fund following the initial subscription may be made to the Administrator by facsimile (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank) or such other means as may be permitted by the Directors and agreed with the Administrator in accordance with the requirements of the Central Bank, without a requirement to submit original documentation and such applications should contain such information as may be specified from time to time by the Administrator. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original instructions from the relevant Shareholder.

If payment in full and cleared funds is not received within 3 days, the Investment Manager may cancel the issue of the relevant shares. Upon such cancellation, the relevant shares shall be deemed never to have been issued and the applicant shall have no right or claim against the Investment Manager or the Depositary, provided that, (i) no previous valuations of the Fund shall be re-opened or invalidated as a result of the cancellation of such shares, (ii) the Investment Manager is entitled to charge a cancellation fee of such amount as it may determine to represent the administrative costs involved in processing the applications for such shares, (iii) the Investment Manager may also require the investor to pay to the Investment Manager for the account of the Fund in respect of each share so cancelled the amount (if any) by which the issue price of each such share exceeds the redemption price which would have applied in relation to each such share if the Investment Manager had received on such day or request from such investor for the redemption in accordance with the provisions of the Instrument of Incorporation. The Investment Manager also reserves the right to claim against the investor directly for any financial loss caused by the cancellation of subscription.

Shareholders will be subject to a maximum sales charge of up to 5% of the subscription amount. Such sales charge will be charged as a preliminary once off charge payable upon subscription. The Investment Manager may, in its sole discretion, waive or reduce, in whole or in part, any such charge.

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

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

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the ICAV and will be treated as an asset of the relevant Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Fund with respect to the amount subscribed and held by the ICAV until such Shares are issued as of the relevant Dealing Day. In the event of an insolvency of the Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full.

Your attention is drawn to the section of the Prospectus entitled **Risk Factors – Operation of Collection Accounts**.

#### 4.4. **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.0001 of a Share.

Subscription monies, representing less than 0.0001 of a Share will not be returned to the investor but will be retained by the ICAV in order to defray administration costs.

#### 4.5. **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the relevant Application Form enclosed with this Prospectus. Cheques will not be deemed an acceptable method of payment. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### 4.6. **Currency of Payment**

Subscription monies are payable in the currency of denomination of the relevant Class. The ICAV will not accept applications for Shares in currencies other than the currency of denomination of the relevant Class in which the applicant has elected to apply for Shares.

#### 4.7. **Timing of Payment**

Payment in respect of subscriptions must be received in cleared funds by the Administrator no later than three Business Days following the relevant Dealing Day. The ICAV reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the relevant Fund. If payment in cleared funds in respect of a subscription in a Fund has not been received by the relevant time, the ICAV or its delegate may (and in the event of non-clearance of funds, shall) defer the acceptance of the application until the subsequent Dealing Day provided that cleared funds are received no later than three Business Days following the subsequent Dealing Day.

#### 4.8. **Confirmation of Ownership**

Confirmation of each purchase of Shares in a Fund will normally be sent to Shareholders within 2 Business Days of the relevant Dealing Day. Title to Shares will be evidenced by the entering of the investor's name on the ICAV's register of Shareholders and no certificates will be issued.

#### *Subscriptions in specie*

In accordance with the provisions of Clause 18.12 of the Instrument of Incorporation of the ICAV, the ICAV may accept in specie applications for Shares under certain circumstances including but not limited to merger, transfer/switch of shares from a terminating Fund provided that the nature of the assets to be transferred into the relevant Fund qualify as investments of the relevant Fund in accordance with its investment objectives, policies and restrictions, and the following requirements:

- (i) Assets so transferred shall be vested with the Depositary or arrangements shall be made to vest the assets with the Depositary.
- (ii) The number of Shares to be issued shall not exceed the amount that would be issued for the cash equivalent.
- (iii) Prior consent and/or approval will be obtained from the Depositary in consultation with the Investment Manager;

- (iv) The Depositary shall be satisfied that the terms of any exchange will not be such as are likely to result in any prejudice to the existing shareholders of the relevant Fund. The Depositary will also ensure that the price in transacting the in-specie transfer of assets is the best execution price and in accordance with the relevant valuation policy.
- (v) The last traded prices will be used for transacting the in-specie transfer of assets to ensure that the fair treatment will be used for both subscription in cash and subscription in specie.
- (vi) Such securities or assets are subject to independent valuation and the cost of such subscription in specie shall be borne by the relevant Shareholder, and will not be borne by the Fund.

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

Measures aimed at the prevention of money laundering and terrorist financing will require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship with the ICAV.

By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

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

Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial intermediary or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent AML and counter terrorist financing regulations or satisfies other applicable conditions.

The Administrator, the Manager and the Fund each reserves the right to request such information as is necessary to verify the identity, address and source of funds of an investor. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator, the Manager or the Fund may refuse to accept the application and subscription monies. The Administrator may also refuse to process redemption requests or pay redemption proceeds in such circumstances. Applicants should note that redemption proceeds will only be made to the account of record.

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

#### 4.9. Data Protection

Prospective investors should note that by completing the Application Form they are providing personal information, which may constitute Personal Data within the meaning of the Data Protection Legislation.

Where an investor's details are provided to the ICAV as a consequence of their investment in the ICAV, the ICAV, acting as a data controller may itself (or through a third party acting in its capacity as the administrator of the ICAV) process such investor's personal data or that of its directors, officers, employees and/or beneficial owners.

**Investors have a right to object to processing of their personal data where that processing is carried out for the ICAV's legitimate interest.**

##### **Purposes of Processing and Legal Basis for Processing**

Personal Data may be processed by the ICAV, the Hong Kong Representative or the Administrator (or any of their affiliates, agents, employees, delegates or sub-contractors) for the following purposes:

##### ***Use of an investor's data for the performance of its contract with the ICAV:***

- to perform its contract with the investor, in particular managing and administering their holdings in the ICAV, assessing and processing applications, communicating with the investor about their holdings and account related activities on an on-going basis;
- to update and maintain records and fee billing;
- to manage and maintain the ICAV's relationships with investors and for ongoing customer service;
- to enforce or defend the ICAV's rights, itself or through third parties to whom it delegates such responsibilities;
- to carry out AML checks and related actions which the ICAV considers appropriate to meet any legal obligations imposed on the ICAV, including prevention of fraud, money laundering, terrorist financing, bribery, corruption, tax evasion and to prevent the provision of financial and other services to persons who may be subject to economic or trade sanctions, on an on-going basis, in accordance with the ICAV and the Administrator's AML procedures; and
- to report tax related information to tax authorities.

##### ***Use of an investor's data in order for the ICAV to comply with any legal or regulatory obligations:***

- to retain AML and other records of individuals to assist with the subsequent screening of them by the Administrator for the purposes of the provision of the administration services to the ICAV and to share data with police, law enforcement, tax authorities or other government and fraud prevention agencies where we have a legal obligation, including reporting suspicious activity and complying with production and court orders;
- to report tax related information to tax authorities;
- to investigate and resolve complaints and manage contentious regulatory matters, investigations and litigation; and
- to monitor and record calls and electronic communications for investigation and fraud prevention purposes, crime detection, prevention, investigation and prosecution.

***Use of an investor's data for the ICAV's legitimate business interest in managing its business including legal, personnel, administrative and management purposes and for the prevention and detection of crime provided our interests are not overridden by an investor's interests:***



- The day to day running and management of the ICAV including to:
  - monitor, maintain and improve the processes, information and data, technology and communications solutions and services used by the ICAV;
  - perform general, financial and regulatory accounting and reporting;
  - carry out statistical analysis and market research to manage the ICAV and improve service delivery;
  - protect the ICAV's legal rights and interests;
  - to monitor and record calls and electronic communications for quality, business analysis, training and related purposes, and to enforce or defend the ICAV and its affiliates' rights; and
  - to provide investors with information about products, services and investments which may be of interest to investors.

### **Recipients of Data and International Transfer of Data**

The ICAV may disclose an investor's personal information to the following:

- the Administrator, the Depositary, the Manager, the Investment Manager and Distributor, its money laundering reporting officer, the delegates of the Hong Kong Representative and the Secretary; and
- to competent authorities (including tax authorities), courts and bodies as required by law or requested or to affiliates for internal investigations and reporting.

### **International Transfer of Data**

The disclosure of personal information to the third parties set out above may involve the transfer of data to Hong Kong and other jurisdictions outside the EEA. Such countries may not have the same data protection laws as an investor's jurisdiction. The ICAV, the Manager and the Administrator and/or any of their delegates and service providers will not transfer an investor's Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. At present the ICAV transfers investors Personal Data to Value Partners Hong Kong Limited and its delegates in Hong Kong. In accordance with Article 46 of the GDPR, the ICAV is entering into standard contractual clauses approved by the European Commission with these entities to ensure that any investor personal data transferred outside the EEA is adequately protected. A copy of these standard contractual clauses can be obtained by contacting the ICAV using the contact details below.

A list of the countries outside of the EEA (that are not deemed to provide an adequate level of investor protection) to which data may be transferred may change from time to time and any updated list will be available by contacting the ICAV at [fis@vp.com.hk](mailto:fis@vp.com.hk).

### **Retention period**

The ICAV and the Administrator will retain investor personal information for a minimum period of 7 years from the date on which an investor redeems all of their shares in a Fund or for as long as required for the ICAV or the Administrator to perform the services or perform investigations in relation to same depending on whether additional legal/regulatory obligations mandate that the ICAV retains an investors personal information. In determining appropriate retention periods, the ICAV and Administrator shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including AML, counter-terrorism and tax legislation. The ICAV will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

### **Data Subject Rights**

Subject to any restrictions imposed by data protection legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism and/or tax legislation an investor has the below rights in relation to an investor's personal information.

- Right to access their personal information.
- Right to rectify their personal information.
- Right to restrict the use of their personal information.
- Right to request that their personal information is erased.
- Right to object to processing of their personal information.
- Right to data portability (in certain specific circumstances).

Where an investor has provided consent to processing an investor may withdraw their consent at any time by contacting the ICAV at [fis@vp.com.hk](mailto:fis@vp.com.hk).

Where the ICAV, the Manager or the Administrator requires an investor's personal information to comply with statutory or contractual purposes, failure to provide this information means the ICAV may not be able to accept an investor as an investor in the ICAV and/or may be unable to process, or release your investment in the ICAV. This may result in the ICAV terminating its relationship with an investor. The ICAV will tell an investor when they ask for an investor's information whether it is a statutory or contractual requirement to give the ICAV the information and the consequences of not providing the information.

Investors have the right to lodge a complaint with the data protection authority in their habitual place of residence or place of work if they are unhappy with how their personal data is being handled.

#### **How to contact the ICAV and the Administrator**

If an investor has any questions about the ICAV's use or the Administrator's use of their personal information, they should contact the ICAV at HSBC Securities Services (Ireland) DAC, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland or [ifinvestorqueries@hsbc.com](mailto:ifinvestorqueries@hsbc.com).

#### **4.10. Joint Shareholders**

In the case of joint holdings, and unless specifically stated in writing at the time of application, any one of the registered joint Shareholders is authorised to sign any documents or to give instructions in connection with that holding on behalf of the other joint Shareholders.

#### **4.11. Redemption of Shares**

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share for that Class calculated on or with respect to the relevant Dealing Day in accordance with the procedures described below (save during any period when the calculation of Net Asset Value is suspended). The minimum value of Shares which may be redeemed in any one redemption transaction is specified in the relevant Supplement for each Fund or Class. If the redemption of only part of a Shareholder's shareholding would leave the Shareholder holding less than the Minimum Holding for the relevant Fund, the ICAV or its delegate may, if it thinks fit, redeem the whole of that Shareholder's holding.

Requests for the redemption of Shares in a Fund should be made to the Administrator whose details are set out in the Application Form by facsimile or postal communication or such other means as may be permitted by the Directors, and agreed with the Administrator in accordance with the requirements of the Central Bank, and should include such information as may be specified from time to time by the Directors or their delegate. Requests for redemption received prior to the relevant Funds Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the relevant Funds Dealing Deadline for a Dealing Day

will be processed on the next Dealing Day unless the Directors in their absolute discretion determine otherwise, provided that such request has been received prior to the Valuation Point for the relevant Dealing Day. Redemption requests received after the relevant Funds Dealing Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances, as determined and agreed by the Directors. No redemption proceeds will be paid to a Shareholder in respect of a redemption order prior to the receipt and acceptance of the original Application Form by the Administrator and subject to prompt transmission to the Administrator of such papers (such as documentation relating to money laundering prevention checks) as may be required by the Administrator. No redemption payment will be made from an investor's holding until all documentation required by or on behalf of the Administrator (including any documents in connection with AML procedures) has been received from the investor and the AML procedures have been completed. Subject to satisfaction of all of the requirements of the Administrator (including but not limited to receipt of all documentation required by the Administrator for AML purposes) the original redemption request will not be required prior to payment of redemption proceeds.

The redemption price per Share in a Fund shall be the Net Asset Value per Share. The Directors do not currently intend to charge a redemption fee, however, should the Directors decide to introduce a redemption fee, they will give not less than one month's notice to Shareholders of their intention to do so and any such redemption fee charged will be in accordance with the limits set out in the Prospectus. In the event of a redemption fee being charged, Shareholders should view their investment as medium to long term.

In the event of a Shareholder requesting a redemption which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Holding amount, the ICAV may, if it thinks fit, redeem the whole of the Shareholder's holding.

#### *Method of Payment*

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing. Cheques will not be deemed an acceptable method for remittance of payment. Redemption payments following processing of instructions received by facsimile will only be made to the account of record of a Shareholder.

#### *Currency of Payment*

Shareholders will normally be repaid in the currency of denomination of the relevant Class from which the Shareholder has redeemed Shares. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### *Timing of Payment*

Redemption proceeds in respect of Shares will normally be paid within four Business Days of the relevant Dealing Day (and in any event should not exceed ten Business Days from the relevant Dealing Deadline) provided that all the required documentation has been furnished to and received by the Administrator.

#### *Withdrawal of Redemption Requests*

Requests for redemption may not be withdrawn save with the written consent of the ICAV or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### *Redemption Gate*

If the number of Shares to be redeemed on any Dealing Day equals 10% or more of the total number of Shares of a Fund in issue on that day, the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of 10% of the total number of Shares of the Fund in issue as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been redeemed. The deferred redemption requests will be treated in priority to the redemption requests received on the next Dealing Day.

### *Redemptions in specie*

The ICAV may, at the discretion of the Directors and with the consent of the relevant Shareholders, satisfy any request for repurchase of Shares by the transfer in specie to those Shareholders of assets of the relevant Fund having a value equal to the redemption price for the Shares repurchased as if the repurchase proceeds were paid in cash less any redemption charge and other expenses of the transfer as the Directors may determine provided that the Shareholder requesting repurchase consents to such transfer in specie. The nature and type of assets to be transferred in specie to each Shareholder shall be determined by the Directors (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors in their discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

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

Shareholders are required to notify the Administrator through whom Shares have been purchased immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership as set out herein. The ICAV may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or material administrative disadvantage to the ICAV. The ICAV may also redeem any Shares held by any person who holds less than the Minimum Holding or does not, within twenty eight days of a request by or on behalf of the ICAV, supply any information or declaration required under the terms hereof to be furnished. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The ICAV may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. The attention of investors in relation to the section of the Prospectus entitled **Taxation** and in particular the section therein headed **Irish Taxation** which details circumstances in which the ICAV shall be entitled to deduct from payments to Shareholders who are Irish Resident or Ordinarily Resident in Ireland amounts in respect of liability of Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

Shares will not receive or be credited with any dividend declared on or after the relevant Dealing Day on which they were redeemed.

### *Total Redemption of Shares*

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

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

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

### **4.12. Conversion of Shares**

Subject to the Minimum Subscription, Minimum Holding and Minimum Transaction Size requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class (the "**Original Fund**") to Shares in another Fund or Class or another Class in the same Fund (the "**New Fund**") in accordance with the formula and procedures specified below. Requests for conversion of Shares should be made to the Administrator by facsimile or written communication (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the

Administrator and the Central Bank) or such other means as may be permitted by the Directors and should include such information as may be specified from time to time by the Administrator. Requests for conversion should be received prior to the earlier of the relevant Dealing Deadline for redemptions in the Original Fund and the relevant Dealing Deadline for subscriptions in the New Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Directors in their absolute discretion otherwise determines such discretion not to be exercised after the Valuation Point. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares of either the Original Fund or the New Fund which would be less than the Minimum Holding for the relevant Fund, the ICAV or its delegate may, if it thinks fit, convert the whole of the holding in the Original Fund to Shares in the New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.0001 of a Share may be issued by the ICAV on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.0001 of a Share will be retained by the ICAV in order to defray administration costs.

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

$$S = \frac{(R \times NAV \times ER) - F}{SP}$$

where

**S** is the number of Shares of the New Fund to be allotted.

**R** is the number of Shares in the Original Fund to be redeemed.

**NAV** is the Net Asset Value per Share of the Original Fund at the Valuation Point on the relevant Dealing Day.

**ER** is the currency conversion factor (if any) as determined by the Administrator.

**F** is the conversion charge (if any) of up to 1% of the Net Asset Value of the Shares in the Original Fund.

**SP** is the Net Asset Value per Share of the New Fund at the Valuation Point on the relevant Dealing Day.

#### *Withdrawal of Conversion Requests*

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

#### **4.13. Application, Redemption and Conversion via an Electronic Dealing Provider**

Where an electronic dealing provider is used by an investor to invest in the Shares of any Class, or such investor holds interests in Shares of any Class through accounts with an electronic dealing provider, such investor will only receive payments in respect of redemption and/or any dividends attributable to the Shares on the basis of the arrangements entered into by the investor with the electronic dealing provider. Furthermore, any such investor will not appear on the register of Shareholders, will have no direct right of recourse against the Fund and must look exclusively to the electronic dealing provider for all payments attributable to the relevant Shares. The ICAV will recognise as Shareholders only those persons who are at any time shown on the register of Shareholders for the purposes of: (i) the payment of dividends and other payments due to be made to Shareholders (as applicable); (ii) the circulation of documents to Shareholders; (iii) the attendance and voting by Shareholders at any meetings of Shareholders; and (iv) all other rights of Shareholders attributable to the Shares. None of the ICAV, the

Manager, the Investment Manager, the Administrator, the Depositary or any other person will be responsible for the acts or omissions of the electronic dealing provider, nor make any representation or warranty, express or implied, as to the services provided by the electronic dealing provider.

#### 4.14. Net Asset Value and Valuation of Assets

The Directors have delegated the calculation of the Net Asset Value to the Administrator.

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

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to the total number of Shares in issue, or deemed to be in issue, in the Fund or Class at the relevant Valuation Point and rounded to the nearest cent of the relevant currency class.

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

- (i) Securities which are quoted, listed or traded on a Recognised Exchange, save as hereinafter provided at (iv), (v), (vi), (vii) and (viii), will be valued at the last traded price. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Manager determines provides the fairest criteria in determining a value for the relevant investment. Securities listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued by a competent person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary, taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (ii) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Manager, (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary or (iii) by any other means provided that such value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Manager whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (iii) Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (iv) Derivative contracts traded on a regulated market including without limitation futures and options contracts and index futures shall be valued at the settlement price as determined by the market where the derivative contract is traded. If the settlement price is not available, the derivative contract may be valued in accordance with (ii) 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 by the Depositary).

- (v) Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as OTC derivatives contracts or by reference to freely available market quotations.
- (vi) Notwithstanding paragraph (i) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (a) above. Where a final net asset value per share is not available an estimated net asset value per share received from the administrator or investment manager of the relevant collective investment scheme may be used. Where estimated values are used, these shall be final and conclusive notwithstanding any subsequent variation in the net asset value of the collective investment scheme.
- (vii) In the case of a Fund which is a short term money market fund, the Manager may value the assets of the Fund using the amortised cost method of valuation provided the use of such method of valuation is permissible pursuant to the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines.
- (viii) In the case of a Fund which is a money market fund, the Manager may use the amortised cost method of valuation to value Money Market Instruments within the Fund having a residual maturity of less than three months and which do not have specific sensitivity to market parameters, including credit risk, provided the use of such method of valuation is permissible pursuant to the Central Bank's requirements.
- (ix) In the case of a Fund which is not a money market fund, the Manager may value Money Market Instruments using the amortised cost method of valuation in accordance with the Central Bank's requirements.
- (x) The Manager may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, dealing costs, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (xi) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which is available to the Administrator and which is normally obtained from Bloomberg or Reuters or such other data provider.
- (xii) Where the value of any security is not ascertainable as described above, the value shall be the probable realisation value estimated by the Manager with care and in good faith or by a competent person appointed by the Manager and approved for the purpose by the Depositary.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraphs (i) to (xii) above, or if such valuation is not representative of the asset's fair market value, the Manager or its delegate is entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is approved by the Depositary. The rationale/methodologies used should be clearly documented.

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

- (i) in determining the value of investments of a Fund the securities of a Fund may be valued (i) at lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders; (ii) at bid and offer prices, in accordance with the requirements of the Central Bank where a bid and offer value is used to determine the price at which Shares are issued and redeemed; or (iii) at mid prices; provided in each case that the valuation policy selected by the Manager shall be applied consistently with respect to the ICAV and, as appropriate, individual Funds for so long as the ICAV or Funds, as the case may be, are operated on a going concern

basis. Every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the subsequent Valuation Point to the relevant Dealing Day and the assets of the relevant Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares, issued on the prior Dealing Day after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges;

- (ii) where securities have been agreed to be purchased or sold but such purchase or sale has not been completed, such securities shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed unless the Directors have reason to believe such purchase or sale will not be completed;
- (iii) there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the ICAV which is attributable to that Fund;
- (iv) there shall be added to the assets of each relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses unless the Directors are of the opinion that such interest, dividends or other income are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (v) there shall be added to the assets of each relevant Fund the total amount (on a receipts or accruals basis, at the discretion of the Directors) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
- (vi) there shall be deducted from the assets of the relevant Fund:
  - (1) the total amount of any actual liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the ICAV in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any liability for tax and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable as of the relevant Valuation Point;
  - (2) such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Fund as will become payable;
  - (3) the amount (if any) of any dividend declared but not distributed in respect thereof;
  - (4) the remuneration, fees and expenses of the Manager, the Administrator, the Depositary, the Investment Manager and Distributor and any other providers of services to the ICAV accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
  - (5) the total amount (whether actual or estimated by the Directors) of any other liabilities properly payable out of the assets of the relevant Fund (including all establishment, operational and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;
  - (6) an amount as of the relevant Valuation Point representing the projected liability of the relevant Fund in respect of costs and expenses to be incurred by the relevant Fund in the event of a subsequent liquidation;
  - (7) an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
  - (8) any other liability which may properly be deducted.



In the absence of negligence, fraud, bad faith or wilful default, every decision taken by the Directors or the Manager or any committee of the Directors or any duly authorised person on behalf of the ICAV in determining the value of any investment or calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the ICAV and on present, past or future Shareholders.

The Directors have the power, in determining the subscription price of a Share, to add to the Net Asset Value per Share of the relevant Class (before making any rounding adjustment) an amount, for the account of the relevant Fund which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of that Fund and the latest available asked price of such investments, (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in investing an amount equal to that Net Asset Value per Share of the relevant Class of that Fund.

Similarly, the Directors may, when determining the redemption price of a Share, deduct for the account of a Fund from the Net Asset Value per Share of the relevant Class (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of that Fund and the latest available bid price of such investments, and (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in realising assets or closing out positions to provide funds to meet any redemption request.

The Directors will only adjust the subscription price and redemption price with a view to protecting the interests of Shareholders under exceptional circumstances as determined by the Directors from time to time. Where necessary the Directors will seek the view of the Depositary prior to any adjustment in the subscription price or redemption price and such adjustment would only be made where the Depositary has no objection to it. Exceptional circumstances for adjusting the subscription price or redemption price may include (a) the aggregate net transactions (either net subscriptions or net redemptions) in Shares having exceeded a pre-determined threshold set by the Directors from time to time; and/or (b) extreme market conditions which may have an unfavourable impact on the interests of existing Shareholders. In such circumstances the Net Asset Value per Share of the relevant Class may be adjusted (upwards or downwards) by an amount (normally not exceeding 3% of that Net Asset Value) which reflects the dealing costs that may be incurred by that Fund and the estimated bid/offer spread of the assets in which that Fund invests. Under extreme market conditions (such as market crash or global financial crisis), the Directors may increase such amount to protect interests of the Shareholders. Any such additional amount will be retained by the Fund and will form part of the assets of the Fund.

Further, the Directors may arrange for a revaluation of Shares if they consider that the subscription price or redemption price calculated in relation to any subscription day or redemption day, as the case may be, does not accurately reflect the true value of the Shares. The revaluation will be conducted on a fair, equitable and reasonable basis.

Notwithstanding subscription monies, redemption monies and dividend amounts will be held in cash accounts in the name of the ICAV and treated as assets of and attributable to a Fund:-

- (i) any subscription monies received from an investor prior to the Dealing Day of a Fund in respect of which an application for Shares has been, or is expected to be, received will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund until subsequent to the Valuation Point in respect of the Dealing Day as of which Shares of the Fund are agreed to be issued to that investor;
- (ii) any redemption monies payable to an investor subsequent to the Dealing Day of a Fund as of which Shares of that investor were redeemed will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund; and
- (iii) any dividend amount payable to a Shareholder will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund.

#### 4.15. **Publication of Net Asset Value per Share**

The Net Asset Value per Share will be published daily on the Website. In addition, the Net Asset Value per Share may be obtained from either the Distributor or the Administrator during normal business hours.

#### 4.16. **Suspension of Valuation of Assets**

The Directors, may at any time and from time to time, in consultation with the Manager and the Depositary and in the best interests of the Shareholders, temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class:

- (i) during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- (ii) during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the ICAV; or
- (iii) during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Fund's investments; or
- (iv) during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- (v) during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the ICAV is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (vi) upon mutual agreement between the ICAV and the Depositary for the purpose of winding up the ICAV or terminating any Fund; or
- (vii) if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments or the ICAV or any Fund.

Any suspension of valuation shall be notified to the Central Bank and the Depositary without delay and, in any event, within the same Dealing Day and shall be published and made available on the internet at [www.valuepartners-group.com](http://www.valuepartners-group.com) and updated following any such suspension. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

#### 4.17. **Dividends**

The Directors are empowered to declare and pay dividends on Shares issued in any Class or Fund in the ICAV. The dividend policy for each Fund or Class will be set out in the relevant Supplement.

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

Your attention is drawn to the section of the Prospectus entitled **Risk Factors – Operation of Collection Accounts**.

## 5. TAXATION

### 5.1. General

**The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.**

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

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

### 5.2. Irish Taxation

The Directors have been advised that on the basis that the ICAV is resident in Ireland and the ICAV is not regarded as an “IREF” (Irish Real Estate Fund) within the meaning of Section 739K of the Taxes Act, the taxation position of the ICAV and the Shareholders is as set out below.

### 5.3. The ICAV

The ICAV will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the ICAV is not regarded as resident elsewhere. It is the intention of the Directors that the business of the ICAV will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Directors have been advised that the ICAV qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the ICAV is not chargeable to Irish tax on its income and gains.

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

- an exchange by a Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV;

- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the ICAV with another investment undertaking.

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

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

#### 5.4. Stamp Duty

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

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

#### 5.5. Shareholders Tax

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

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

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

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

The ICAV will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the

ICAV is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the ICAV satisfying and availing of equivalent measures (see paragraph headed **Equivalent Measures** below) tax will arise on the happening of a chargeable event in the ICAV regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

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

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

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

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

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

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

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

### *10% Threshold*

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

### *15 % Threshold*

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

### *Other*

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

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

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

### *Equivalent Measures*

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

### *Personal Portfolio Investment Undertaking (“PPIU”)*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold shares in investment undertakings. These provisions introduced the concept of a PPIU. Essentially, an investment undertaking will be considered a PPIU in relation to a specific

investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20th February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

#### 5.6. **Capital Acquisitions Tax**

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

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

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

#### 5.7. **FATCA implementation in Ireland**

On 21 December 2012, the governments of Ireland and the United States signed the Irish IGA.

The Irish IGA significantly increases the amount of tax information automatically exchanged between Ireland and the U.S. It 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 will be 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 Irish 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 Irish IGA or any legislation promulgated in connection with the Irish 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.

## 5.8. OECD Common Reporting Standard

Ireland has provided for the implementation of CRS through section 891F of the Taxes Act and the enactment of 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.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. 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. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (including Ireland) occurred with effect from 1 January 2016.

## 5.9. Compliance with US reporting and withholding requirements

Pursuant to the FATCA of the Hiring Incentives to Restore Employment Act 2010, a withholding tax of 30% will be imposed on certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce US source interest or dividends paid to a foreign financial institution (“FFI”) unless the FFI complies with certain due diligence and reporting obligations with respect to its account holders/investors pursuant to an applicable intergovernmental agreement for the implementation of FATCA or under a direct agreement between the FFI and the US Treasury. For these purposes the ICAV would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an Irish IGA on the 21st December 2012 and provision has been included in Finance Act 2013 for the implementation of the Irish IGA which also permits regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. On 3rd May 2013 Revenue released the Draft Financial Accounts Reporting Regulations 2013 together with supporting Draft Guidance Notes. Revised Regulations and Guidance Notes were issued on 1 October 2014.

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

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. However, if the ICAV and a Fund receives payments covered by FATCA, withholding may apply if the ICAV and/or the Fund cannot satisfy the applicable requirements under the Irish IGA or the Irish Government is not in compliance with the Irish IGA.

To the extent the ICAV and a Fund does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor's investment in the ICAV and a Fund (including, but not



limited to, collecting the withheld taxes from the relevant Shareholder (which, at the Shareholder's discretion, may be collected from proceeds otherwise payable to the Shareholder from the redemption of Participating Shares) and/or allocating or apportioning to such Shareholder the withheld taxes) to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

#### 5.10. **Automatic Exchange of Financial Account Information**

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the "**Ordinance**") of the Hong Kong Special Administrative Region came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("**AEOI**"). The AEOI requires financial institutions ("**FI**") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with FIs and exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement ("**CAA**"); however, the ICAV and/or its agents may further collect information relating to residents of other jurisdictions.

The ICAV is required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the ICAV and/or its agents shall collect and provide to the Hong Kong Inland Revenue Department ("**IRD**") tax information relating to shareholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the ICAV to, amongst other things: (i) register the ICAV's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e., shareholders) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes"; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, details of shareholders, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By investing in the ICAV and/or continuing to invest in the ICAV, shareholders acknowledge that they may be required to provide additional information to the ICAV, the relevant Investment Manager and/or the ICAV's agents in order for the ICAV to comply with AEOI. The shareholder's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such shareholders that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions. The failure of a shareholder to provide any requested information may result in the Directors taking any action and/or pursue remedies at their disposal including requesting the relevant shareholder to redeem or transfer his investment in the ICAV.

Each shareholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the ICAV.

#### 5.11. **German Taxation**

The following statements are limited to certain aspects of current German tax law and practice and apply only to investors who are resident in Germany and who are the beneficial owners of Shares in a Fund ("**German Investors**"). These statements are limited to issues of German income, corporation and trade tax. These statements are not to be considered exhaustive and may not be taken as a guarantee to any investor of the tax outcome of investing in such Shares. Further, these statements only cover the taxation of German Investors, but do not address potential German tax consequences in relation to investments of the Funds or the ICAV.

From 01 January 2018 onwards, the new Investment Tax Act of Germany (“**New InvTA**”) applies as a result of the German Investment Tax Reform Act (Investmentsteuerreformgesetz). The New InvTA provides the major change that a general opaque taxation regime for all types of investment funds will be introduced.

The introduction of a general opaque taxation regime is a fundamental change in the German taxation of funds, considering that the regime will automatically apply for all types of German and foreign investment funds including UCITS and AIF.

The following earnings of an opaque investment fund such as one of the Funds will be taxable at the level of German Investors (so-called “**Investment Income**”):

- Distributions, including dividends and repayments of contributed capital, from a Fund, i.e. any payments which the German Investor receives from the Fund without a disposal (i.e. redemption or sale) of the Shares;
- the so-called “lump-sum taxation amount”; and
- capital gains from the disposal (i.e. redemption or sale) of the Shares.

The lump-sum taxation amount will be attributed to German Investors as deemed taxable income on an annual basis as of 1 January. The lump-sum taxation amount is determined by calculating the minimum base income being (x) the redemption price (or alternatively stock exchange price or market price) per share at the beginning of the year multiplied by (y) the so-called base interest rate (Basiszins) as determined by the German Valuation Tax Act (for 2018: 0.87% p.a.) multiplied by (z) 70%. However, such minimum base income will be capped by reference to the sum of (i) the actual increase of the redemption price (or stock exchange price or market price, as applicable) of a Share during the year and (ii) the actual annual distributions (being the maximum base income). The lower positive value of the minimum base income and the maximum base income, as determined in the manner set out above, is then reduced by the actual annual distributions of the investment fund (i.e. a Fund) and the result is the lump-sum taxation amount.

With regard to the taxation of German Investors, such Investment Income will be taxed at the German flat rate tax of 25% (plus solidarity surcharge and church tax, if applicable) in the case of private individual investors holding the Shares as private assets or at the personal income tax rate or corporate income tax rate and, where applicable, trade tax in the case of German Investors holding the Shares as business assets. However, the New InvTA provides for specific partial tax exemptions for the benefit of German Investors in case of certain preferential fund regimes:

On a generic basis in relation to the Funds the preferential fund regimes of a so-called “**Equity Fund**” and a so-called “**Mixed Fund**” could be considered. In case of an Equity Fund

- (i) German Investors being private individuals holding the Shares as private assets benefit from a 30% tax exemption on Investment Income and
- (ii) German Investors being subject to corporation tax benefit from a 80% tax exemption for German corporation tax and 40% tax exemption for German trade tax purposes.

In case of Mixed Funds 50% of such tax exemption rates are applied (i.e. 15% in case of (i) above and in case of (ii) above 40% for German corporation tax purposes and 20% for trade tax purposes). The respective partial tax exemption applies with regard to any Investment Income.

“**Equity Funds**” are defined as funds, which according to their investment conditions invest continuously at least 51% (or more than 50% in case of non-German funds like the Funds) of their total asset value in “**Equity Participations**”.

“**Mixed Funds**” are defined as funds, which according to their investment conditions invest continuously at least 25% of their NAV or their total asset value in “**Equity Participations**”.

In this respect, Equity Participations are defined as

- shares of a corporation, which are admitted to official trading at an exchange or an organized market
- shares in a corporation, which does not qualify as a “real estate company” for German purposes and which (i) either is resident in a EU member state or an EEA state and there is subject to corporate income tax and is not exempted from such tax or (ii) is resident in a third country and is subject to corporate income taxation at a rate of at least 15% and is not exempted from such tax
- to the extent of 51% of the value of a fund unit an interest in another Equity Fund
- to the extent of 25% of the value of a fund unit an interest in another Mixed Fund.

According to the New InvTA -with the exception of investments in fund units in Equity Funds or Mixed Funds (as set out above) - other shares in investment funds (i.e. UCITS and AIFs, which fall under the scope of the InvTA) do not qualify as “**Equity Participations**”. Specific rules apply regarding the determination of the ratio of Equity Participations at the level of a Fund. Whether a Fund could qualify for one of the preferential fund regimes under the New InvTA will depend upon the investment policy and its actual implementation as set out in the respective Supplement in relation to such Fund.

With regard to the qualification of the Funds under the New InvTA applicable as from 01 January 2018, the Funds should qualify for the new opaque tax regime with the above-mentioned result that distributions from a Fund, the lump-sum taxation amount and capital gains from the disposal of the Shares would be taxable at the level of the German Investors. The German CFC Rules would not be applicable.

Neither the Prospectus nor the Supplement currently contain the necessary investment restrictions regarding Equity Participations and, therefore, German Investors should generally be not eligible for one of the preferential fund regimes (Equity Fund, Mixed Fund). If, however, in such a case (like in relation to the Funds) the investment conditions do not contain any wording regarding the compliance with such investment restrictions, then in accordance with the New InvTA upon application of a German Investor the partial tax exemptions of an Equity Fund or a Mixed Fund have to be applied within the individual assessment procedure of an investor, if in reality the respective fund has permanently exceeded the required Equity Participation ratio. According to a draft decree issued by the German tax administration in particular an inventory of assets or a list of assets and/ or written confirmations of the fund manager would be suitable in order to provide the required form of evidence.

German Investors should seek independent professional advice whether the partial tax exemption for Equity Funds or Mixed Funds would apply in their individual case in the respective calendar year and on the basis of new legal developments or new developments regarding the interpretation of the New InvTA.

#### 5.12. **PRC Taxation**

The following summary of PRC taxation is of a general nature, for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Shares. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of investors. Prospective investors should consult their own professional advisers as to the tax implications of their subscribing for, purchasing, holding, redeeming or disposing of Shares both under the laws and practice of the PRC and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in the PRC as at the date of this Prospectus. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Prospectus. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below. Please also refer to the relevant Supplement for further information relating to taxation considerations specific to a particular Fund.

## PRC

By investing in securities (including China A Shares, China B Shares, China H Shares and debt instruments) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore (the “**PRC Securities**”), a Fund may be subject to PRC taxes.

The income (including interest income and capital gains) derived from a Fund’s investments in debt securities issued by non-PRC issuers outside China should not be subject to PRC taxes.

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

### Corporate Income Tax (“**CIT**”)

If a Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If a Fund is considered as a non-tax resident enterprise with an establishment or place of business (“**E&P**”) in the PRC, the profits and gains attributable to that E&P would be subject to PRC CIT at 25%.

If a Fund is considered as a non-tax resident enterprise without an E&P in the PRC, it will be subject to CIT on a withholding basis (“**WIT**”), generally at a rate of 10%, to the extent it directly derives the PRC sourced passive income, unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties.

The Investment Manager intends to manage and operate the Funds in such a manner that the Funds should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with E&P in the PRC for CIT purposes, although this cannot be guaranteed. As such, it is expected that the Funds should not be subject to CIT on an assessment basis and would only be subject to WIT to the extent that the Funds directly derives PRC sourced income in respect of its investments in PRC Securities.

### Interest / dividend

Having consulted professional and independent tax adviser, the Investment Manager understands that unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties, non-tax resident enterprises without E&P in the PRC are subject to PRC WIT, generally at a rate of 10%, to the extent it directly derives PRC sourced passive income. In that respect, a Fund’s income from interests, dividends and profit distributions from PRC tax enterprise received by a Fund is generally subject to PRC WIT at a rate of 10%, unless such WIT is subject to reduction or exemption in accordance with PRC tax laws and regulations or an applicable tax treaty signed with the PRC.

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (“**Notice No. 81**”) and “Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (“**Notice No. 127**”) promulgated by the Ministry of Finance of the PRC (“**MOF**”), the State Administration of Taxation of the PRC (“**SAT**”) and the CSRC, dividends received by Hong Kong and overseas investors (including a Fund) from China A Share investment via the Stock Connect will be subject to 10% withholding income tax and the company distributing the dividend has the withholding obligation. If the recipient of the dividend is entitled to a lower treaty rate, it can apply to the tax bureau in-charge of the payer for a refund.

A Fund’s income from interests, dividends and profit distributions from PRC tax enterprise received by a Fund is generally subject to PRC WIT at a rate of 10%, unless such WIT is subject to reduction or exemption in accordance with PRC tax laws and regulations or an applicable tax treaty signed with the PRC.

In respect of interests, under the PRC CIT Law and regulations, interest derived from government bonds issued by the State Council’s finance departments and/or local government bonds approved by the State Council is exempt from PRC income tax.

Further, under the arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (the “**China-HK Arrangement**”), if a Hong Kong tax resident receives interest income from PRC tax resident enterprises, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the China-HK Arrangement and other relevant conditions are satisfied, subject to

the agreement from the PRC tax authorities. In practice, due to the practical difficulties in demonstrating that an investment fund is the beneficial owner of the interest income received, such investment fund is generally not entitled to the reduced WIT rate of 7%. In general, the prevailing rate of 10% should be applicable to a Fund.

On 22 November, 2018, the Ministry of Finance (“MOF”) and SAT issued Caishui [2018] No.108 (“Circular 108”), which stipulated that foreign institutional investors are exempted from China WIT and Value Added Tax (“VAT”) in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the China bond market.

In respect of dividends, under the China-HK Arrangement, dividends distributed by a PRC tax resident to a Hong Kong tax resident would be subject to a reduced PRC WIT rate of 5% provided (i) the Hong Kong tax resident is the beneficial owner of the dividend; (ii) the Hong Kong tax resident holds at least 25% of the equity of the PRC tax resident; and (iii) the relevant treaty conditions are satisfied. Due to a Fund’s investment restriction, a Fund would not hold more than 10% of the ordinary shares issued by any single PRC issuer. In this connection, a Fund would not be able to enjoy the reduced WIT rate of 5% provided under the China-HK Arrangement.

#### Capital gains

##### (i) Capital gains realised from trading of China B Shares and China H Shares

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of these securities by foreign investors. Hence, the tax treatment for investment in China B Shares and China H Shares is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, a Fund could be technically subject to 10% WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties.

Having said that, for China B Shares and China H Shares invested by a Fund directly, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. In practice, the 10% WIT has not been strictly enforced by the PRC tax authorities on capital gains derived by non-PRC tax resident enterprises from the trading of these securities with sales and purchase effected through stock exchanges.

Having consulted professional and independent tax adviser, the Investment Manager has not made and currently has no intention to make provision in respect of WIT on gross realised and unrealised capital gains on trading of China B Shares and China H Shares. The Investment Manager will monitor the situation and if, in the opinion of the Investment Manager, a provision is warranted, the change will be implemented by the Investment Manager and Shareholders will be notified of the change.

##### (ii) Capital gains realised from trading of China A Shares through Stock Connect

PRC tax circulars Caishui [2014] No. 81 (“**Notice No. 81**”) and Caishui [2016] No. 127 (“**Notice No. 127**”) provide that PRC CIT will be temporarily exempted on capital gains realised by Hong Kong and overseas investors (including a Fund) on the trading of China A Shares through the Stock Connect. Based on Notice No. 81 and Notice No. 127, and having consulted professional and independent tax adviser, no WIT provision for gross realised or unrealised capital gains derived from trading of China A Shares via the Stock Connect is made by the Investment Manager on behalf of a Fund.

It should be noted that the corporate income tax exemption under Notice No. 81 and Notice No. 127 is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, a Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value.

##### (iii) Capital gains realised through trading of China A Shares through QFII and Access Products with exposure to China A Shares

A Fund may from time to time obtain exposure to China A Shares via the Investment Manager’s QFII status or by investing in Access Products.

Pursuant to the “Notice on the temporary exemption of Corporate Income Tax on capital gains realised from the transfer of PRC equity investment assets such as PRC stocks by QFII” (Caishui [2014] No. 79) (“**Notice No. 79**”) promulgated by the MOF, the SAT and the CSRC on 14 November 2014 states that (i) PRC CIT will be imposed

on capital gains realised by QFII from the transfer of PRC equity investment assets (including PRC domestic stocks) prior to 17 November 2014 in accordance with laws; and (ii) QFIIs (without an E&P in the PRC or having an establishment in the PRC but the income so derived in China is not effectively connected with such establishment) will be temporarily exempt from PRC CIT on gains realised from the transfer of PRC equity investment assets (including China A Shares) effective from 17 November 2014.

The issuer of the Access Products may implement hedge arrangements on the Access Products through QFII which would acquire or dispose of the underlying China A Shares to which the Access Products are linked. As the QFIIs are the legal owners of the China A Shares under PRC law with respect to such Access Products, any PRC taxes arising from the QFIIs' investments in such securities would be legally borne by the QFII directly. Given that any PRC tax liabilities accruing to the QFII in respect of the securities to which the Access Products are linked arise because of the trading activities of the relevant Fund, such tax liabilities (if any) may ultimately be recharged to and borne by such Fund and would likely have an economic effect on the value of the relevant Fund. On the basis of Notice No. 79, it is not expected that the issuers of any Access Product would make any provision for potential tax liabilities from 17 November 2014 onwards.

Pursuant to Notice No. 79 and having consulted professional and independent tax advisor, with effect from 17 November 2014, in respect of each Fund, the Investment Manager will not make WIT provision for gross realised or unrealised capital gains derived from trading of China A Shares via QFII and/or through Access Products with exposure to China A Shares.

Please note that the tax exemption granted under Notice No. 79 is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, a Fund may in future need to make provision to reflect taxes payable, which may have a substantial negative impact on the Net Asset Value.

(iv) Capital gains realised from the trading of PRC debt securities issued or listed offshore by PRC issuers

There are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors on the disposal of these securities. In the absence of specific rules, the general tax provisions under PRC CIT Law should apply and such general tax provisions stipulate that a non-resident enterprise with no place of effective management, establishment or place of business in the PRC would generally be subject to WIT at the rate of 10% on its PRC-sourced income, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. Based on the current interpretation of the SAT and the local PRC tax authorities, capital gains derived by foreign investors from investment in PRC debt securities should not be treated as PRC sourced income and thus should not be subject to PRC WIT. There are no written tax regulations issued by the PRC tax authorities to confirm that interpretation. However, as a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of PRC debt securities has not been strictly enforced by the PRC tax authorities.

Having consulted professional and independent tax adviser, the Investment Manager will not make WIT provisions for a Fund on the gross realised and unrealised capital gains derived from PRC debt securities issued or listed offshore by PRC issuers. The implication of this is that if a Fund is liable to pay such withholding and other taxes, this may result in an unfavourable impact on the Net Asset Value of a Fund.

(v) Capital gains derived from funds that invest in PRC Securities

A Fund may invest in funds that invest in PRC Securities. Such funds may or may not withhold WIT equal to 10% of any potential capital gains which may be payable on a sale of such PRC Securities. Any such withholding by a fund would be reflected in the net asset value of the relevant fund and, therefore, in the Net Asset Value of a Fund on any Valuation Day. Where a fund has no such withholding or insufficient withholding, any retrospective enforcement and/or changes in PRC tax law relating to WIT on capital gains on the sale of PRC Securities may adversely affect the net asset value of the relevant fund and, therefore, the Net Asset Value of a Fund.

In this regard, any PRC tax liability may, if it arises, be payable by the funds that invest in PRC Securities. However, under the terms of the arrangement between a Fund and the funds that invest in PRC Securities, the funds may pass on any tax liability to a Fund. Such tax charges would likely be recharged to, and borne by, a Fund under contractual agreement with the funds. As such, a Fund is the ultimate party which bears the risks relating to any PRC taxes what are so levied by the relevant PRC tax authority.

(vi) Capital gains realised from trading in PRC inter-bank bond market via Bond Connect

There is no specific regulation issued by the mainland China tax authorities on the tax treatment in respect of trading in PRC inter-bank bond market by eligible foreign institutional investors via Bond Connect. In the absence of specific taxation rules on Bond Connect, a Fund's tax treatment for trading in PRC inter-bank bond market via Bond Connect should make reference to applicable tax treatments under the existing mainland China domestic tax regulations.

(vii) Tax Provision

It should be noted that the existing tax laws, regulations and practices may be revised or amended in the future, with the possibility that such changes will be applied with retrospective effect. In order to meet any potential tax liability for capital gains or income, the Investment Manager reserves the right to provide for WIT on such gains or income and withhold the tax for the account of a Fund.

As such, if it transpires that a Fund is subject to actual tax liabilities, in respect of which the Investment Manager had not made any provision, investors should note that the Net Asset Value of a Fund may be lowered, as a Fund will ultimately have to bear the full amount of tax liabilities. It should also be noted that the level of provision (if any) may be inadequate or excessive to meet actual PRC tax liabilities on investments made by the relevant Fund. Consequently, Shareholders may be disadvantaged or advantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If the actual tax levied by the SAT is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount (or if the Investment Manager did not make any tax provision), investors should note that the Net Asset Value of the relevant Fund may be adversely affected, as the relevant Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the relevant Fund, a disproportionately higher amount of tax liabilities as compared to that borne by persons who have already redeemed their Shares in the relevant Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, those persons who have already redeemed their Shares before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision and as such may be disadvantaged.

Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, the Investment Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

Value Added Tax (“VAT”) and other surtaxes

The MOF and SAT issued the “Notice on the Comprehensive Roll-out of the B2V Transformation Pilot Program (“**B2V Pilot Program**”)” (Caishui [2016] No. 36) (“**Notice No. 36**”) on 23 March 2016. The Notice No. 36 sets out that the B2V Pilot Program covers all the remaining industries of the program, including financial services. The Notice No. 36 has taken effect from 1 May 2016, unless otherwise stipulated therein.

The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China A Shares and RMB denominated debt securities issued by PRC issuers.

Based on the prevailing VAT regulations, capital gains derived by (i) QFIIs on trading of marketable securities and (ii) foreign investors via the Stock Connect are exempted from VAT. Therefore, to the extent that a Fund's key investment (such as China A Shares through the Stock Connect, Access Products) are conducted through these channels, either by a Fund directly or via Access Products issuers, the capital gains should be exempted from VAT. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

The current VAT regulations do not provide VAT exemption on capital gains derived from trading of China B Shares. Having said that, the PRC tax authorities have not actively collected VAT from non-PRC tax resident enterprises on gains realized from China B Shares in practice. Where capital gains are derived from trading of China H Shares, VAT in general is not imposed as the purchase and disposal are often concluded and completed outside PRC.

The prevailing VAT regulations do not specifically exempt VAT on interest received by foreign investors (including QFIIs). Interest income on non-government bonds (including corporate bonds) should technically be subject to 6% VAT.

Dividend income or profit distributions on equity investment derived from PRC are not included in the taxable scope of VAT.

In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities. The applicable levies depend on the location where VAT filing (if required) is done.

### Stamp Duty

Stamp Duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp Duty is levied on certain taxable documents executed or received in the PRC, including the contracts for the sale of China A Shares and China B Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A Shares and China B Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

It is unclear whether PRC Stamp Duty that is imposed on the transfer of shares of PRC companies under the PRC Stamp Duty Regulations would similarly apply to the acquisition and disposal of China H Shares by non-PRC investors outside the PRC. That said, PRC Stamp Duty is generally not imposed for trading of China H Shares in practice.

No PRC Stamp Duty is expected to be imposed on non-tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

Further, no PRC Stamp Duty is expected to be imposed on non-tax resident holders of fund shares, either upon subscription or upon a subsequent redemption of such fund shares.

### General

It should also be noted that the actual applicable tax rates imposed by the SAT may change from time to time. It should also be noted that the prevailing PRC tax regulations specified that the tax exemption on capital gains derived from the trading of China A Shares from 17 November 2014 onwards is temporary. There is a possibility of the PRC tax rules, regulations and practice being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Investment Manager may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares.

If the actual applicable tax rate levied by SAT is higher than that provided for by the Investment Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of a Fund may suffer more than the tax provision amount as a Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by SAT is lower than that provided for by the Investment Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed their Shares before SAT's ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Investment Manager's overprovision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of a Fund as assets thereof. Notwithstanding the above provisions, Shareholders who have already redeemed their Shares in a Fund before the return of any overprovision to the account of a Fund will not be entitled or have any right to claim any part of such overprovision.

Shareholders should seek their own tax advice on their tax position with regard to their investment in a Fund.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than currently contemplated.



## **6. GENERAL INFORMATION**

### **6.1. Incorporation, registered office and share capital**

The ICAV was incorporated in Ireland on 13th March 2012 as an investment company with variable capital with limited liability under registration number 510728 and was subsequently converted to an Irish Collective Asset-management Vehicle with registration number C92974.

The registered office of the ICAV is as stated in the Directory at the front of the Prospectus.

Clause 3 of the Instrument of Incorporation of the ICAV provides that the ICAV's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of capital raised from the public and which operates on the principle of risk spreading.

The authorised share capital of the ICAV is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the ICAV. The Directors have the power to allot shares in the capital of the ICAV on such terms and in such manner as they may think fit. There are 300,000 non-participating shares currently in issue two of which were taken by the subscribers to the ICAV and transferred to the Investment Manager and the remainder of which are held by the ICAV.

No share capital of the ICAV has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### **6.2. Variation of share rights and pre-emption rights**

The rights attaching to the Shares issued in any Class or Fund may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.

A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the ICAV shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV duly convened and held and if described as a special resolution shall be deemed to be a special resolution.

The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.

There are no rights of pre-emption upon the issue of Shares in the ICAV.

### **6.3. Voting Rights**

The following rules relating to voting rights apply:

- (i) Fractions of Shares do not carry voting rights.
- (ii) Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- (iii) The chairman of a general meeting of a Fund or Class or any Shareholder of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the ICAV or at least two Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.

- (iv) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (v) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- (vi) Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (vii) Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the ICAV send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (viii) To be passed, ordinary resolutions of the ICAV or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the ICAV or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Instrument of Incorporation.

#### 6.4. **Meetings**

The Directors may convene extraordinary general meetings of the ICAV at any time.

Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen 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 Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.

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

#### 6.5. **Reports and Accounts**

The ICAV will prepare an annual report and audited accounts as of 31st December in each year and a half-yearly report and unaudited accounts as of 30th June in each year. The audited annual report and accounts will be prepared in accordance with IFRS and will be published within four months of the ICAV's financial year end and its semi-annual report will be published within two months of the end of the half year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge upon

request and will be available to the public at the office of the Administrator. The periodic reports and the Instrument of Incorporation may be obtained from the office of the Administrator.

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

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

<b>Means of Dispatch</b>	<b>Deemed received</b>
Delivery by Hand	The day of delivery or next following working day if delivered outside usual business hours.
Post	48 hours after posting.
Facsimile	The day on which a positive transmission receipt is received.
Electronically	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement Of Notice	The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

#### 6.7. **Transfer of Shares**

Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer on the Dealing Day immediately preceding the date of the transfer.

The Directors may decline to register any transfer of Shares if:

- (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
- (ii) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- (iii) the instrument of transfer is not deposited at the registered office of the ICAV or such other place as the Directors may reasonably require, accompanied by the certificate for the Shares to which it relates, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the ICAV and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
- (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out herein or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV or the relevant Fund or Shareholders as a whole.

The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

## 6.8. Directors

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

- (i) Unless otherwise determined by an ordinary resolution of the ICAV in general meeting, the number of Directors shall not be less than two nor more than nine.
- (ii) A Director need not be a Shareholder.
- (iii) The Instrument of Incorporation contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (iv) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the ICAV or any company in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (v) The Directors of the ICAV for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus or the annual report and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the ICAV or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the ICAV.
- (vi) A Director may hold any other office or place of profit under the ICAV, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (vii) No Director shall be disqualified by his office from contracting with the ICAV as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the ICAV in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a Member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (viii) A Director may not vote in respect of any resolution or any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the ICAV and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5% or more of the issued shares of any class of such company or of the voting rights available to Members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (ix) The office of a Director shall be vacated in any of the following events namely:

- (1) if he resigns his office by notice in writing signed by him and left at the registered office of the ICAV;
- (2) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (3) if he becomes of unsound mind;
- (4) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
- (5) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
- (6) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (7) if he is removed from office by ordinary resolution of the ICAV.

#### 6.9. **Directors' Interests**

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

- Mr. LAM is Senior Director of Fund Operations at Value Partners.
- Mr. CHEUNG (as alternate director for Mr. LAM) is responsible for the full spectrum of company secretarial duties for the VP Group.
- Ms. CHEUNG is General Counsel of Value Partners.
- Mr. TOWNSEND is Managing Director of the EMEA Business of Value Partners.

No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the ICAV.

None of the Directors has a service contract with the ICAV nor are any such service contracts proposed.

#### 6.10. **Winding Up of ICAV or Fund**

The ICAV or where relevant a Fund may be wound up if:

- (i) At any time after the first anniversary of the incorporation of the ICAV or the establishment of a Fund, the Net Asset Value of the ICAV or a Fund falls below EUR 8 million on each Dealing Day for a period of six consecutive weeks and the Directors resolve to wind up the ICAV or the relevant Fund;
- (ii) Within a period of three months from the date on which (a) the Depositary notifies the ICAV of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the ICAV in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a Depositary; no new Depositary has been appointed, the Directors shall instruct the Secretary to forthwith convene an extraordinary general meeting of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the ICAV's authorisation by the Central Bank or on the appointment of a successor Depositary;

- (iii) The Shareholders of the ICAV or relevant Fund resolve by ordinary resolution that the ICAV or Fund by reason of its liabilities cannot continue its business and that it be wound up;
- (iv) The Shareholders of the ICAV or relevant Fund resolve by special resolution that the ICAV or Fund be wound up; or
- (v) When it becomes illegal or in the opinion of the Directors of the ICAV impracticable or inadvisable to continue operating the ICAV.

In the event of a winding up, the liquidator shall firstly apply the assets of each Fund in satisfaction of creditors' claims and in such manner and order as he thinks fit provided always that the liquidator shall not apply the assets of any Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.

The assets available for distribution among the Shareholders shall be applied in the following priority:

- firstly, in the payment to the Shareholders of each Class or Fund or relevant series of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
- secondly, in the case of the winding up of the ICAV, payment to the holders of the non-participating shares of sums up to the consideration paid in respect thereof out of the assets of the ICAV not comprised within any Funds provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
- fourthly, in the case of the winding up of the ICAV, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.

The liquidator may with the authority of an ordinary resolution of the ICAV or relevant Fund divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV or relevant Fund) in specie the whole or any part of the assets of the ICAV or relevant Fund, and whether or not the assets shall consist of property of a single kind provided that the ICAV shall if any Shareholder so requests sell any asset or assets proposed to be so distributed and distribute to such Shareholder the cash proceeds of such sale less the costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the ICAV or Fund may be closed and the ICAV or Fund dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the ICAV or Fund to a company or collective investment scheme (the "**Transferee ICAV**") on terms that Shareholders of the ICAV or relevant Fund shall receive from the Transferee ICAV shares or units in the Transferee ICAV of equivalent value to their shareholdings in the ICAV or Fund.

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

#### 6.11. Termination of a Fund

The ICAV may terminate a Fund in the circumstances set out in section headed **Winding Up of ICAV or Fund** above.

The ICAV may carry out a total redemption of Shares to terminate the Fund by giving not less than four, nor more than twelve weeks' notice, to the Shareholders of such Fund, expiring on a Dealing Day, and redeeming, at the redemption price on such Dealing Day, all of the Shares of the Fund not previously redeemed. The ICAV shall redeem, at the redemption price on such Dealing Day, all of the Shares in such Fund not previously redeemed if the Shareholders of 75% in value of the Shares in issue of the Fund resolve at a meeting of the Shareholders of the Fund, duly convened and held, that such Shares should be redeemed.

If a particular Fund is to be terminated and all of the Shares in such Fund are to be redeemed as aforesaid, the Directors, with the sanction of an ordinary resolution of the relevant Fund, may divide amongst the Shareholders in specie all or part of the assets of the relevant Fund according to the Net Asset Value of the Shares then held by each Shareholder in the relevant Fund provided that any Shareholder shall be entitled to request, at the expense of such Shareholder, the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale.

#### 6.12. Indemnities and Insurance

The Directors (including alternates), Secretary and other officers of the ICAV and its former directors and officers shall be indemnified by the ICAV against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The ICAV acting through the Directors is empowered under the Instrument of Incorporation to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers. Nothing in the Prospectus shall exempt the Directors, the Investment Manager, the Depositary or the Fund from any liability to the Shareholders imposed under Hong Kong law or Irish law or breach of trust through fraud or negligence, nor may they be indemnified against such liability by the Shareholders or at the Shareholders' expenses.

#### 6.13. General

As at the date of this Prospectus, the ICAV has no loan capital (including term loans) outstanding or created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.

No share or loan capital of the ICAV is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.

#### 6.14. Material Contracts

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

- *Investment Management and Distribution Agreement* as amended and restated between the ICAV, the Manager and Value Partners Hong Kong Limited dated 17 October 2022, under which Value Partners Hong Kong Limited was appointed as investment manager of the ICAV's assets and as distributor of the ICAV's Shares subject to the overall supervision of the Directors for managing the assets and investments of the ICAV in accordance with the investment objective and policies of each Fund. The Investment Management and Distribution Agreement, as amended and restated, may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. Value Partners Hong Kong Limited has the power to delegate its duties in accordance with the Central Bank's requirements. The ICAV shall not be liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager or for its own acts or omissions in following the advice or recommendations of

Value Partners Hong Kong Limited. Value Partners Hong Kong Limited shall not in the absence of negligence, fraud, bad faith or wilful default be liable to the ICAV or any Shareholder for any act or omission in the course of or in connection with its services rendered under the Investment Management and Distribution Agreement. The Agreement provides that the ICAV shall out of the ICAV's assets indemnify Value Partners Hong Kong Limited and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by Value Partners Hong Kong Limited in the performance of its duties other than due to the negligence, fraud, bad faith or wilful default of Value Partners Hong Kong Limited in the performance of its obligations.

- *Management Agreement* between the ICAV and the Manager dated 17 October 2022 under which the Manager is responsible for the general management and administration of the ICAV's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the ICAV.

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

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

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

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

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class



thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); (vii) is the subject of a court order for its winding up or liquidation; or (viii) ceases to be appropriately regulated in the jurisdiction of its registered office for the proper performance of the Management Agreement. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

- *Administration Agreement* between the ICAV, the Manager and the Administrator as amended and restated by an amended and restated fund administration terms and conditions dated 17 October 2022 to add the Manager as a party to the Administration Agreement, whereby the Manager appoints the Administrator to provide administration services to the ICAV. The Administration Agreement may be terminated by either party on 90 days written notice. Either party may terminate the Administration Agreement with cause on at least thirty (30) days' written notice to the other party if the other party has materially breached any of its obligations under the Administration Agreement, provided that certain conditions described in the Administration Agreement are met. The Administration Agreement may be further terminated by either party with immediate effect in the event of; the winding up of or the appointment of an examiner or receiver or liquidator to the other party or on the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; or the other party no longer being permitted or able to perform its obligations under the Administration Agreement pursuant to applicable law or regulation; or the ICAV or the Investment Manager acting for the Fund is in violation or default or in non-compliance with any securities or taxation laws or regulations applicable to the Fund or the activities of the Investment Manager (as relevant) or the activities of the Administrator, or such violation, default or non-compliance would in the reasonable opinion of the Administrator result in the Administrator being unable to comply with any legal or regulatory obligation; or an applicable regulatory authority so instructs the Administrator to terminate this Agreement; or the Administrator receives written notice from either the ICAV or the Investment Manager of the likelihood of the assets of the Fund being characterised as assets of a Plan.

The Administrator shall not in the absence of fraud, negligence or misconduct be liable to the ICAV for any act or omission in the course of or in connection with its services rendered under the Administration Agreement. The Administration Agreement provides that the ICAV shall indemnify out of the assets of the relevant Fund the Administrator (its officers, directors, employees, representatives, third party licensors, vendors, and any person or entity who controls the Administrator) for, and will defend and hold the Administrator harmless from, all direct losses, costs, damages and expenses (including reasonable legal fees incurred by the Administrator or such person in any action or proceeding between the Administrator and the ICAV or between the Administrator and any third party arising from or in connection with the performance of this Administration Agreement), imposed on, incurred by, or asserted against the Administrator in connection with or arising out of the Administration Agreement (other than those resulting from fraud, negligence or misconduct on the part of the Administrator, its agents or subcontractors).

- *Depositary Agreement* between the ICAV and the Depositary as amended and restated by an amended and restated depositary services agreement dated 17 October 2022 to add the Manager as a party to the Depositary Agreement, whereby the ICAV appointed the Depositary to provide depositary services to the ICAV. The Depositary Agreement shall continue in force until terminated by either party on ninety (90) days' notice in writing to the other party or as otherwise provided by the Depositary Agreement, provided that such termination shall only take effect upon the appointment of a successor depositary with the prior approval of the Central Bank. The Depositary has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary Agreement provides that the ICAV shall hold harmless and indemnify the Depositary against all losses, liabilities, demands, damages, costs, claims or expenses (including reasonable legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of its performance of its duties under the terms of the Depositary Agreement (other than to the extent that it relates to loss for which the Depositary is liable by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control

of the Depositary) and/or (ii) the Depositary's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

- *Passive Hedging Calculation Agreement* between Value Partners Hong Kong Limited on behalf of the sub-funds of the ICAV and The Hongkong and Shanghai Banking Corporation Limited under which The Hongkong and Shanghai Banking Corporation Limited was appointed as Passive Hedging Calculation Agent for the sub-funds of the ICAV. The Passive Hedging Calculation Agreement may be terminated by either party on giving 90 days' notice to the other party. The agreement provides that Value Partners Hong Kong Limited shall indemnify The Hongkong and Shanghai Banking Corporation Limited in due performance of the terms of the Passive Hedging Calculation Agreement and fully and effectively indemnify and keep the Passive Hedging Calculation Agent indemnified on an after tax basis against any and all losses suffered or incurred by the Passive Hedging Calculation Agent in the performance of the services provided but the Passive Hedging Calculation Agent will not be indemnified against any losses to the extent that they arise directly out of its negligence, fraud or wilful default.
- *Hong Kong Representative Agreement* between the ICAV and Value Partners Hong Kong Limited dated 17 October 2022 whereby the ICAV appointed Value Partners Hong Kong Limited as the ICAV's representative in Hong Kong and be authorised, in respect of the ICAV and the relevant Sub-Fund(s), to carry out all the functions for the time being required of a Hong Kong representative of a collective investment scheme authorised pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong and such administrative services as may from time to time be agreed. The Hong Kong Representative Agreement may be terminated by either party on giving 90 days' notice to the other party. The Hong Kong Representative Agreement provides that the ICAV shall indemnify Value Partners Hong Kong Limited from and, in the absence of fraud, negligence or wilful default on the part of the Hong Kong Representative, against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Hong Kong Representative in properly performing its functions or duties under the Hong Kong Representative Agreement.

#### 6.15. Documents available for Inspection

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

- a) The Instrument of Incorporation of the ICAV (copies may be obtained free of charge from the Administrator).
- b) The Act and the UCITS Regulations.
- c) Once published, the latest annual and half yearly reports of the ICAV (copies of which may be obtained from either the Distributor or the Administrator free of charge).

Copies of the Prospectus and Key Investor Information Document may also be obtained by Shareholders from the Administrator or the Distributor.

## SCHEDULE I

### PERMITTED INVESTMENTS AND INVESTMENT RESTRICTIONS

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money Market Instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. <b>This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.</b>

2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and Money Market Instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or Money Market Instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company

	or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	A UCITS may acquire no more than: <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the Money Market Instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	5.1 and 5.2 shall not be applicable to: <ul style="list-style-type: none"> <li>(i) transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and Money Market Instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- Money Market Instruments*;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in OTC provided that <ul style="list-style-type: none"> <li>- The counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

The ICAV will, with respect to each Fund, adhere to any investment or borrowing restrictions imposed and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the ICAV, subject to the UCITS Regulations.

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

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

## SCHEDULE II

### RECOGNISED EXCHANGES

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and OTC derivative instruments, will be listed or traded and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities (and OTC derivative instruments) investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(1) any stock exchange which is:

- located in any Member State of the European Union; or
- located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-
  - Australia
  - Canada
  - Japan
  - Hong Kong
  - New Zealand
  - Switzerland
  - United States of America
  - United Kingdom

(2) any of the following stock exchanges or markets:

Abu Dhabi	-	Abu Dhabi Securities Exchange
Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China	-	(Peoples' Rep. of Shanghai) Shanghai Securities Exchange
China	-	(Peoples' Rep. of Shenzhen) Shenzhen Stock Exchange

China	-	(Peoples' Rep. of China ) China Interbank Bond Market via Bond Connect
Colombia	-	Bolsa de Bogota
Colombia	-	Bolsa de Medellin
Colombia	-	Bolsa de Occidente
Croatia	-	Zagreb Stock Exchange
Dubai	-	Dubai Financial Market
Egypt	-	Alexandria Stock Exchange
Egypt	-	Cairo Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Bombay Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Indonesia	-	Surabaya Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jordan	-	Amman Financial Market
Kazakhstan (Rep. Of)	-	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Stock Exchange
Kuwait	-	Kuwait Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Oman	-	Muscat Securities Market
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Palestine	-	Palestine Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Qatar	-	Qatar Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Stock Exchange -KOSDAQ Market



Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Turkey	-	Istanbul Stock Exchange
Vietnam	-	Ho Chi Minh City Securities Trading Center
Zambia	-	Lusaka Stock Exchange

(3) any of the following markets:

MICEX;

RTS

the market organised by the International Capital Market Association;

the market conducted by the “**listed money market institutions**”, as described in the Financial Services Authority publication “**The Investment Business Interim Prudential Sourcebook**” (which replaces the **Grey Paper**) as amended from time to time;

AIM - the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;

The OTC market in Japan regulated by the Securities Dealers Association of Japan.

NASDAQ in the United States;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

The OTC market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négociables (OTC market in negotiable debt instruments);

EASDAQ Europe (European Association of Securities Dealers Automated Quotation - is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

the OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

SESDAQ (the second tier of the Singapore Stock Exchange.)

(4) All stock exchanges listed in (1) and (2) above on which permitted financial derivative instruments may be listed or traded and the following derivatives exchanges:

All derivatives exchanges in a Member State of the European Economic Area (European Union, Norway, Iceland, Liechtenstein);

in the United States of America, the

- American Stock Exchange

- Chicago Stock Exchange
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- USFE (US Futures Exchange);
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- New York Stock Exchange
- Pacific Exchange
- Philadelphia Stock Exchange
- SWX Swiss Exchange US

in Canada, the

- Montreal Exchange
- Toronto Stock Exchange

in China, the Shanghai Futures Exchange;

in Hong Kong, the Hong Kong Futures Exchange;

in Japan, the

- Osaka Securities Exchange;
- Tokyo Financial Exchange;
- Tokyo Stock Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange.

in Switzerland, on the

- Swiss Options & Financial Futures Exchange
- EUREX

On the following exchanges

- the Taiwan Futures Exchange;

- Kuala Lumpur Options and Financial Futures Exchange;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Osaka Mercantile Exchange;
- Tokyo International Financial Futures Exchange;
- Australian Stock Exchange;
- Sydney Futures Exchange;
- the Bolsa de Mercadorias & Futuros, Brazil;
- the Mexican Derivatives Exchange (MEXDER);
- the South African Futures Exchange;

For the purposes only of determining the value of the assets of a Fund, the term “**Recognised Exchange**” shall be deemed to include, in relation to any derivatives contract utilised by a Fund, any organised exchange or market on which such contract is regularly traded.

## SCHEDULE III

### DEFINITION OF US PERSON

The ICAV defines **U.S. Person** to include any **U.S. Person** as set forth in Regulation S promulgated under the Securities Act of 1933, as amended and any **United States Person** as defined under Rule 4.7 under the US Commodity Exchange Act.

Regulation S currently provides that:

**U.S. person** means:

- (1) any natural person resident in the United States;
- (2) any partnership or corporation organised or incorporated under the laws of the United States;
- (3) any estate of which any executor or administrator is a U.S. person;
- (4) any trust of which any trustee is a U.S. person;
- (5) any agency or branch of a non-U.S. entity located in the United States;
- (6) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (7) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (8) any partnership or corporation if (i) organized or incorporated under the laws of any non-U.S. jurisdiction and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.

**U.S. person** does not include:

- (1) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated or, if an individual, resident in the United States;
- (2) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (i) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
- (3) any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;
- (4) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- (5) any agency or branch of a U.S. person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or
- (6) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United

Nations and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

Rule 4.7 of the Commodity Exchange Act Regulations currently provides in relevant part that the following persons are not considered **United States persons**:

- (1) A natural person who is not a resident of the United States;
- (2) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal places of business in a foreign jurisdiction;
- (3) An estate or trust, the income of which is not subject to tax in the United States;
- (4) An entity organized principally for passive investment such as a pool, investment company or other similar entity; Provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the (US Commodity Futures Trading Commission's) Commission's regulations by virtue of its participants being Non-United States persons.
- (5) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside of the United States;

An investor who is considered a **non-US person** under Regulation S and a **non-United States person** under Rule 4.7 may nevertheless be generally subject to income tax under US Federal income tax laws. Any such person should consult his or her tax adviser regarding an investment in the Fund.

**US Holder** means a US citizen or resident alien of the United States (as defined for US federal income tax purposes); any entity treated as a partnership or corporation for US tax purposes that is created or organized in, or under the laws of, the United States or any State thereof; any other partnership that is treated as a US taxpayer under the US Treasury Department regulations; any estate, the income of which is subject to US income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under control of one or more US fiduciaries. Persons who have lost their US citizenship and who live outside the United States may nonetheless in some circumstances be treated as US taxpayers.

An investor may be a **US Holder** but not a **US Person**. For example, an individual who is a US citizen residing outside the United States is not a **US Person** but is a **US Holder**.

## SCHEDULE IV

### LIST OF SUB-DELEGATES

The Depository has appointed the following entities as sub-delegates in each of the markets set forth below.

Country	Sub-custodian/Agent
Argentina	HSBC Bank Argentina S.A.
Australia	HSBC Bank Australia Ltd
Austria	HSBC Trinkaus & Burkhardt AG
Bahrain	HSBC Bank Middle East Ltd (Bahrain)
Bangladesh	The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh)
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Bermuda	HSBC Bank Bermuda Ltd
Bosnia-Herzegovina	Unicredit Bank DD (Bosnia)
Botswana	Standard Chartered Bank Botswana Ltd
Brazil	Banco BNP Paribas Brasil S.A.
Bulgaria	UniCredit Bulbank AD
Canada	Royal Bank of Canada
Chile	Banco Santander Chile
China	HSBC Bank (China) Ltd
Colombia	Itau Securities Services Colombia S.A. Sociedad Fuduciaria
Croatia	Privredna Banka Zagreb
Cyprus	HSBC Continental Europe, Greece
Czech Republic	Ceskoslovenska obchodni banka, a. s.
Denmark	Skandinaviska Enskilda Banken AB
Egypt	HSBC Bank Egypt SAE
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (Finland)
France	BNP Paribas Securities Services (France)

Country	Sub-custodian/Agent
France	CACEIS Bank
Germany	HSBC Trinkaus & Burkhardt
Ghana	Standard Chartered Bank Ghana Ltd
Greece	HSBC Continental Europe, Greece
Hong Kong	The Hongkong & Shanghai Banking Corporation Ltd (CNC) (HK)
Hungary	Unicredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Ltd (India)
Indonesia	PT Bank HSBC Indonesia
Ireland	HSBC Continental Europe, Dublin Branch
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas Securities Services, Milan Branch
Japan	The Hongkong and Shanghai Banking Corporation Ltd (Japan)
Jordan	Bank of Jordan
Kenya	Standard Chartered Bank Kenya Ltd
Kuwait	HSBC Bank Middle East Ltd (Kuwait)
Latvia	AS SEB Banka
Lithuania	SEB Bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Ltd (Mauritius)
Mexico	HSBC Mexico, SA
Morocco	Citibank Maghreb S.A
Netherlands	BNP Paribas Securities Services (Netherlands)
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd (New Zealand)
Nigeria	Stanbic IBTC Bank plc
Norway	Skandinaviska Enskilda Banken AB
Oman	HSBC Bank Oman S.A.O.G.

Country	Sub-custodian/Agent
Pakistan	Citibank NA (Pakistan)
Palestine	Bank of Jordan (Palestine Branch)
Peru	Citibank del Peru
Philippines	The Hongkong and Shanghai Banking Corporation Ltd (Philippines)
Poland	Bank Polska Kasa Opieki SA
Portugal	BNP Paribas Securities Services (Portugal)
Qatar	HSBC Bank Middle East Ltd, Qatar
Romania	Citibank Europe plc Dublin - Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Ltd
Serbia	Unicredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Ltd (Singapore)
Slovakia	Ceskoslovenska Obchodna Banka AS
Slovenia	Unicredit Banka Slovenija DD
South Africa	Standard Bank of South Africa Ltd
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Spain	BNP Paribas Securities Services (Spain)
Sri Lanka	The Hongkong and Shanghai Banking Corporation Ltd (Sri Lanka)
Sweden	Skandinaviska Enskilda Banken AB (publ.)
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Ltd
Tanzania	Standard Chartered Bank (Mauritius) Ltd
Thailand	The Hongkong and Shanghai Banking Corporation Ltd (Thailand)
Turkey	HSBC Bank AS
Uganda	Standard Chartered (Uganda)
United Arab Emirates	HSBC Bank Middle East Ltd (UAE)
United Kingdom	HSBC Bank Plc (UK)



Country	Sub-custodian/Agent
United States	Brown Brothers Harriman & Co
United States	Citibank, N.A. (USA)
United States	HBSC Bank (USA) NA
Vietnam	HSBC (Vietnam) Ltd
Zambia	Standard Chartered Bank (Zambia) Plc

## SCHEDULE V

### REPRESENTATIONS AND WARRANTIES BY SINGAPORE RESIDENT INVESTORS

For Singapore Residents only:

The Subscriber represents that the Subscriber is and will at all times continue to be an “institutional investor” or a “relevant person” within the meaning of the Securities and Futures Act of Singapore or is otherwise investing a minimum of S\$200,000 (exclusive of any subscription charge) in the Fund. Under present regulations, categories of “institutional investor” are set out in **Annex 1** and a “relevant person” includes the following:

- (i) an “accredited investor”, the categories of which are set out in **Annex 1**;
- (ii) a corporation the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (iii) a trustee of a trust the sole purpose of which is to hold investments and each beneficiary of which is an individual who is an accredited investor.

The Subscriber undertakes to inform the Investment Manager immediately if there is any change in such status, and to provide documentary evidence and assurance of such status, including financial statements and income statements, as the Investment Manager may from time to time request.

The Subscriber understands and agrees that:

- (i) unless otherwise agreed by the ICAV, the Subscriber may not create or permit to subsist any mortgage, charge, pledge, lien, encumbrance or other security interest whatsoever on or over or in respect of all or any of the Shares or agree to do any of the foregoing;
- (ii) the Subscriber may not sell or otherwise assign or transfer all or any of the Shares unless the Subscriber has complied with the transfer restrictions set forth in the Prospectus and the Instrument of Incorporation, copies of which may be obtained from the Investment Manager, in particular, the Subscriber will at all times comply with the transfer restrictions provided for in the Securities and Futures Act 2001 of Singapore and as set out in the Prospectus and the Instrument of Incorporation, including without limitation, the resale restrictions in relation to the Shares and (if applicable) the transfer restrictions in relation to equity or beneficial interests in the Subscriber after the Subscriber's subscription of the Shares.

#### Annex 1

### REPRESENTATION AS ELIGIBILITY STATUS FOR SINGAPORE INVESTORS

Under present regulations, included within the definitions of “accredited investor” and “institutional investor” are the following categories of persons:

#### Accredited Investors

- (a) an individual –
  - (A) whose net personal assets exceed in value S\$2 million (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe in place of the first amount;

For the purpose of this category, in determining the value of net personal assets, the value of the individual's primary residence: (i) is to be calculated by deducting any outstanding amounts in respect of any credit facility that is secured by the residence from the estimated fair market value of the residence; and (ii) is taken to be the lower of the following: (x) the value calculated under paragraph (i); or (y) S\$1 million.

- (B) whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its

equivalent in a foreign currency) or such other amount as the MAS may prescribe in place of the first amount, where “financial asset” means –

- (i) a deposit as defined in Section 4B of the Banking Act 1970 of Singapore;
  - (ii) an investment product as defined in Section 2(1) of the Financial Advisers Act 2001 of Singapore; or
  - (iii) any other asset as may be prescribed by regulations made under Section 341 of the Securities and Futures Act 2001 of Singapore; or
- (C) whose income in the preceding 12 months is not less than S\$300,000 (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe in place of the first amount;
- (b) a corporation (as defined in Section 4(1) of the Companies Act 1967 of Singapore) with net assets exceeding S\$10 million in value (or its equivalent in a foreign currency) or such other amount as the MAS may prescribe, in place of the first amount, as determined by –
- (A) the most recent audited balance sheet of the corporation; or
  - (B) where the corporation is not required to prepare audited accounts regularly, a balance-sheet of the corporation certified by the corporation as giving a true and fair view of the state of affairs of the corporation as of the date of the balance-sheet, which date shall be within the preceding 12 months;
- (c) the trustee of –
- (A) any trust all the beneficiaries of which are accredited investors within the meaning of Section 4A(1)(a)(i), (ii) or (iv) of the SFA;
  - (B) any trust all the settlors of which –
    - (i) are accredited investors within the meaning of Section 4A(1)(a)(i), (ii) or (iv) of the SFA;
    - (ii) have reserved to themselves all powers of investment and asset management functions under the trust; and
    - (iii) have reserved to themselves the power to revoke the trust; or
  - (C) any trust the subject matter of which exceeds S\$10 million (or its equivalent in a foreign currency) in value;
- For the avoidance of doubt, any reference to “trust” in this item (c) includes a bare trust.
- (d) an entity (other than a corporation) with net assets exceeding S\$10 million (or its equivalent in a foreign currency) in value.
- For the purpose of this category, an “entity” includes an unincorporated association, a partnership and the government of any state, but does not include a trust;
- (e) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 of Singapore) in which every partner is an accredited investor;
- (f) a corporation (as defined in Section 4(1) of the Companies Act 1967 of Singapore), the entire share capital of which is owned by one or more persons, all of whom are accredited investors;

- (g) a person who holds a joint account with an accredited investor, in respect of dealings through that joint account; or
- (h) such person as the MAS may prescribe.

Institutional Investors

- (a) the Government of Singapore;
- (b) a statutory board as may be prescribed by regulations made under Section 341 of the Securities and Futures Act 2001 of Singapore;
- (c) an entity that is wholly and beneficially owned, whether directly or indirectly, by a central government of a country and whose principal activity is –
  - (A) to manage its own funds;
  - (B) to manage the funds of the central government of that country (which may include the reserves of that central government and any pension or provident fund of that country); or
  - (C) to manage the funds (which may include the reserves of that central government and any pension or provident fund of that country) of another entity that is wholly and beneficially owned, whether directly or indirectly, by the central government of that country;
- (d) any entity –
  - (A) that is wholly and beneficially owned, whether directly or indirectly, by the central government of a country; and
  - (B) whose funds are managed by an entity mentioned in sub-paragraph (c) above;
- (e) a central bank in a jurisdiction other than Singapore;
- (f) a central government in a country other than Singapore;
- (g) an agency (of a central government in a country other than Singapore) that is incorporated or established in a country other than Singapore;
- (h) a multilateral agency, international organisation or supranational agency as may be prescribed by regulations made under Section 341 of the Securities and Futures Act 2001 of Singapore;
- (i) a bank that is licensed under the Banking Act 1970 of Singapore;
- (j) a merchant bank that is licensed under the Banking Act 1970 of Singapore;
- (k) a finance company that is licensed under the Finance Companies Act 1967 of Singapore;
- (l) a company or co-operative society that is licensed under the Insurance Act 1966 of Singapore to carry on insurance business in Singapore;
- (m) a company licensed under the Trust Companies Act 2005 of Singapore;
- (n) a holder of a capital markets services licence;
- (o) an approved exchange;
- (p) a recognised market operator;

- (q) an approved clearing house;
- (r) a recognised clearing house;
- (s) a licensed trade repository;
- (t) a licensed foreign trade repository;
- (u) an approved holding company;
- (v) a Depository as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore;
- (w) an entity or a trust formed or incorporated in a jurisdiction other than Singapore, which is regulated for the carrying on of any financial activity in that jurisdiction by a public authority of that jurisdiction that exercises a function that corresponds to a regulatory function of the MAS under the Securities and Futures Act 2001 of Singapore, the Banking Act 1970 of Singapore, the Finance Companies Act 1967 of Singapore, the Monetary Authority of Singapore Act 1970 of Singapore, the Insurance Act 1966 of Singapore, the Trust Companies Act 2005 of Singapore, or such other Act as may be prescribed by regulations made under Section 341 of the Securities and Futures Act 2001 of Singapore;
- (x) a pension fund or collective investment scheme, whether constituted in Singapore or elsewhere;
- (y) a person (other than an individual) who carries on the business of dealing in bonds with accredited investors or expert investors;
- (z) the trustee of such trust as the MAS may prescribe, when acting in that capacity;
- (aa) a designated market-maker (as defined in the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore);
- (bb) a headquarters company or Finance and Treasury Centre which carries on a class of business involving fund management, where such business has been approved as a qualifying service in relation to that headquarters company or Finance and Treasury Centre under Section 43E(2)(a) or 43G(2)(a) of the Income Tax Act 1947 of Singapore;
- (cc) a person who undertakes fund management activity (whether in Singapore or elsewhere) on behalf of not more than 30 qualified investors (as that term is defined under the Second Schedule to the Securities and Futures (Licensing and Conduct of Business) Regulations of Singapore);
- (dd) a Service Company which carries on business as an agent of a member of Lloyd's (as defined in Regulation 2 of the Insurance (Lloyd's Asia Scheme) Regulations (Rg 9) of Singapore);
- (ee) a corporation the entire share capital of which is owned by an institutional investor or by persons all of whom are institutional investors;
- (ff) a partnership (other than a limited liability partnership within the meaning of the Limited Liability Partnerships Act 2005 of Singapore) in which each partner is an institutional investor; or
- (gg) such other person as the MAS may prescribe.

## SUPPLEMENT

### VALUE PARTNERS ALL CHINA EQUITY FUND

Dated 17 October 2022

#### to the Prospectus issued for Value Partners Ireland Fund ICAV

This Supplement contains information relating specifically to the Value Partners All China Equity Fund (the “Fund”), a sub-fund of Value Partners Ireland Fund ICAV (the “ICAV”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between funds authorised by the Central Bank on 20<sup>th</sup> April, 2012 as a UCITS pursuant to the UCITS Regulations. For Singapore offering purposes, the Fund is a Restricted Fund, the attention of investors is drawn to the section headed **Restrictions on Distribution and Sale of Shares** in the Prospectus.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2022 (the “Prospectus”).**

**An investment in the Fund should not constitute a substantial portion of an investor’s investment portfolio and may not be an appropriate for all investors.**

**The Fund may invest substantially in deposits with credit institutions and/or cash or cash equivalents. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities, or any bank guarantee. Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares is capable of fluctuation.**

**The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

Investors should read and consider the section of the Prospectus and the Supplement entitled **Risk Factors** before investing in the Fund.

**Profile of a Typical Investor:** Investment in the Fund is suitable only for persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved and balance that suitability based upon investment objectives and financial needs. The Fund has a high level of volatility, and accordingly, this investment is more suitable for long-term investors.

#### **1. Interpretation**

All defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. Classes of Shares

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Australian Dollar Class A (Acc)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Hedged
Australian Dollar Class A (MDis)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Hedged
Canadian Dollar Class A (Acc)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Hedged
Canadian Dollar Class A (MDis)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Hedged
Swiss Franc Class A (Acc)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Swiss Franc Class A (MDis)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Euro Class A (Acc)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Euro Class A (MDis)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Sterling Pound Class A (Acc)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Sterling Pound Class A (MDis)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Hong Kong Dollar Class A (Acc)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	HKD 40,000	Unhedged
Hong Kong Dollar Class A (MDis)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	HKD 40,000	Unhedged
RMB Class A (Acc)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Hedged
RMB Class A (MDis)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Hedged
Singapore Dollar Class A (Acc)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Hedged
Singapore Dollar Class A (MDis)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
United States Dollar Class A (Acc)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
United States Dollar Class A (MDis)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
Swiss Franc Class RDR (Acc)*	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Swiss Franc Class RDR (MDis)*	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Euro Class RDR (Acc)*	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Euro Class RDR (MDis)*	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Sterling Pound Class RDR (Acc)*	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Sterling Pound Class RDR (Acc)*	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Unhedged
Sterling Pound Class RDR (MDis)*	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
United States Dollar Class RDR (Acc)*	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
United States Dollar Class RDR (MDis)*	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
Swiss Franc Class S (Acc)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Swiss Franc Class S (MDis)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Euro Class S (Acc)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Euro Class S (MDis)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged



Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Sterling Pound Class S (Acc)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
Sterling Pound Class S (MDIs)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
United States Dollar Class S (Acc)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
United States Dollar Class S (MDIs)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
Swiss Franc Class V (Acc)~	CHF	CHF 10	Up to 5%	0.25%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Swiss Franc Class V (MDIs)~	CHF	CHF 10	Up to 5%	0.25%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Euro Class V (Acc)~	EUR	EUR 10	Up to 5%	0.25%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Euro Class V (MDIs)~	EUR	EUR 10	Up to 5%	0.25%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Sterling Pound Class V (Acc)~	GBP	GBP 10	Up to 5%	0.25%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Sterling Pound Class V (MDIs)~	GBP	GBP 10	Up to 5%	0.25%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Hong Kong Dollar Class V (Acc)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Hong Kong Dollar Class V (MDIs)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Singapore Dollar Class V (Acc)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
Singapore Dollar Class V (MDIs)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
United States Dollar Class V (Acc)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged
United States Dollar Class V (MDIs)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
United States Dollar Class X (Acc)+	USD	USD 10	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
Australian Dollar Class Z (Acc)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	AUD 100,000	Hedged
Australian Dollar Class Z (MDis)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	AUD 100,000	Hedged
Canadian Dollar Class Z (Acc)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	CAD 100,000	Hedged
Canadian Dollar Class Z (MDis)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	CAD 100,000	Hedged
Swiss Franc Class Z (Acc)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Swiss Franc Class Z (MDis)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Euro Class Z (Acc)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Euro Class Z (MDis)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Sterling Pound Class Z (Acc)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Sterling Pound Class Z (MDis)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Hong Kong Dollar Class Z (Acc)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Hong Kong Dollar Class Z (MDis)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
RMB Class Z (Acc)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	RMB 600,000	Hedged
RMB Class Z (MDis)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	RMB 600,000	Hedged
Singapore Dollar Class Z (Acc)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
Singapore Dollar Class Z (MDis)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
United States Dollar Class Z (Acc)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged
United States Dollar Class Z (MDis)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged

\* or such lower amount as Directors may determine at their discretion.

# Any change in the minimum holding amount, minimum transaction size for subsequent investments or minimum transaction size for redemptions will be notified to Shareholders in advance.

× Class RDR Shares are only available for subscription to;

- certain financial intermediaries or institutions for their investment services, which are exclusively remunerated by their clients, and either have separate fee based advisory arrangements with their clients or provide independent advice or discretionary portfolio management; or
- other investors or intermediaries at the Directors', or their delegates' discretion.

~ Class V Shares are only available for subscription by such persons who have subscribed to the Class V Shares during the first twelve (12) calendar months (or such other period as determined by the Directors) counting from the date when the Class V Shares is first launched.

+ Class X Shares are only available for subscription by funds and managed accounts managed or advised by the Investment Manager or its affiliates.

^ Class S and Class Z Shares are only available for subscription by institutional and/or professional investors.

### 3. Base Currency

The Base Currency shall be USD.

### 4. Investment Objective

The investment objective of the Fund is to provide capital appreciation by investing primarily in equities and equity-related securities issued by companies in, or companies that have their main operations in, or majority of their income derived from the PRC.

### 5. Investment Policy

The Fund intends to achieve its investment objective by investing at least 70% of its Net Asset Value in equity securities and equity-related securities (such as convertible securities, for example convertible preferred stock, common and preferred stock as well as American depositary receipts (“ADRs”), global depositary receipts (“GDRs”) and Participation Notes) issued by or fully guaranteed by listed or unlisted corporations which have their main operations (or majority of assets) in, or majority of their income derived from the PRC. There are no capitalisation restrictions on securities that can be held in the portfolio, but

rather, selection will be determined by the availability of attractive investment opportunities, as described below. The Fund may invest in a broadly diversified portfolio of securities with no fixed industry sector weightings.

The Fund may invest directly or indirectly in China A Shares and directly in China B Shares and China H Shares. The Fund may indirectly invest in China A Shares through CAAPs, including Participation Notes in relation to China A Shares. The Participation Notes in relation to China A Shares are unleveraged instruments and do not embed derivatives. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, in certain circumstances they may be unlisted and in such circumstances, any investment will be in accordance with the Investment Restrictions set out in Schedule I to the Prospectus. Subject to the requirements of the Central Bank, the Fund may invest directly in China A Shares via Stock Connect or via the QFII regime.

The Fund may invest in securities listed or dealt in on the Recognised Exchanges listed in the Prospectus or may also invest in unlisted securities in accordance with the Central Bank Investment Restrictions set out in Schedule I of the Prospectus and may invest in cash and cash equivalents for hedging and risk management purposes.

Though maintaining cash or cash equivalents is not a primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant downturn in the economy or political turmoil), the Fund may maintain up to 100% of its Net Asset Value in cash or cash equivalents should the Investment Manager deem such a strategy to be prudent over any time period.

Cash equivalents include Money Market Instruments (for example money market funds and fixed and floating rate bonds, such as government bonds, which are due within one year with high investment ratings of at least BB as rated by international credit rating agencies such as Standard & Poor's, Fitch Ratings or equivalent), bank deposits, short-term papers, treasury bills, banker's acceptances and short-term commercial papers.

Investments in equity and equity-related securities will be selected by the Investment Manager by identifying under-valued investments in companies who have a significant portion of assets, investments, production activities, trading or other business interests in the PRC.

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Fund may use stock lending agreements, repurchase agreements and reverse agreements to generate additional income for the Fund. Such arrangements may only be used for efficient portfolio management purposes.

The Investment Manager will pursue a value-oriented, fundamental approach in portfolio construction for the Fund. Investments are selected following an initial screening process which involves but is not limited to identifying lesser known companies or under researched companies which are subjected to evaluation and ongoing review by sector analysts, and the Investment Manager will focus on the selection of companies which offer potential long term value and consider quantitative factors including sustainable business models, robust balance sheets, market capitalisation, and liquidity and dividend yield, as well as qualitative factors, such as industry analysis of the current economic, political and market factors. The Investment Manager shall determine portfolio allocation based on the Investment Manager's level of conviction and sectoral concentration, with investments reviewed regularly. The underlying investment philosophy for the Fund is based on the Investment Manager's belief that while markets are inefficient and discrepancies exist in the short-run, prices in the long-run ultimately reflect fundamental values. The Fund does not have any specific industry or sectoral focus.

To provide flexibility for the Investment Manager to invest in classes of securities, as described above, which may have more efficient exposures to underlying assets which are consistent with the investment policy of the Fund, the Fund may also invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme, including money market funds and ETFs. The total investment in collective investment schemes including ETFs by the Fund will not exceed 10% of the Fund's asset and will be made in accordance with the requirements of the Central Bank.

#### *Efficient Portfolio Management*

Financial derivative instruments may also be used by the Investment Manager to achieve the investment objective of the Fund. The Fund may invest in financial derivative instruments, (futures contracts, options, warrants, index swaps, interest rate swaps and currency swaps, and forwards) for hedging and efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities where the Investment Manager feels it is more efficient to do so or as a cheaper alternative to direct investment in that security, or for hedging purposes in accordance with the requirements of the Central Bank.

Futures include equity and fixed income futures. Exchange traded futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Investment Manager may enter into equity and fixed income futures contracts to hedge against changes in the values of underlying equity securities or to hedge against interest rate risk.

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by the Fund, or markets to which the Fund is exposed, or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash or as a means of gaining exposure to particular securities or markets which are consistent with the investment policy of the Fund on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund.

For the purposes of hedging market and currency risks, the Fund may invest in index and currency swaps and currency forwards. The Fund may gain exposure to an index by entering into a swap transaction whereby the Fund would receive the price appreciation (or depreciation) of the relevant index from the swap counterparty in exchange for paying the swap counterparty an agreed fee. The underlying index of the index swaps shall be in line with the investment objective of the Fund and the Central Bank's requirements. For currency swaps, since the Fund may invest in a number of different jurisdictions, the Fund may utilize currency swap contracts whereby the Fund may either exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or exchange currencies at a floating rate for of exchange for currencies at a fixed rate of exchange. Forward foreign exchange contracts may be used to hedge the value of the Hedged Share Classes in the Fund against changes in the exchange rate between the currency of denomination of the Hedged Share Class of Shares and the Base Currency of the Fund.

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options. The Fund does not intend to use exotic types of options.

Depository Receipts are certificates issued by a depository bank or investment bank, representing shares held by the bank, usually by a branch or in the country of [issue](#) of the shares, which trade independently from the shares. The Fund will use depository receipts such as ADRs and GDRs. ADRs are negotiable certificates that are claims on shares in non-US companies. GDRs are negotiable certificates that are claims on shares in companies traded on their domestic markets, in this case the Fund will in particular use Singapore GDRs. The GDRs are traded in global markets and may be issued simultaneously in multiple foreign markets.

The Fund may purchase warrants to provide an efficient, liquid mechanism for taking positions in securities without the need to purchase and hold the security.

The Fund may be leveraged through the use of the above financial derivative instruments. The leveraged exposure of the Fund through the use of these derivatives will not exceed 100% of the Net Asset Value of the Fund under the commitment approach.

The Fund is actively managed and is not managed by reference to any benchmark.

Performance of the Fund is measured against the MSCI China All Shares Index for comparative purposes only. The MSCI China All Shares Index captures shares in mid and large size companies that are listed in Hong Kong, Taiwan, Shanghai, Shenzhen as well as outside of China.

#### *Securities Financing Transactions*

A stock lending arrangement or securities financing transaction is an arrangement whereby title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date. Subject to the limitations referred to above, any assets of the Fund may be the subject of a stock lending arrangement or securities financing transaction (“SFTs”). The Fund is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (the “SFTR”) and accordingly SFTs will only be entered into with “approved counterparties” as defined in the SFTR and there are no pre-specified restrictions on the legal status, country of origin or minimum credit rating of any counterparty in such transactions.

The reuse of collateral is limited by the SFTR to certain asset classes. Such reuse should not result in a change to a Fund’s investment objectives nor increase substantially a Fund’s risk profile. Further information regarding the use of SFTs will be disclosed in the annual report relating to the Fund.

The equity securities, ancillary liquid assets, Money Market Instruments and FDI (other than permitted unlisted investments) will be listed or traded on Markets referred to in Schedule II of the Prospectus.

The Fund may engage in SFTs in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of its total Net Asset Value subject to Securities Financing Transactions will be less than 30% and the maximum proportion of its total Net Asset Value subject to Securities Financing Transactions shall not exceed 100%. Further details in respect of Security Financing Transactions are set out in the Prospectus under the heading “Repurchase/ Reverse Repurchase and Stock Lending Arrangements for the Purposes of Efficient Portfolio Management”. The re-use of collateral is not permitted by the Fund.

## **6. Risk Management Process**

The Manager on behalf of the ICAV will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions - details of this process have been provided to the Central Bank. Further details in relation to the risk management process is disclosed under the section entitled **Investment in Financial Derivative Instruments** of the Prospectus.

## **7. Offer**

All Classes of Shares listed in the section entitled **Classes of Shares** above, with the exception of those listed below, will be initially offered to investors at the Initial Price from 9:00 a.m. (Irish time) on 17 October 2022 until 5:00 p.m. (Irish time) on 17 April 2023, or as otherwise determined by the Directors (the “**initial offer period**”) and subject to acceptance of applications for Shares by the ICAV, such Shares will be issued on the same day after expiry of the initial offer period.

Shares of Sterling Pound Class RDR (Acc) (Unhedged), United States Dollar Class V (Acc) (Unhedged) and United States Dollar Class X (Acc) (Unhedged) will be issued at the Net Asset Value per Share and subject to acceptance of applications for Shares by the ICAV.

After closing of the initial offer period, Shares in the Fund will be issued at the Net Asset Value per Share. Where a Class of Shares is fully redeemed and subsequently re-launched, the Shares of such Class will initially be issued at the Initial Offer Price (exclusive of an Initial Sales Charge of up to 5% of the Initial

Offer Price) during such re-launch, and thereafter, Shares in the Fund will be issued at the Net Asset Value per Share

Additional information in respect of Share subscriptions and redemptions is set out below.

## 8. Hedged Share Classes

These Classes of Shares will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Fund. Further details in relation to the Hedged Classes are disclosed under the section entitled **Hedged Classes** of the Prospectus.

## 9. Dividend Policy

The Fund offers Classes of Shares that accumulate income or pay regular dividends out of net current income or, on occasion, make payments out of capital, net realised gains or net realised and unrealised gains. The distribution of dividends is not guaranteed and is subject to the sole discretion of the Directors.

### Accumulation Classes

The Directors currently do not intend to pay dividends with respect to the accumulation Classes of Shares (collectively referred to as the “**Accumulation Classes**”). Therefore, any net distributable income attributable to the Shares of the Accumulation Classes will be reflected in their respective Net Asset Values. Accordingly, investment in these Classes of Shares may not be suitable for investors seeking income returns for financial or tax planning purposes.

### Distribution Classes

For the distribution classes of shares (collectively referred to as the “**Distribution Classes**”), the Directors intend to declare and pay monthly dividends equal to all or substantially all of the net distributable income attributable to each of the Distribution Classes.

Please refer to the section entitled **Dividend Policy** in the Prospectus for dividend payment details.

## 10. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses** in the Prospectus.

### Establishment Expenses

The fees and expenses relating to the establishment and approval of the Fund, including the fees of the ICAV’s professional advisers, the fees and expenses incurred with respect to registering the Shares of the Fund for sale in various markets, and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement, and all legal and printing costs amounted to €40,000. These fees and expenses are being paid out of the assets of the Fund and amortised over the first three years of the Fund’s operation or such other period and in such manner as the Directors may in their discretion determine.

## 11. Risk Factors

The attention of investors is drawn to the **Risk Factors** section in the Prospectus. In addition, the following risk factors are specific to the Fund.

### **General**

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities.

In addition, owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a high level of volatility. However, the Investment Manager will strive to limit the volatility of the Fund's returns.

***Sustainability risks not relevant***

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to provide capital appreciation by investing primarily in equities and equity-related securities issued by companies in, or companies that have their main operations in, or majority of their income derived from the PRC. While sustainability risk forms part of the Manager's and the Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to provide capital appreciation for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.



## SUPPLEMENT

### VALUE PARTNERS ASIA EX-JAPAN EQUITY FUND

Dated 17 October 2022

#### to the Prospectus issued for Value Partners Ireland Fund ICAV

This Supplement contains information relating specifically to the Value Partners Asia ex-Japan Equity Fund (the “Fund”), a sub-fund of Value Partners Ireland Fund ICAV (the “ICAV”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between funds authorised by the Central Bank on 20<sup>th</sup> April, 2012 as a UCITS pursuant to the UCITS Regulations. For Singapore offering purposes, the Fund is a Restricted Fund, the attention of investors is drawn to the section headed **Restrictions on Distribution and Sale of Shares** in the Prospectus.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2022 (the “Prospectus”).

An investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be appropriate for all investors.

The Fund may invest substantially in deposits with credit institutions and/or cash or cash equivalents. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities, or any bank guarantee. Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares is capable of fluctuation.

The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.

Investors should read and consider the section of the Prospectus and the Supplement entitled **Risk Factors** before investing in the Fund.

**Profile of a Typical Investor:** Investment in the Fund is suitable only for persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved and balance that suitability based upon investment objectives and financial needs. The Fund has a medium to high level of volatility, and accordingly, this investment is more suitable for long-term investors.

#### 1. Interpretation

All defined terms used in this Supplement shall have the same meaning as in the Prospectus.

#### 2. Classes of Shares

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Australian Dollar Class A (Acc)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Hedged
Australian Dollar Class A (Dist)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Hedged
Canadian Dollar Class A (Acc)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount**#	Minimum Transaction Size for subsequent investments **#	Minimum Transaction Size for redemptions **#	Hedged/ Unhedged
Canadian Dollar Class A (Dist)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Hedged
Swiss Franc Class A (Acc)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Swiss Franc Class A (Dist)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Euro Class A (Acc)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Euro Class A (Dist)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Sterling Pound Class A (Acc)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Sterling Pound Class A (Dist)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Hong Kong Dollar Class A (Acc)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	HKD 40,000	Unhedged
Hong Kong Dollar Class A (Dist)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	HKD 40,000	Unhedged
RMB Class A (Acc)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Hedged
RMB Class A (Dist)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Hedged
Singapore Dollar Class A (Acc)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Hedged
Singapore Dollar Class A (Dist)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Hedged
United States Dollar Class A (Acc)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
United States Dollar Class A (Dist)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
Swiss Franc Class RDR (Acc)x	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Swiss Franc Class RDR (Dist)x	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Euro Class RDR (Acc)x	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Euro Class RDR (Dist)x	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Sterling Pound Class RDR (Acc)x	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
Sterling Pound Class RDR (Acc)x	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Unhedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments *#	Minimum Transaction Size for redemptions *#	Hedged/ Unhedged
Sterling Pound Class RDR (Dist)×	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
United States Dollar Class RDR (Acc)×	USD	USD10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
United States Dollar Class RDR (Dist)×	USD	USD10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
Swiss Franc Class S (Acc)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Swiss Franc Class S (Dist)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Euro Class S (Acc)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Euro Class S (Dist)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Sterling Pound Class S (Acc)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
Sterling Pound Class S (Dist)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
United States Dollar Class S (Acc)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
United States Dollar Class S (Dist)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
Swiss Franc Class V (Acc)~	CHF	CHF 10	Up to 5%	0.25%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Swiss Franc Class V (Dist)~	CHF	CHF 10	Up to 5%	0.25%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Euro Class V (Acc)~	EUR	EUR 10	Up to 5%	0.25%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Euro Class V (Dist)~	EUR	EUR 10	Up to 5%	0.25%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Sterling Pound Class V (Acc)~	GBP	GBP 10	Up to 5%	0.25%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Sterling Pound Class V (Dist)~	GBP	GBP 10	Up to 5%	0.25%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Hong Kong Dollar Class V (Acc)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Hong Kong Dollar Class V (Dist)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Singapore Dollar Class V (Acc)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
Singapore Dollar Class V (Dist)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
United States Dollar Class V (Acc)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD100,000	USD100,000	Unhedged
United States Dollar Class V (Dist)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged
United States Dollar Class X (Acc)+	USD	USD 10	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
Australian Dollar Class Z (Acc)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	AUD 100,000	Hedged
Australian Dollar Class Z (Dist)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	AUD 100,000	Hedged
Canadian Dollar Class Z (Acc)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	CAD 100,000	Hedged
Canadian Dollar Class Z (Dist)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	CAD 100,000	Hedged
Swiss Franc Class Z (Acc)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Swiss Franc Class Z (Dist)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Euro Class Z (Acc)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Euro Class Z (Dist)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged
Sterling Pound Class Z (Acc)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Sterling Pound Class Z (Dist)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged
Hong Kong Dollar Class Z (Acc)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
Hong Kong Dollar Class Z (Dist)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	HKD 800,000	Unhedged
RMB Class Z (Acc)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	RMB 600,000	Hedged
RMB Class Z (Dist)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	RMB 600,000	Hedged
Singapore Dollar Class Z (Acc)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
Singapore Dollar Class Z (Dist)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	SGD 100,000	Hedged
United States Dollar Class Z (Acc)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged
United States Dollar Class Z (Dist)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged

\* or such lower amount as Directors may determine at their discretion.

# Any change in the minimum holding amount, minimum transaction size for subsequent investments or minimum transaction size for redemptions will be notified to Shareholders in advance.

× Class RDR Shares are only available for subscription to;

- certain financial intermediaries or institutions for their investment services, which are exclusively remunerated by their clients, and either have separate fee based advisory arrangements with their clients or provide independent advice or discretionary portfolio management; or
- other investors or intermediaries at the Directors', or their delegates' discretion.

~ Class V Shares are only available for subscription by such persons who have subscribed to the Class V Shares during the first twelve (12) calendar months (or such other period as determined by the Directors) counting from the date when the Class V Shares are first launched.

+ Class X Shares are only available for subscription by funds and managed accounts managed or advised by the Investment Manager or its affiliates.

^ Class S and Class Z Shares are only available for subscription by institutional and/or professional investors.

### **3. Base Currency**

The Base Currency shall be USD.

### **4. Investment Objective**

The investment objective of the Fund is to achieve long-term income and growth by investing primarily in equities and equity-related securities of companies based, or carrying out their business, in the Asia (ex-Japan) region.

### **5. Investment Policy**

The Fund intends to achieve its investment objective by investing at least 70% of its Net Asset Value in equity securities and equity-related securities (such as convertible securities, for example convertible preferred stock, common and preferred stock as well as American depositary receipts (“ADRs”), global depositary receipts (“GDRs”) and participation notes in Asia region (excluding Japan)) of companies which have a significant portion of assets, investments, production activities, trading or other business interests in Asia region (excluding Japan) or which derive a significant part of their revenue from Asia (excluding Japan), and which are listed on stock markets on a worldwide basis (and in accordance with Schedule I of the Prospectus). Certain countries in Asia may be considered emerging market countries. There are no capitalisation restrictions on securities that can be held in the portfolio, but rather, selection will be determined by the availability of attractive investment opportunities, as described below. The Fund may invest in a broadly diversified portfolio of securities with no fixed industry sector weightings.

The Fund may invest directly or indirectly in China A Shares and directly in China B Shares and China H Shares. Though investing in China A Shares and China B Shares is not the sole investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant upturn in the Chinese economy), the Fund may invest up to 30% of its total Net Asset Value in China A Shares and China B Shares.

The Fund may indirectly invest in China A Shares through CAAPs, such as participation notes in relation to China A Shares. The participation notes in relation to China A Shares are unleveraged instruments

and do not embed derivatives. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, in certain circumstances they may be unlisted and in such circumstances, any investment will be in accordance with the Investment Restrictions set out in Schedule I to the Prospectus. Subject to the requirements of the Central Bank, the Fund may invest directly in China A Shares via Stock Connect.

The Fund may invest in securities listed or dealt in on the Recognised Exchanges listed in the Prospectus or may also invest in unlisted securities in accordance with the Central Bank Investment Restrictions set out in Schedule I of the Prospectus and may invest in cash and cash equivalents for hedging and risk management purposes. Cash equivalents include Money Market Instruments (for example money market funds and fixed and floating rate bonds which due within one year with high investment ratings of at least BB as rated by international credit rating agencies such as Standard & Poor's, Fitch Ratings or equivalent), bank deposits, short-term papers, treasury bills, banker's acceptances and short-term commercial papers.

The Fund may, with the aim of enhancing the performance and yield of the Fund, also invest in other fixed income instruments such as certificates of deposit and fixed and floating rate bonds, such as government and corporate bonds, where the bonds' investment rating may be investment grade or below investment grade such as below Moody's "Baa3" or below Standard & Poor's "BBB-" or which may not be rated.

Though maintaining cash or cash equivalents is not a primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant downturn in the economy or political turmoil), the Fund may maintain up to 100% of its Net Asset Value in cash or cash equivalents should the Investment Manager deem such a strategy to be prudent over any time period.

The Fund may also use structured products such as credit linked notes, a security which allows the holder to receive the same cash flows of the underlying local currency bond, (converted to a currency such as the US dollar) and securitised products such as bonds embedded with warrants or collateralised loan obligations (a security backed by a pool of debt which receives scheduled debt payments) for efficient portfolio management purposes. Structured products are expected to be used by the Fund primarily to gain economic exposure to underlying markets or securities where direct local investments carry significant administrative burdens.

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Fund may use stock lending agreements and repurchase agreements to generate additional income for the Fund. Such arrangements may only be used for efficient portfolio management purposes.

Investments in equity and equity-related securities will be selected by the Investment Manager by identifying under-valued investments in companies who have a significant portion of assets, investments, production activities, trading or other business interests in Asia region (excluding Japan) or which derive a significant part of their revenue from Asia region (excluding Japan).

Investments in bonds will be selected by the Investment Manager by identifying under-valued investments through bottom-up research and an initial screening process through quantitative analysis followed by a preliminary evaluation which includes but is not limited to an evaluation of the liquidity, return profile and maturity of the bonds and a detailed qualitative and quantitative analysis in corporates, government or corporate agencies or government entities which have a significant portion of assets, investments, production activities, trading or other business interests in the Asia region (excluding Japan).

The Investment Manager will pursue a value-oriented, fundamental approach in portfolio construction for the Fund. Investments selected following the initial screening process are subjected to evaluation and ongoing review by sector analysts employed within the Investment Manager, and the Investment Manager will focus on the selection of companies which offer potential long term value and consider quantitative factors including sustainable business models, robust balance sheets, market capitalisation, and liquidity and dividend yield, as well as qualitative factors, such as industry analysis. The Investment Manager shall determine portfolio allocation based on the Investment Manager's level of conviction and

sectoral concentration, with investments reviewed regularly. The underlying investment philosophy for the Fund is based on the Investment Manager's belief that while markets are inefficient and discrepancies exist in the short-run, prices in the long-run ultimately reflect fundamental values. The Fund does not have any specific industry or sectoral focus.

To provide flexibility for the Investment Manager to invest in classes of securities, as described above, which may have more efficient exposures to underlying assets which are consistent with the investment policy of the Fund, the Fund may also invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme, including money market funds and ETFs. The total investment in collective investment schemes including ETFs by the Fund will not exceed 10% of the Fund's asset and will be made in accordance with the requirements of the Central Bank.

#### *Efficient Portfolio Management*

Financial derivative instruments may also be used by the Investment Manager to achieve the investment objective of the Fund. The Fund may invest in financial derivative instruments, (futures contracts, index swaps, interest rate swaps, currency swaps, options, warrants and forwards) for hedging and efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities where the Investment Manager feels it is more efficient to do so or as a cheaper alternative to direct investment in that security, or for hedging purposes in accordance with the requirements of the Central Bank.

Futures include equity and fixed income futures. Exchange traded futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Investment Manager may enter into equity and fixed income futures contracts to hedge against changes in the values of underlying equity securities or to hedge against interest rate risk.

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by the Fund, or markets to which the Fund is exposed, or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash (i.e. invest cash balances of the Fund in equity-based instruments, such as futures) or as a means of gaining exposure to particular securities or markets which are consistent with the investment policy of the Fund on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund.

For the purposes of hedging market and currency risks, the Fund may invest in index and currency swaps and currency forwards. The Fund may gain exposure to an index by entering into a swap transaction whereby the Fund would receive the price appreciation (or depreciation) of the relevant index from the swap counterparty in exchange for paying the swap counterparty an agreed fee. The underlying index of the index swaps shall be in line with the investment objective of the Fund and the Central Bank's requirements. For currency swaps, since the Fund may invest in a number of different jurisdictions, the Fund may utilize currency swap contracts whereby the Fund may either exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or exchange currencies at a floating rate for of exchange for currencies at a fixed rate of exchange. Forward foreign exchange contracts may be used to hedge the value of the Hedged Share Classes in the Fund against changes in the exchange rate between the currency of denomination of the Hedged Share Class of Shares and the Base Currency of the Fund.

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options. The Fund does not intend to use exotic types of options.

Depository Receipts are certificates issued by a depository bank or investment bank, representing shares held by the bank, usually by a branch or in the country of **issue** of the shares, which trade independently from the shares. The Fund will use depository receipts such as **ADRs** and **GDRs**. ADRs are negotiable certificates that are claims on shares in non-US companies. GDRs are negotiable certificates that are claims on shares in companies traded on their domestic markets, in this case the Fund will in particular use Singapore GDRs. The GDRs are traded in global markets and may be issued simultaneously in multiple foreign markets

The Fund may purchase warrants to provide an efficient, liquid mechanism for taking positions in securities without the need to purchase and hold the security.

The Fund may be leveraged through the use of the above financial derivative instruments. The leveraged exposure of the Fund through the use of these derivatives will not exceed 100% of the Net Asset Value of the Fund under the commitment approach.

The Fund is actively managed and is not managed by reference to any benchmark.

Performance of the Fund is measured against the MSCI AC Asia (ex-Japan) Index for comparative purposes only. The MSCI AC Asia (ex-Japan) Index captures shares in mid and large size companies in Singapore, Hong Kong, China, India, Indonesia, Korea, Malaysia, Pakistan, the Philippines, Taiwan and Thailand.

#### *Stock Lending*

A stock lending arrangement or securities financing transaction is an arrangement whereby title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date. Subject to the limitations referred to above, any assets of the Fund may be the subject of a stock lending arrangement or securities financing transaction (“**SFTs**”). The Fund is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (the “**SFTR**”) and accordingly SFTs will only be entered into with “approved counterparties” as defined in the SFTR. The Investment Manager conducts credit assessments of counterparties to a stock lending arrangement or securities lending arrangement. Where a counterparty is subject to a credit rating by an agency registered and supervised by the ESMA that rating shall be taken into account in the credit assessment process and where the counterparty is downgraded by the credit rating agency to A-2 or below (or comparable rating), a new credit assessment of the counterparty is conducted by the Investment Manager without delay. Another criterion used when selecting counterparties includes country of origin. For example, the counterparty may be a body corporate located in an EEA member state.

The reuse of collateral is limited by the SFTR to certain asset classes. Such reuse should not result in a change to a Fund’s investment objectives nor increase substantially a Fund’s risk profile. Further information regarding the use of SFTs will be disclosed in the annual report relating to the Fund.

The equity securities, ancillary liquid assets, Money Market Instruments and FDI (other than permitted unlisted investments) will be listed or traded on Markets referred to in Schedule II of the Prospectus.

The Fund may engage in SFTs in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. It is anticipated that the expected proportion of its total Net Asset Value subject to Securities Financing Transactions will be less than 30% and the maximum proportion of its total Net Asset Value subject to Securities Financing Transactions shall not exceed 100%. Further details in respect of Security Financing Transactions are set out in the Prospectus under the heading **Repurchase/ Reverse Repurchase and Stock Lending Arrangements for the Purposes of Efficient Portfolio Management**. The re-use of collateral is not permitted by the Fund.

## **6. Risk Management Process**



The Manager on behalf of the ICAV will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions - details of this process have been provided to the Central Bank. Further details in relation to the risk management process is disclosed under the section entitled **Investment in Financial Derivative Instruments** of the Prospectus.

## 7. Offer

All classes listed in the section entitled **Classes of Shares** above, with the exception of those listed below, will be initially offered to investors at the Initial Price from 9:00 a.m. (Irish time) on 17 October 2022 until 5:00 p.m. (Irish time) on 17 April 2023 or as otherwise determined by the Directors (the “**initial offer period**”), and subject to acceptance of applications for Shares by the ICAV, such Shares will be issued on the same day after expiry of the initial offer period.

Shares of Sterling Pound Class RDR (Acc) (Unhedged), Euro Class V (Acc) (Hedged), United States Dollar Class V (Acc) (Unhedged), Swiss Franc Class V (Acc) (Hedged) and United States Dollar Class X (Acc) (Unhedged) will be issued at the Net Asset Value per Share and subject to acceptance of applications for Shares by the ICAV.

After closing of the initial offer period, Shares in the Fund will be issued at the Net Asset Value per Share. Where a Class of Shares is fully redeemed and subsequently re-launched, the Shares of such Class will initially be issued at the Initial Offer Price (exclusive of an Initial Sales Charge of up to 5% of the Initial Offer Price) during such re-launch, and thereafter, Shares in the Fund will be issued at the Net Asset Value per Share

Additional information in respect of Share subscriptions and redemptions is set out below.

## 8. Hedged Share Classes

These Classes of Shares will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Fund. Further details in relation to the Hedged Classes are disclosed under the section entitled **Hedged Classes** of the Prospectus.

## 9. Dividend Policy

The Fund offers Classes of Shares that accumulate income or pay regular dividends out of net current income or, on occasion, make payments out of capital, net realised gains or net realised and unrealised gains. The distribution of dividends is not guaranteed and is subject to the sole discretion of the Directors.

### Accumulation Classes

The Directors currently do not intend to pay dividends with respect to the accumulation Classes of Shares (collectively referred to as the “**Accumulation Classes**”). Therefore, any net distributable income attributable to the Shares of the Accumulation Classes will be reflected in their respective Net Asset Values. Accordingly, investment in these Classes of Shares may not be suitable for investors seeking income returns for financial or tax planning purposes.

### Distribution Classes

For the distribution Classes of Shares (collectively referred to as the “**Distribution Classes**”), the Directors intend to declare and pay monthly dividends equal to all or substantially all of the net distributable income attributable to each of the Distribution Classes.

Please refer to the section entitled **Dividend Policy** in the Prospectus for dividend payment details.

## 10. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses**

in the Prospectus.

### **Establishment Expenses**

The fees and expenses relating to the establishment and approval of the Fund, including the fees of the ICAV's professional advisers, the fees and expenses incurred with respect to registering the Shares of the Fund for sale in various markets at the time of approval of the Fund, new Fund inception costs charged by the Administrator and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement, and all legal and printing costs amounted to €25,000. These fees and expenses are being paid out of the assets of the Fund and amortised over the first three years of the Fund's operation or such other period and in such manner as the Directors may in their discretion determine.

## **11. Risk Factors**

The attention of investors is drawn to the **Risk Factors** section in the Prospectus. In addition, the following risk factors are specific to the Fund.

### ***General***

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities. In addition, owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a medium to high level of volatility. However, the Investment Manager will strive to limit the volatility of the Fund's returns.

In addition to the general risk factors set out above, investors should also note the following in relation to investments made by the Fund.

### ***Sustainability risks not relevant***

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to achieve long-term income and growth by investing primarily in equities and equity-related securities of companies based, or carrying out their business, in the Asia (ex-Japan) region. While sustainability risk forms part of the Manager's and Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to achieve long-term income and growth for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.

## SUPPLEMENT

### VALUE PARTNERS CLASSIC EQUITY FUND

Dated 17 October 2022

#### to the Prospectus issued for Value Partners Ireland Fund ICAV

This Supplement contains information relating specifically to the Value Partners Classic Equity Fund (the “**Fund**”), a sub-fund of Value Partners Ireland Fund ICAV (the “**ICAV**”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between funds authorised by the Central Bank on 20th April, 2012 as a UCITS pursuant to the UCITS Regulations. For Singapore offering purposes, the Fund is a Restricted Fund, the attention of investors is drawn to the section headed **Restrictions on Distribution and Sale of Shares** in the Prospectus.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2022 (the “Prospectus”).**

**The Fund may invest substantially in deposits with credit institutions, Money Market and/or cash or cash equivalents. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities, or any bank guarantee. Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares is capable of fluctuation.**

**The Fund may invest in securities which are below investment grade and may invest in emerging markets and accordingly investment in the Fund should not constitute a substantial portion of an investor's investment portfolio and may not be an appropriate for all investors.**

**The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

Investors should read and consider the section of the Prospectus and the Supplement entitled **Risk Factors** before investing in the Fund.

**Profile of a Typical Investor:** Investment in the Fund is suitable only for persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved and balance that suitability based upon investment objectives and financial needs. The Fund primarily invests in the markets of the Asia Pacific Region and has a higher level of volatility, and accordingly, this investment is more suitable for long-term investors.

#### 1. Interpretation

All defined terms used in this Supplement shall have the same meaning as in the Prospectus.

#### 2. Classes of Shares

	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investments*	Minimum Holding amount**	Minimum Transaction Size for subsequent investments**	Minimum Transaction Size for redemptions**	Hedged/ Unhedged
Hong Kong Dollar Class A	HKD	HKD 10	Up to 5%	1.5%	HKD 80,000**	HKD 80,000**	HKD 40,000**	HKD 40,000**	Unhedged
Euro Class A	EUR	EUR 10	Up to 5%	1.5%	EUR 10,000	EUR 10,000	EUR 5,000	EUR 5,000	Unhedged

	<b>Class Currency</b>	<b>Initial Price</b>	<b>Initial Sales Charge</b>	<b>Investment Manager Fees</b>	<b>Minimum Transaction Size for Initial investments*</b>	<b>Minimum Holding amount*#</b>	<b>Minimum Transaction Size for subsequent investments*#</b>	<b>Minimum Transaction Size for redemptions*#</b>	<b>Hedged/ Unhedged</b>
Sterling Pound Class A	GBP	GBP 10	Up to 5%	1.5%	GBP 10,000	GBP 10,000	GBP 5,000	GBP 5,000	Unhedged
Swiss Franc Class A	CHF	CHF 10	Up to 5%	1.5%	CHF 10,000	CHF 10,000	CHF 5,000	CHF 5,000	Unhedged
United States Dollar Class A	USD	USD 10	Up to 5%	1.5%	USD 10,000	USD 10,000	USD 5,000	USD 5,000	Unhedged
Australian Dollar Class A (H)	AUD	AUD 10	Up to 5%	1.5%	AUD 10,000	AUD 10,000	AUD 5,000	AUD 5,000	Hedged
Euro Class A (H)	EUR	EUR 10	Up to 5%	1.5%	EUR 10,000	EUR 10,000	EUR 5,000	EUR 5,000	Hedged
Japanese Yen Class A (H)	JPY	JPY 1000	Up to 5%	1.5%	JPY 1,000,000	JPY 1,000,000	JPY 500,000	JPY 500,000	Hedged
Singapore Dollar Class A (H)	SGD	SGD 10	Up to 5%	1.5%	SGD 10,000	SGD 10,000	SGD 5,000	SGD 5,000	Hedged
Sterling Pound Class A (H)	GBP	GBP 10	Up to 5%	1.5%	GBP 10,000	GBP 10,000	GBP 5,000	GBP 5,000	Hedged
Swiss Franc Class A (H)	CHF	CHF 10	Up to 5%	1.5%	CHF 10,000	CHF 10,000	CHF 5,000	CHF 5,000	Hedged
Swiss Franc Class V~	CHF	CHF 10	Up to 5%	0.25%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Euro Class V~	EUR	EUR 10	Up to 5%	0.25%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Sterling Pound Class V~	GBP	GBP 10	Up to 5%	0.25%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
Hong Kong Dollar Class V~	HKD	HKD 10	Up to 5%	0.25%	HKD 400,000,000	HKD 400,000,000	HKD 40,000,000	HKD 40,000,000	Unhedged
Singapore Dollar Class V~	SGD	SGD 10	Up to 5%	0.25%	SGD 50,000,000	SGD 50,000,000	SGD 5,000,000	SGD 5,000,000	Hedged
United States Dollar Class V~	USD	USD 10	Up to 5%	0.25%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
United States Dollar Class X+	USD	USD 10	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
Swiss Franc Class S^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Euro Class S^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Sterling Pound Class S^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
United States Dollar Class S^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
Swiss Franc Class RDRx	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 10,000	CHF 5,000	CHF 5,000	Hedged

	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investments*	Minimum Holding amount**	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Euro Class RDR×	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 10,000	EUR 5,000	EUR 5,000	Hedged
Sterling Pound Class RDR×	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 10,000	GBP 5,000	GBP 5,000	Hedged
Sterling Pound Class RDR×	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 10,000	GBP 5,000	GBP 5,000	Unhedged
United States Dollar Class RDR×	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 10,000	USD 5,000	USD 5,000	Unhedged
Sterling Pound Class Z^	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000,000	GBP 10,000,000	GBP 100,000	GBP 100,000	Hedged
United States Dollar Class Z^	USD	USD 10	Up to 5%	0.75%	USD 10,000,000	USD 10,000,000	USD 100,000	USD 100,000	Unhedged

\* or such lower amount as Directors may determine at their discretion.

# Any change in the minimum holding amount, minimum transaction size for subsequent investments or minimum transaction size for redemptions will be notified to Shareholders in advance.

\*\* USD equivalent.

× Class RDR Shares are only available for subscription to:

- certain financial intermediaries or institutions for their investment services, which are exclusively remunerated by their clients, and either have separate fee based advisory arrangements with their clients or provide independent advice or discretionary portfolio management; or
- other investors or intermediaries at the Directors', or their delegates' discretion

~ Class V Shares are only available for subscription by such persons who have subscribed to the Class V Shares during the first twelve (12) calendar months (or such other period as determined by the Directors) counting from the date when the Class V Shares is first launched.

+ Class X Shares are only available for subscription by funds and managed accounts managed or advised by the Investment Manager or its affiliates.

^ Class S and Class Z are only available for subscription by institutional and/or professional investors.

### 3. Base Currency

The Base Currency shall be USD.

### 4. Investment Objective

The investment objective of the Fund is to achieve long-term capital growth primarily through investment in equity and equity related securities listed on stock exchanges within the Asia Pacific Region.

## 5. Investment Policy

The Fund intends to achieve its investment objective by investing primarily in equity and equity related securities listed on stock exchanges in markets in the Asia Pacific Region (at least 70% of its total Net Asset Value) and it may also invest in companies listed in other non-Asia Pacific countries which have a significant portion of assets, investments, production activities, trading or other business interests or which derive a significant part of their revenue from the Asia Pacific Region. In order to achieve the investment objective, the Investment Manager will invest in a broadly diversified portfolio of securities with no fixed geographical or sector weightings in the allocation of assets in the Asia Pacific Region. The Investment Manager does not attempt to follow benchmark indices in determining the geographical or sector weighting of the Fund. There are no capitalisation restrictions on securities that can be held in the portfolio, but rather, selection will be determined by the availability of attractive investment opportunities. In addition to equities, the portfolio may from time to time invest in deposits with credit institutions and Money Market Instruments. The Fund may invest in high yield bonds, corporate bonds, government bonds and convertible bonds across all ratings that are listed on stock exchanges in the Asia Pacific Region or unlisted but settled OTC on platforms such as Clearstream Banking AG, Clearstream Banking SA, Euroclear etc. The Investment Manager intends to invest at least 70% of the Fund's Net Asset Value in various equities and the balance may be invested in other non-equity investments as referred to in this paragraph and such investment will be determined by the availability of attractive opportunities.

The Fund may invest in China A Shares. Though investing in China A Shares is not the primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant upturn in the Chinese economy), the Fund may invest up to 100% of its Net Asset Value in China A Shares should the Investment Manager deem such a strategy to be prudent over any time period. The Fund may indirectly invest in China A Shares through CAAPs, such as Participation Notes or warrants in relation to China A Shares. The Participation Notes and the warrants in relation to China A Shares are unleveraged instruments and do not embed derivatives. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, in certain circumstances, they may be unlisted and in such circumstances, any investments will be made in accordance with the Investment Restrictions set out in Schedule I to the Prospectus. Subject to the requirements of the Central Bank, the Fund may invest directly in China A Shares via Stock Connect. The Fund may also invest in China B Shares.

The Fund may invest, subject to a maximum limit of 10% of the Fund's Net Asset Value, in units or shares of other collective investment schemes (“**CIS**”) whose investment policy is consistent with the investment policy of the Fund. The Fund may also invest in futures, forwards, options, warrants, equity-linked notes (in particular Participation Notes) and other financial instruments for investment purposes. The Fund will not use securitized and structured finance instruments such as collateralised debt obligations, mortgage backed securities, asset-backed securities and credit default swaps.

The Fund may engage in stocklending for the purpose of efficient portfolio management, subject to the conditions and limits set out in the Central Bank's UCITS Notices.

Financial derivative instruments may also be used to achieve the investment objective of the Fund. The Fund may invest in exchange traded derivatives such as futures, forwards, options, warrants, equity linked notes and convertible securities as detailed under the section headed **Efficient Portfolio Management** and **Financial Derivative Instruments** for investment purposes, efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities in the Asia Pacific Region where the Investment Manager feels it is more efficient to do so, or hedging purposes in accordance with the requirements of the Central Bank. The Fund may invest in Participation Notes to gain exposure to such securities. Participation Notes are freely transferable securities issued by banks or broker-dealers that are designed to replicate the performance of certain issuers and markets by giving exposure to the performance of specific stocks that the Fund may not be able to invest in directly because of local holding restrictions affecting such stocks in the jurisdiction of their issue. Forward foreign exchange contracts may be used to hedge the value of the Hedged Classes in the Fund against changes in the exchange rate between the currency of denomination of the Hedged Class of Shares and the Base Currency of the Fund. The Fund will be leveraged through the use of financial derivative instruments. The

leveraged exposure of the Fund through the use of derivatives will not exceed 100% of the Net Asset Value of the Fund.

The Fund is actively managed and is not managed by reference to any benchmark.

Performance of the Fund is measured against the Hang Seng Total Return Index and the MSCI Golden Dragon Total Net Return Index for comparative purposes only. The Hang Seng Total Return Index captures shares in companies in Hong Kong and factors in share price changes and dividend payments into the index calculation. The MSCI Golden Dragon Total Net Return Index captures shares in mid and large size companies that are listed in Hong Kong, Taiwan, Shanghai and Shenzhen.

## 6. Risk Management Process

The Manager on behalf of the ICAV will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions - details of this process have been provided to the Central Bank. Further details in relation to the risk management process is disclosed under the section entitled **Investment in Financial Derivative Instruments** of the Prospectus.

## 7. Offer

All Classes of Shares listed in the section entitled **Classes of Shares** above, with the exception of those listed below, will be initially offered to investors at the Initial Price from 9:00 a.m. (Irish time) on 17 October 2022 until 5:00 p.m. (Irish time) on 17 April 2023, or as otherwise determined by the Directors (the “**initial offer period**”), and subject to acceptance of applications for Shares by the ICAV, such Shares will be issued on the same day after expiry of the initial offer period.

Shares of Euro Class A (Hedged), Sterling Pound Class A (Hedged), Swiss Franc Class A (Hedged), United States Dollar Class A (Unhedged), Euro Class RDR (Hedged), Sterling Pound Class RDR (Unhedged), United States Dollar Class RDR (Unhedged), Sterling Pound Class V (Hedged), United States Dollar Class V (Unhedged), Sterling Pound Class Z (Hedged) and United States Dollar Class Z (Unhedged) will be issued at the Net Asset Value per Share and subject to acceptance of applications for Shares by the ICAV.

After closing of the initial offer period, Shares in the Fund will be issued at the Net Asset Value per Share. Where a Class of Shares is fully redeemed and subsequently re-launched, the Shares of such Class will initially be issued at the Initial Offer Price (exclusive of an Initial Sales Charge of up to 5% of the Initial Offer Price) during such re-launch, and thereafter, Shares in the Fund will be issued at the Net Asset Value per Share

Additional information in respect of Share subscriptions and redemptions is set out below.

## 8. Hedged Share Classes

These Classes of Shares will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Fund. Further details in relation to the Hedged Classes are disclosed under the section entitled **Hedged Classes** of the Prospectus.

## 9. Dividend Policy

Each of the Classes of Shares will be accumulating non distributing Shares.

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of the Fund will be accumulated and reinvested on behalf of Shareholders.

## 10. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses** in the Prospectus.

### **Administrator's Fees**

#### *Accounting and Portfolio Valuation Services*

The ICAV shall pay to the Administrator out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at the following rates:

- 6bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value up to USD 100 million.
- 4bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value from USD 100 million to USD 300 million.
- 2bps per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 300 million,

subject to an annual minimum fee of USD 30,000 borne by the Fund (plus VAT, if any thereon).

In respect of its financial statements production/reporting, the Administrator is entitled to a flat fee of USD 1,500 per annum for each Fund, subject to a minimum fee of USD10,000 per annum at the umbrella level. The Administrator is entitled to an annual fee of USD 3,600 for the ICAV in respect of UCITS reporting. This fee is in respect of the provision of reporting at board meetings, reporting of total expenses ratios and turn over reports as required by the Fund and the Fund will bear its proportion of such fee payable to the Administrator.

#### *Transfer Agency Services*

The Administrator is entitled to maintenance fees for setting up the ICAV, the Fund and the Share Classes on the system and providing support to future changes at the following rates:

- Fund Maintenance charge of USD8,000 per annum; and
- New account set up charge of USD 150 per account.

The Administrator is entitled to a Shareholder servicing fee for the opening of shareholder accounts, KYC and AML checking, registration of client details, registration of broker details, supporting changes to client information, monthly account statements, pledges and storing of original documents at a rate not exceeding USD 60 per Shareholder.

The Administrator is entitled to transaction fees at a rate not exceeding USD 30 per transaction for orders (including subscription, redemption, transfer and conversion orders). The Administrator is entitled to a cash management fee for setting up the ICAV, the Fund and the Share Classes on the system and providing support to future changes at a rate not exceeding USD 30 per transaction.

The Administrator shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses together with VAT, if any, thereon.

### **Depositary's Fees**

#### *Depositary Supervisory Fee*

The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued at each Valuation Point and payable monthly in arrears at the following rates;



- 0.02% per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value up to USD 100 million.
- 0.01% per annum of the Net Asset Value of the Fund on the portion of the Net Asset Value in excess of USD 100 million,

subject to annual minimum fee of USD 18,000 borne by the Fund (plus VAT, if any thereon). The Depositary will also be entitled to receive an annual fee of USD7,000 in respect of cash flow monitoring and reconciliation oversight services.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund, including legal fees, couriers' fees, transaction charges and telecommunication costs and expenses and the fees, transaction charges and expenses of any sub-custodian appointed by it which shall be at normal commercial rates together with VAT, if any, thereon.

The Fund will bear its proportion of the fees and expenses of the Depositary.

## 11. Risk Factors

The attention of investors is drawn to the **Risk Factors** section in the Prospectus. In addition, the following risk factors are specific to the Fund.

### **General**

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities. In addition, owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in a high volatility in the Net Asset Value of the Fund. However, the Investment Manager will strive to limit the volatility of the Fund's returns. The Fund's investment portfolio may fall in value and you may lose a substantial proportion or all of your investment in the Fund.

In addition to the general risk factors set out above, investors should also note the following in relation to investments made by the Fund.

### **Sustainability risks not relevant**

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to achieve long-term capital growth primarily through investment in equity and equity related securities listed on stock exchanges within the Asia Pacific Region. While sustainability risk forms part of the Manager's and the Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to achieve long term capital growth for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.

## SUPPLEMENT

### VALUE PARTNERS GREATER CHINA HIGH YIELD BOND FUND

Dated 17 October 2022

to the Prospectus issued for Value Partners Ireland Fund ICAV

This Supplement contains information relating specifically to the Value Partners Greater China High Yield Bond Fund (the “**Fund**”), a sub fund of Value Partners Ireland Fund ICAV (the “**ICAV**”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between funds authorised by the Central Bank on 20<sup>th</sup> April, 2012 as a UCITS pursuant to the UCITS Regulations. For Singapore offering purposes, the Fund is a Restricted Fund, the attention of investors is drawn to the section headed **Restrictions on Distribution and Sale of Shares** in the Prospectus.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2022 (the “Prospectus”).**

**An investment in the Fund should not constitute a substantial portion of an investor’s investment portfolio and may not be an appropriate for all investors.**

**The Fund may invest substantially in debt securities, deposits with credit institutions and/or cash or cash equivalents. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities, or any bank guarantee. Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares is capable of fluctuation.**

**The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

Investors should read and consider the section of the Prospectus and the Supplement entitled **Risk Factors** before investing in the Fund.

**Profile of a Typical Investor:** Investment in the Fund is suitable only for persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved and balance that suitability based upon investment objectives and financial needs. The Fund primarily invests in fixed income securities in the Greater China Region and has a medium level of volatility, and accordingly, this investment is more suitable for long-term investors.

#### 1. Interpretation

Defined terms used in this Supplement shall have the same meaning as in the Prospectus.

#### 2. Classes of Shares

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Australian Dollar Class A (Acc)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	Nil	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Australian Dollar Class A (MDist)	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	Nil	Hedged
Canadian Dollar Class A (Acc)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	Nil	Hedged
Canadian Dollar Class A (MDist)	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	Nil	Hedged
Swiss Franc Class A (Acc)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	Nil	Hedged
Swiss Franc Class A (MDist)	CHF	CHF 10	Up to 5%	1.50%	CHF 10,000	CHF 5,000	CHF 5,000	Nil	Hedged
Euro Class A (Acc)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	Nil	Hedged
Euro Class A (MDist)	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	Nil	Hedged
Sterling Pound Class A (Acc)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	Nil	Hedged
Sterling Pound Class A (MDist)	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	Nil	Hedged
Hong Kong Dollar Class A (Acc)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	Nil	Unhedged
Hong Kong Dollar Class A (MDist)	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	Nil	Unhedged
New Zealand Dollar Class A (Acc)	NZD	NZD 10	Up to 5%	1.50%	NZD 10,000	NZD 5,000	NZD 5,000	Nil	Hedged
New Zealand Dollar Class A (MDist)	NZD	NZD 10	Up to 5%	1.50%	NZD 10,000	NZD 5,000	NZD 5,000	Nil	Hedged
RMB Class A (Acc)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	Nil	Hedged
RMB Class A (MDist)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	Nil	Hedged
RMB Class A (Acc)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	Nil	Unhedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
RMB Class A (MDist)	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	Nil	Unhedged
Singapore Dollar Class A (Acc)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	Nil	Hedged
Singapore Dollar Class A (MDist)	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	Nil	Hedged
United States Dollar Class A (Acc)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	Nil	Unhedged
United States Dollar Class A (MDist)	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	Nil	Unhedged
Swiss Franc Class RDR (Acc)*	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	Nil	Hedged
Swiss Franc Class RDR (MDist)*	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	Nil	Hedged
Euro Class RDR (Acc)*	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	Nil	Hedged
Euro Class RDR (MDist)*	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	Nil	Hedged
Sterling Pound Class RDR (Acc)*	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	Nil	Hedged
Sterling Pound Class RDR (MDist)*	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	Nil	Hedged
United States Dollar Class RDR (Acc)*	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	Nil	Unhedged
United States Dollar Class RDR (MDist)*	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	Nil	Unhedged
Swiss Franc Class S (Acc)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	Nil	Hedged
Swiss Franc Class S (MDist)^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	Nil	Hedged
Euro Class S (Acc)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	Nil	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Euro Class S (MDist)^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	Nil	Hedged
Sterling Pound Class S (Acc)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	Nil	Hedged
Sterling Pound Class S (MDist)^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	Nil	Hedged
United States Dollar Class S (Acc)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	Nil	Unhedged
United States Dollar Class S (MDist)^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	Nil	Unhedged
Hong Kong Dollar Class V (Acc)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	Nil	Unhedged
Hong Kong Dollar Class V (MDist)~	HKD	HKD 10	Up to 5%	0.25%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	Nil	Unhedged
RMB Class V (Acc)	RMB	RMB 10	Up to 5%	0.25%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	Nil	Hedged
RMB Class V (MDist)	RMB	RMB 10	Up to 5%	0.25%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	Nil	Hedged
Singapore Dollar Class V (Acc)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	Nil	Hedged
Singapore Dollar Class V (MDist)~	SGD	SGD 10	Up to 5%	0.25%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	Nil	Hedged
United States Dollar Class V (Acc)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD 100,000	Nil	Unhedged
United States Dollar Class V (MDist)~	USD	USD 10	Up to 5%	0.25%	USD 1,000,000	USD 1,000,000	USD 100,000	Nil	Unhedged
United States Dollar Class X (Acc)+	USD	USD 10	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
Australian Dollar Class Z (Acc)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	Nil	Hedged
Australian Dollar Class Z (MDist)^	AUD	AUD 10	Up to 5%	0.70%	AUD 1,000,000	AUD 1,000,000	AUD 100,000	Nil	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
Canadian Dollar Class Z (Acc)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	Nil	Hedged
Canadian Dollar Class Z (MDist)^	CAD	CAD 10	Up to 5%	0.70%	CAD 1,000,000	CAD 1,000,000	CAD 100,000	Nil	Hedged
Swiss Franc Class Z (Acc)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	Nil	Hedged
Swiss Franc Class Z (MDist)^	CHF	CHF 10	Up to 5%	0.70%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	Nil	Hedged
Euro Class Z (Acc)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	Nil	Hedged
Euro Class Z (MDist)^	EUR	EUR 10	Up to 5%	0.70%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	Nil	Hedged
Sterling Pound Class Z (Acc)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	Nil	Hedged
Sterling Pound Class Z (MDist)^	GBP	GBP 10	Up to 5%	0.70%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	Nil	Hedged
Hong Kong Dollar Class Z (Acc)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	Nil	Unhedged
Hong Kong Dollar Class Z (MDist)^	HKD	HKD 10	Up to 5%	0.70%	HKD 8,000,000	HKD 8,000,000	HKD 800,000	Nil	Unhedged
New Zealand Dollar Class Z (Acc)^	NZD	NZD 10	Up to 5%	0.70%	NZD 1,000,000	NZD 1,000,000	NZD 100,000	Nil	Hedged
New Zealand Dollar Class Z (MDist)^	NZD	NZD 10	Up to 5%	0.70%	NZD 1,000,000	NZD 1,000,000	NZD 100,000	Nil	Hedged
RMB Class Z (Acc)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	Nil	Hedged
RMB Class Z (MDist)^	RMB	RMB 10	Up to 5%	0.70%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	Nil	Hedged
Singapore Dollar Class Z (Acc)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	Nil	Hedged
Singapore Dollar Class Z (MDist)^	SGD	SGD 10	Up to 5%	0.70%	SGD 1,000,000	SGD 1,000,000	SGD 100,000	Nil	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*#	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions*#	Hedged/ Unhedged
United States Dollar Class Z (Acc)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	Nil	Unhedged
United States Dollar Class Z (MDist)^	USD	USD 10	Up to 5%	0.70%	USD 1,000,000	USD 1,000,000	USD 100,000	Nil	Unhedged

\* or such lower amount as Directors may determine at their discretion.

# Any change in the minimum holding amount, minimum transaction size for subsequent investments or minimum transaction size for redemptions will be notified to Shareholders in advance.

× Class RDR Shares are only available for subscription to:

- certain financial intermediaries or institutions for their investment services, which are exclusively remunerated by their clients, and either have separate fee based advisory arrangements with their clients or provide independent advice or discretionary portfolio management; or
- other investors or intermediaries at the Directors', or their delegates' discretion.

~ Class V Shares are only available for subscription by such persons who have subscribed to the Class V Shares during the first twelve (12) calendar months (or such other period as determined by the Directors) counting from the date when the Class V Shares is first launched.

+ Class X Shares are only available for subscription by funds and managed accounts managed or advised by the Investment Manager or its affiliates.

^ Class S and Class Z Shares are only available for subscription by institutional and/or professional investors.

### 3. Base Currency

The Base Currency shall be USD.

### 4. Investment Objective

The investment objective of the Fund is to provide capital appreciation for Shareholders by investing primarily in a portfolio of debt securities issued by corporations or governments and /or government related entities which have their main operations in, or a majority of their income derived from the Greater China Region.

### 5. Investment Policy

The Fund aims to achieve its investment objective by investing at least 70% of its Net Asset Value in a portfolio of debt securities issued by or fully guaranteed by (i) listed or unlisted corporations which have their main operations (or majority of assets) in, or have a majority of their income derived from, the Greater China Region, or (ii) governments and/or government related entities in the Greater China Region. For the avoidance of doubt,

the issuers of the debt securities who have a majority of their income derived from the Greater China Region as mentioned in (i) above may be based in or outside the Greater China Region.

The Fund will also invest in a broadly diversified portfolio of debt securities with no fixed duration, term structure or industry sector weightings. The debt securities in which the Fund may invest shall include, but are not limited to, convertible debt securities such as contingent convertible bonds (“**CoCos**”), preferred stocks or bonds and non-convertible debt securities, subordinated debt securities, fixed and floating rate bonds and high-yield bonds. There is no limitation on the portion of the Fund’s Net Asset Value which may be invested in debt securities which are investment grade or unrated or rated below investment grade, such as below Moody’s “Baa3” or below Standard & Poor’s “BBB-”. The Fund may invest significantly in below investment grade debt securities.

The Fund may invest no more than 10% of its Net Asset Value in CoCos. CoCos are a form of hybrid debt security that are intended to either convert into equity or have their principal partially or completely written off or written off with the option of revaluation under certain circumstances. CoCos, like subordinated bonds, serve to absorb the issuer’s capital losses before other higher ranking liabilities.

The Fund may invest no more than 10% of its Net Asset Value in debt securities issued and or guaranteed by any single country with a credit rating below investment grade. For the avoidance of doubt, a “single country” shall include a country, its government, a public or local authority or nationalized industry of that country. The debt securities in which the Fund may invest are mainly denominated in USD.

The Fund may investment no more than 10% of its Net Asset Value in subordinated debt securities issued by special purpose vehicles (“**SPVs**”). The Fund intends to invest only in debt securities issued by SPVs which are fully, unconditionally and irrevocably guaranteed by its parent company or associated company (the “**Guarantor**”). The Guarantor will be of substance and is not an SPV itself.

The Fund may invest up to 30% of its Net Asset Value in RMB denominated debt securities issued outside the PRC including RMB denominated debt securities with settlements, coupon payments and principal repayments paid in another currency based on prevailing foreign exchange rates against the RMB. The Fund may invest up to 15% of its Net Asset Value in synthetic RMB debt securities, being offshore debt securities denominated in RMB but settled in other currencies.

Selection of debt securities for investment by the Fund will be based on the creditworthiness of the issuer (and the Guarantor in the case of debt securities issued by a SPVs) by forecasting the issuer’s (and/or the Guarantor’s) credit profile by at least 2 years with a primary focus on the issuer’s (and/or the Guarantor’s) corporate profile, corporate strategy, forecasted cash flow and financial profile. Investment analysis will also take into account the leverage, liquidity, management and business of the issuer (and/or the Guarantors).

Subject to prevailing market conditions and consistent with the investment objective, the Fund may invest up to 10% of its Net Asset Value in equity securities of companies. In so far as the Fund invests in equity securities, it may invest up to 10% of its Net Asset Value in China B Shares and 10% of its Net Asset Value directly or indirectly in China A Shares.

Though investing in China A Shares is not the primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant upturn in the Chinese economy), the Fund may indirectly invest in China A Shares through CAAPs, such as Participation Notes in relation to China A Shares. The Participation Notes in relation to China A Shares are unleveraged instruments and do not embed derivatives. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, in certain circumstances they may be unlisted and in such circumstances, any investment will be in accordance with the Investment Restrictions set out in Schedule I to the Prospectus.

Subject to the requirements of the Central Bank, the Fund may invest directly in China A Shares via Stock Connect.

The Fund may invest in the Mainland China interbank bond markets (“**China Interbank Bond Market**”) via Bond Connect subject to the requirements of the Central Bank and the Mainland Chinese authorities.



Subject to prevailing market conditions, the Fund may hold up to 100% of its Net Asset Value in ancillary liquid assets, such as cash, bank deposits, and listed or traded short term paper including treasury bills, certificates of deposit and commercial paper. However the Investment Manager would not expect to retain substantial amounts of assets in these forms unless such investments were considered to be in the best interests of the Shareholders in the Fund at the time of purchase in light of the prevailing market conditions.

The Fund may invest in debt securities listed or dealt in on the Recognised Exchanges listed in the Prospectus or may also invest in unlisted securities in accordance with the Central Bank Investment Restrictions set out in Schedule I of the Prospectus.

#### *repurchase agreements and reverse repurchase agreements*

Investments will be selected by the Investment Manager by identifying under-valued investments through bottom-up research and an initial screening process through quantitative analysis) followed by a preliminary evaluation and a detailed qualitative and quantitative analysis in corporates, government or corporate agencies or government entities which have a significant portion of assets, investments, production activities, trading or other business interests in Greater China Region or which derive a significant part of their revenue from Greater China Region. The Investment Manager will pursue a value-oriented, fundamental approach in portfolio construction for the Fund. Investments selected following the initial screening process are subjected to evaluation and ongoing review by sector analysts employed within the Investment Manager, and the Investment Manager will focus on the selections which offer potential long-term value and consider quantitative factors including market capitalisation, and liquidity and dividend yield, as well as qualitative factors, such as industry analysis. The Investment Manager shall determine portfolio allocation based on a range of factors, including the Investment Manager's level of conviction and sectoral concentration, with investments reviewed regularly. The Fund does not have any specific industry or sectoral focus.

#### *Financial Derivative Instruments*

Financial derivative instruments may also be used by the Investment Manager to achieve the investment objective of the Fund. The Fund may invest in financial derivative instruments (such as futures contracts, options, warrants, equity swaps, index swaps, interest rate swaps and currency swaps, and forwards):

- (i) for investment purposes to indirectly gain exposure to underlying equity securities where the Investment Manager feels it is more efficient to do so; and/or
- (ii) for efficient portfolio management purposes as a cheaper alternative to direct investment in that security; and/or
- (iii) for hedging purposes in accordance with the requirements of the Central Bank and as further set out below.

Futures include equity and fixed income futures. Exchange traded futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Investment Manager may enter into equity and fixed income futures contracts to hedge against changes in the values of underlying equity securities or to hedge against interest rate risk.

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by the Fund, or markets to which the Fund is exposed, or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash or as a means of gaining exposure to particular securities or markets which are consistent with the investment policy of the Fund on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund.

For the purposes of hedging market and currency risks, the Fund may invest in index and currency swaps and currency forwards. The Fund may gain exposure to an index by entering into a swap transaction whereby the Fund would receive the price appreciation (or depreciation) of the relevant index from the swap counterparty in exchange for paying the swap counterparty an agreed fee.

The underlying index of the index swaps shall be in line with the investment objective of the Fund and the Central Bank's requirements. For currency swaps, since the Fund may invest in a number of different jurisdictions, the Fund may utilize currency swap contracts whereby the Fund may either exchange currencies at a fixed rate of exchange for currencies at a floating rate of exchange or exchange currencies at a floating rate for of exchange for currencies at a fixed rate of exchange. Forward foreign exchange contracts may be used to hedge the value of the Hedged Share Classes in the Fund against changes in the exchange rate between the currency of denomination of the Hedged Share Class of Shares and the Base Currency of the Fund.

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options. The Fund does not intend to use exotic types of options.

It is anticipated that the Fund will have less than 100% of its total Net Asset Value in long exposure to financial derivative instruments and less than 100% of its total Net Asset Value in short exposure to financial derivative instruments. Short exposure will only be gained through the use of financial derivative instruments and will be sought where, taking into account the stated objective and policy, the Investment Manager deems a short strategy of benefit to the performance of the Fund. It is possible that the Fund may be subject to higher exposure levels from time to time. The anticipated range of long and short exposures is calculated on a gross basis.

The Fund may purchase warrants to provide an efficient, liquid mechanism for taking positions in securities without the need to purchase and hold the security.

The Fund may be leveraged through the use of the above financial derivative instruments. The leveraged exposure of the Fund through the use of these derivatives will not exceed 100% of the Net Asset Value of the Fund under the commitment approach. However, it is not anticipated that the maximum level of leverage of the Fund will exceed 50% of the Net Asset Value calculated using the commitment approach.

#### *Securities Financing Transactions*

A securities lending arrangement is an arrangement whereby title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date. Subject to the limitations referred to above, the Fund may engage in securities lending arrangement and/or repurchase transaction (collectively, "SFTs"). The Fund is subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (the "SFTR") and accordingly SFTs will only be entered into with "approved counterparties" as defined in the SFTR and there are no pre-specified restrictions on the legal status, country of origin or minimum credit rating of any counterparty in such transactions.

The reuse of collateral is limited by the SFTR to certain asset classes, as further set out in the Prospectus under the section entitled Collateral. Such reuse should not result in a change to a Fund's investment objectives nor increase substantially a Fund's risk profile. Further information regarding the use of SFTs will be disclosed in the annual report relating to the Fund.

The Fund may engage in SFTs in order to meet its investment objective to generate income for the benefit of the Fund. The assets that can be subject to SFTs are the assets described in the investment policy. The proportion of the Fund's assets that will be subject to securities lending arrangements is expected to be 30% of the Net Asset Value of the Fund and may be up to a maximum of 100% of the Net Asset Value of the Fund at any one time. The proportion of the Fund's assets that will be subject to repurchase transactions is expected to be 30% of the Net Asset Value of the Fund and may be up to a maximum of 100% of the Net Asset Value of the Fund at any one time. Such transactions will only be utilised for efficient portfolio management and further details in respect of SFTs are set out in the Prospectus under the heading "Repurchase/ Reverse Repurchase and Stock Lending Arrangements for the Purposes of Efficient Portfolio Management".

## 6. Risk Management Process

The Manager on behalf of the ICAV will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions - details of this process have been provided to the Central Bank. Further details in relation to the risk management process is disclosed under the section entitled **Investment in Financial Derivative Instruments** of the Prospectus.

## 7. Offer

All Classes of Shares listed in the section entitled **Classes of Shares** above, with the exception of those listed below, will be initially offered to investors from 9:00 a.m. (Irish time) on 17 October 2022 until 5:00 p.m. (Irish time) on 17 April 2023 or such other date and time as the Directors may determine and notify to the Central Bank (the **initial offer period**) at the Initial Price, and subject to acceptance of applications for Shares by the ICAV, such Shares will be issued on the same day after expiry of the initial offer period.

Shares of Hong Kong Dollar Class A (Acc) (Unhedged), Hong Kong Dollar Class A (MDis) (Unhedged), United States Dollar Class A (Acc) (Unhedged), United States Dollar Class A (MDis) (Unhedged), Euro Class A (Acc) (Hedged), Euro Class A (MDis) (Hedged), RMB Class A (Acc) (Unhedged), RMB Class A (MDis) (Unhedged), Singapore Dollar Class A (Acc) (Hedged), Singapore Dollar Class A (MDis) (Hedged), United States Dollar Class X (Acc) (Unhedged) and Euro Class Z (Acc) (Hedged) will be issued at the Net Asset Value per Share and subject to acceptance of applications for Shares by the ICAV.

After closing of the initial offer period, Shares in the Fund will be issued at the Net Asset Value per Share. Where a Class of Shares is fully redeemed and subsequently re-launched, the Shares of such Class will initially be issued at the Initial Offer Price (exclusive of an Initial Sales Charge of up to 5% of the Initial Offer Price) during such re-launch, and thereafter, Shares in the Fund will be issued at the Net Asset Value per Share

Additional information in respect of Share subscriptions and redemptions is set out below.

## 8. Hedged Share Classes

These Classes of Shares will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Fund. Further details in relation to the Hedged Classes are disclosed under the section entitled **Hedged Classes** of the Prospectus.

## 9. Dividend Policy

The Fund offers Classes of Shares that accumulate income or pay regular dividends out of net current income or, on occasion, make payments out of capital, net realised gains or net realised and unrealised gains. The distribution of dividends is not guaranteed and is subject to the sole discretion of the Directors.

### Accumulation Classes

The Directors currently do not intend to pay dividends with respect to the accumulation Classes of Shares (collectively referred to as the "**Accumulation Classes**"). Therefore, any net distributable income attributable to the Shares of the Accumulation Classes will be reflected in their respective Net Asset Values. Accordingly, investment in these Classes of Shares may not be suitable for investors seeking income returns for financial or tax planning purposes.

### Distribution Classes

For the distribution classes of shares (collectively referred to as the "**Distribution Classes**"), the Directors intend to declare and pay monthly dividends equal to all or substantially all of the net distributable income attributable to each of the Distribution Classes.

Please refer to the section entitled **Dividend Policy** in the Prospectus for dividend payment details.

## 10. Fees and Expenses

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses** in the Prospectus.

### Establishment Expenses

The fees and expenses relating to the establishment and approval of the Fund, including the fees of the ICAV's professional advisers, the fees and expenses incurred with respect to registering the Shares of the Fund for sale in various markets, and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement, and all legal and printing costs amounted to €40,000. These fees and expenses are being paid out of the assets of the Fund and amortised over the first three years of the Fund's operation or such other period and in such manner as the Directors may in their discretion determine.

## 11. Risk Factors

The attention of investors is drawn to the **Risk Factors** section in the Prospectus. In addition, the following risk factors are specific to the Fund.

### General

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities. In addition, owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a medium level of volatility. However, the Investment Manager will strive to limit the volatility of the Fund's returns.

In addition to the general risk factors set out above, investors should also note the following in relation to investments made by the Fund.

### Debt securities issued by SPVs

Investments in debt securities issued by SPVs may expose the Fund to additional risks such as the credit/default risk of both the SPV and the parent company or associated company and risks relating to the enforceability of the guarantee issued by the parent company or associated company of such SPV.

If the parent company or associated company defaults in any of its other debt obligations, this may trigger a cross-default which may then affect the ability of the parent company or associated company to meet its obligations under the guarantee. This may adversely affect the value of the debt securities issued by the SPV and guaranteed by its parent company or associated company.

Investments in debt securities of a subordinated nature issued by SPVs will have a lower priority of claim in the event of the relevant issuer's liquidation or bankruptcy as they rank behind holders of unsubordinated debt securities but before holders of equity securities. The Fund is therefore exposed to higher credit / insolvency risk of its counterparties as a holder of subordinated debt securities than as a holder of unsubordinated debt securities.

### CoCo Bonds Risk

The Fund will invest in CoCos, and other subordinated debt securities. CoCos are a form of hybrid debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggers. These triggers include but are not limited to:

- (i) an issuer failing to meet a specified minimum capital level;

- (ii) an issuer's regulator questioning the continued validity of the issuer as a going concern;
- (iii) an issuer's regulator stating that the security should be converted or written down, partially or wholly;
- (iv) an issuer receiving specified levels of extraordinary public support.

CoCos may also have unique equity conversion, principal write-down or coupon cancellation features which are tailored to the issuing banking institution and its regulatory requirements. In the case such triggers or features are invoked, the Fund may lose some or all of its original investment.

As CoCos are relatively new complex investments, their behaviour under a stressed financial environment is thus unknown. Investors in CoCos may experience a reduced income rate, and the Fund may lose some or all of its original investment.

Any future regulatory change impacting European banking institutions or CoCos could have substantial and adverse effects on the financial institutions issuing the CoCos, or the ability of the Fund or other investors to invest in CoCos.

### **Sustainability risks not relevant**

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to provide capital appreciation for Shareholders by investing primarily in a portfolio of debt securities issued by corporations or governments and /or government related entities which have their main operations in, or a majority of their income derived from the Greater China Region. While sustainability risk forms part of the Manager's and the Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to provide capital appreciation for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.

### **Accumulation Classes**

The Directors currently do not intend to pay dividends with respect to the accumulation Classes of Shares (collectively referred to as the "**Accumulation Classes**"). Therefore, any net distributable income attributable to the Shares of the Accumulation Classes will be reflected in their respective Net Asset Values. Accordingly, investment in these Classes of Shares may not be suitable for investors seeking income returns for financial or tax planning purposes.

### **Distribution Classes**

For the distribution classes of shares (collectively referred to as the "**Distribution Classes**"), the Directors intend to declare and pay monthly dividends equal to all or substantially all of the net distributable income attributable to each of the Distribution Classes.

Please refer to the section entitled **Dividend Policy** in the Prospectus for dividend payment details.

## **12. Fees and Expenses**

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses** in the Prospectus.

### **Establishment Expenses**

The fees and expenses relating to the establishment and approval of the Fund, including the fees of the ICAV's

professional advisers, the fees and expenses incurred with respect to registering the Shares of the Fund for sale in various markets, and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement, and all legal and printing costs amounted to €40,000. These fees and expenses are being paid out of the assets of the Fund and amortised over the first three years of the Fund's operation or such other period and in such manner as the Directors may in their discretion determine.

### **13. Risk Factors**

The attention of investors is drawn to the **Risk Factors** section in the Prospectus. In addition, the following risk factors are specific to the Fund.

#### ***General***

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities. In addition, owing to the investment objectives and policies of the Fund, investment in the Funds may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a medium level of volatility. However, the Investment Manager will strive to limit the volatility of the Fund's returns.

In addition to the general risk factors set out above, investors should also note the following in relation to investments made by the Fund.

#### **Debt securities issued by SPVs**

Investments in debt securities issued by SPVs may expose the Fund to additional risks such as the credit/default risk of both the SPV and the parent company or associated company and risks relating to the enforceability of the guarantee issued by the parent company or associated company of such SPV.

If the parent company or associated company defaults in any of its other debt obligations, this may trigger a cross-default which may then affect the ability of the parent company or associated company to meet its obligations under the guarantee. This may adversely affect the value of the debt securities issued by the SPV and guaranteed by its parent company or associated company.

Investments in debt securities of a subordinated nature issued by SPVs will have a lower priority of claim in the event of the relevant issuer's liquidation or bankruptcy as they rank behind holders of unsubordinated debt securities but before holders of equity securities. The Fund is therefore exposed to higher credit / insolvency risk of its counterparties as a holder of subordinated debt securities than as a holder of unsubordinated debt securities.

#### **CoCo Bonds Risk**

The Fund will invest in CoCos, and other subordinated debt securities. CoCos are a form of hybrid debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain triggers. These triggers include but are not limited to:

- (i) an issuer failing to meet a specified minimum capital level;
- (ii) an issuer's regulator questioning the continued validity of the issuer as a going concern;
- (iii) an issuer's regulator stating that the security should be converted or written down, partially or wholly;
- (iv) an issuer receiving specified levels of extraordinary public support.

CoCos may also have unique equity conversion, principal write-down or coupon cancellation features which are tailored to the issuing banking institution and its regulatory requirements. In the case such triggers or features are invoked, the Fund may lose some or all of its original investment.

As CoCos are relatively new complex investments, their behaviour under a stressed financial environment is thus unknown. Investors in CoCos may experience a reduced income rate, and the Fund may lose some or all of its original investment.

Any future regulatory change impacting European banking institutions or CoCos could have substantial and adverse effects on the financial institutions issuing the CoCos, or the ability of the Fund or other investors to invest in CoCos.

### **Sustainability risks not relevant**

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to provide capital appreciation for Shareholders by investing primarily in a portfolio of debt securities issued by corporations or governments and /or government related entities which have their main operations in, or a majority of their income derived from the Greater China Region. While sustainability risk forms part of the Manager's and the Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to provide capital appreciation for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.

## SUPPLEMENT

### VALUE PARTNERS HEALTH CARE FUND

Dated 17 October 2022

#### to the Prospectus issued for Value Partners Ireland Fund ICAV

This Supplement contains information relating specifically to the Value Partners Health Care Fund (the “Fund”), a sub fund of Value Partners Ireland Fund ICAV (the “ICAV”), an open-ended umbrella type Irish Collective Asset-management Vehicle with variable capital and segregated liability between funds authorised by the Central Bank on 20th April, 2012 as a UCITS pursuant to the UCITS Regulations. For Singapore offering purposes, the Fund is a Restricted Fund, the attention of investors is drawn to the section headed **Restrictions on Distribution and Sale of Shares** in the Prospectus.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 17 October 2022 (the Prospectus).**

**The Fund may invest in emerging markets and accordingly investment in the Fund should not constitute a substantial portion of an investor’s investment portfolio and may not be appropriate for all investors.**

**The Fund may invest substantially in deposits with credit institutions and/or cash or cash equivalents. An investment in the Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities, or any bank guarantee. Shares in the Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares is capable of fluctuation.**

**The difference at any one time between the sale price (to which may be added a sales charge) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

Investors should read and consider the section of the Prospectus and the Supplement entitled **Risk Factors** before investing in the Fund.

**Profile of a Typical Investor:** Investment in the Fund is suitable only for persons and institutions for whom such investment does not represent a complete investment programme, who understand the degree of risk involved and balance that suitability based upon investment objectives and financial needs. The Fund primarily invests in equities and equity-related securities in health care companies in the PRC which are listed in worldwide stock markets and has a medium to high level of volatility, and accordingly, this investment is more suitable for long-term investors.

#### 1. Interpretation

All defined terms used in this Supplement shall have the same meaning as in the Prospectus.

#### 2. Classes of Shares

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
Australian Dollar Class A	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Unhedged
Australian Dollar Class A	AUD	AUD 10	Up to 5%	1.50%	AUD 10,000	AUD 5,000	AUD 5,000	AUD 5,000	Hedged
Canadian Dollar Class A	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Unhedged



Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
Canadian Dollar Class A	CAD	CAD 10	Up to 5%	1.50%	CAD 10,000	CAD 5,000	CAD 5,000	CAD 5,000	Hedged
Euro Class A	EUR	EUR10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Unhedged
Euro Class A	EUR	EUR 10	Up to 5%	1.50%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged
Hong Kong Dollar Class A	HKD	HKD 10	Up to 5%	1.50%	HKD 80,000	HKD 40,000	HKD 40,000	HKD 40,000	Unhedged
RMB Class A	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Unhedged
RMB Class A	RMB	RMB 10	Up to 5%	1.50%	RMB 60,000	RMB 30,000	RMB 30,000	RMB 30,000	Hedged
Singapore Dollar Class A	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Unhedged
Singapore Dollar Class A	SGD	SGD 10	Up to 5%	1.50%	SGD 10,000	SGD 5,000	SGD 5,000	SGD 5,000	Hedged
Sterling Pound Class A	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Unhedged
Sterling Pound Class A	GBP	GBP 10	Up to 5%	1.50%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
United States Dollar Class A	USD	USD 10	Up to 5%	1.50%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
New Zealand Dollar Class A	NZD	NZD 10	Up to 5%	1.50%	NZD 10,000	NZD 5,000	NZD 5,000	NZD 5,000	Hedged
Swiss Franc Class RDRx	CHF	CHF 10	Up to 5%	0.75%	CHF 10,000	CHF 5,000	CHF 5,000	CHF 5,000	Hedged
Euro Class RDRx	EUR	EUR 10	Up to 5%	0.75%	EUR 10,000	EUR 5,000	EUR 5,000	EUR 5,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
Sterling Pound Class RDRx	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Unhedged
Sterling Pound Class RDRx	GBP	GBP 10	Up to 5%	0.75%	GBP 10,000	GBP 5,000	GBP 5,000	GBP 5,000	Hedged
United States Dollar Class RDRx	USD	USD 10	Up to 5%	0.75%	USD 10,000	USD 5,000	USD 5,000	USD 5,000	Unhedged
Swiss Franc Class S^	CHF	CHF 10	Up to 5%	0.60%	CHF 50,000,000	CHF 50,000,000	CHF 5,000,000	CHF 5,000,000	Hedged
Euro Class S^	EUR	EUR 10	Up to 5%	0.60%	EUR 50,000,000	EUR 50,000,000	EUR 5,000,000	EUR 5,000,000	Hedged
Sterling Pound Class S^	GBP	GBP 10	Up to 5%	0.60%	GBP 50,000,000	GBP 50,000,000	GBP 5,000,000	GBP 5,000,000	Hedged
United States Dollar Class S^	USD	USD 10	Up to 5%	0.60%	USD 50,000,000	USD 50,000,000	USD 5,000,000	USD 5,000,000	Unhedged
United States Dollar Class X+	USD	USD 10	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
JPY Class X+	JPY	JPY 1,000	Up to 5%	Nil	Nil	Nil	Nil	Nil	Unhedged
RMB Class Z^	RMB	RMB 10	Up to 5%	1%	RMB 6,000,000	RMB 6,000,000	RMB 600,000	RMB 600,000	Unhedged
United States Dollar Class Z^	USD	USD 10	Up to 5%	1%	USD 1,000,000	USD 1,000,000	USD 100,000	USD 100,000	Unhedged
Swiss Franc Class Z^	CHF	CHF 10	Up to 5%	1%	CHF 1,000,000	CHF 1,000,000	CHF 100,000	CHF 100,000	Hedged
Euro Class Z^	EUR	EUR 10	Up to 5%	1%	EUR 1,000,000	EUR 1,000,000	EUR 100,000	EUR 100,000	Hedged

Class	Class Currency	Initial Price	Initial Sales Charge	Investment Manager Fees	Minimum Transaction Size for Initial investment*	Minimum Holding amount*#	Minimum Transaction Size for subsequent investments*#	Minimum Transaction Size for redemptions* #	Hedged/ Unhedged
Sterling Pound Class Z <sup>^</sup>	GBP	GBP 10	Up to 5%	1%	GBP 1,000,000	GBP 1,000,000	GBP 100,000	GBP 100,000	Hedged

\* or such lower amount as Directors may determine at their discretion.

# Any change in the minimum holding amount, minimum transaction size for subsequent investments or minimum transaction size for redemptions will be notified to Shareholders in advance.

× Class RDR Shares are only available for subscription to:

- certain financial intermediaries or institutions for their investment services, which are exclusively remunerated by their clients, and either have separate fee based advisory arrangements with their clients or provide independent advice or discretionary portfolio management; or
- other investors or intermediaries at the Directors', or their delegates' discretion.

+ Class X Shares are only available for subscription by funds and managed accounts managed or advised by the Investment Manager or its affiliates.

<sup>^</sup> Class S and Class Z Shares are only available for subscription by institutional and/or professional investors.

### 3. Base Currency

The Base Currency shall be USD.

### 4. Investment Objective

The investment objective of the Fund is to achieve long-term capital growth by investing primarily in equities and equity-related securities in health care companies including pharmaceuticals, biotechnology, healthcare services and medical technology and supplies on a worldwide basis.

### 5. Investment Policy

The Fund intends to achieve its investment objective by investing primarily (at least 70% of its Net Asset Value) in listed securities including equities and equity-related securities (such as convertible bonds and preference shares) in healthcare companies such as pharmaceuticals, biotechnology, healthcare services and medical technology and supplies (i) which have a significant portion of assets, investments, production activities, trading or other business interests in the PRC or which derive a significant part of their revenue from the PRC and (ii) which are listed on stock markets on a worldwide basis, including mainland China.

The Fund may invest directly or indirectly in China A Shares and directly in China B Shares. Though investing in China A Shares is not the sole investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant upturn in the Chinese economy), the Fund may invest up to 100% of its Net Asset Value in China A Shares should the Investment Manager deem such a strategy to be prudent over any time period.

The Fund may indirectly invest in China A Shares through CAAPs, such as Participation Notes relating to China A Shares. The Participation Notes relating to China A Shares are unleveraged instruments and do not embed derivatives. While generally CAAPs in which the Fund will invest will be listed on Recognised Exchanges, the Fund may gain access to restricted markets by investing in unlisted CAAPs and in such circumstances, such

investment will be in accordance with the Investment Restrictions set out in Schedule I to the Prospectus. The Fund may invest no more than 10% of its Net Asset Value in unlisted CAAPs. The Fund may invest directly in China A Shares via Stock Connect. The Fund may also invest up to 20% of its Net Asset Value directly in China B Shares.

Investments in convertible bonds (listed or unlisted) can be up to 100% of the Fund's Net Asset Value.

The Fund may invest in securities listed or dealt in on the Recognised Exchanges listed in the Prospectus or may also invest in unlisted securities in accordance with the Central Bank Investment Restrictions set out in Schedule I of the Prospectus. The Fund's investment in unlisted securities (including the investments in unlisted CAAPs and unlisted convertible bonds) will not exceed 15% of its Net Asset Value.

The Fund may invest in cash and cash equivalents for hedging and risk management purposes. Under normal circumstances, the Fund's investment in cash and cash equivalents may not exceed 25% of its Net Asset Value. Though maintaining cash or cash equivalents is not a primary investment focus of the Fund, under certain exceptional circumstances (for example, during periods of significant downturn in the economy or political turmoil), the Fund may maintain up to 100% of its Net Asset Value in cash or cash equivalents should the Investment Manager deem such a strategy to be prudent over any time period.

The Fund may also invest up to 30% of its Net Asset Value in other fixed income instruments such as certificates of deposit and fixed and floating rate bonds, such as government and corporate bonds, where the bonds' investment rating may be below investment grade (i.e. debt securities or the issuers of such debt securities rated below Baa3 by Moody's or below BBB- by Standard & Poor's or equivalent rating given by other international credit rating agencies) or unrated. The Fund will invest no more than 10% of its Net Asset Value in debt securities issued and/or guaranteed by a single sovereign issuer which is below investment grade. For split credit ratings, the highest rating shall apply.

The Fund may also invest up to 10% of its Net Asset Value in depositary receipts such as American depositary receipts ("**ADRs**") and Global depositary receipts ("**GDRs**").

Investments will be selected by the Investment Manager by identifying under-valued investments in healthcare companies which have a significant portion of assets, investments, production activities, trading or other business interests in the PRC or which derive a significant part of their revenue from the PRC, through an initial screening process. The first stage of the screening process undertaken is for the Investment Manager to use quantitative ratios (such as price to earnings ratio, price to book ratio, return on earnings, dividend yield etc.) to identify stocks that fit within the Investment Manager's value criteria. The next step of the screening process involves qualitative assessments. These qualitative assessments include company visits, management interviews, consideration of industry outlook, government policy, etc to further narrow down the research universe. The information that is reviewed typically includes annual reports, company announcements, press articles and independent/broker research reports. Finally, detailed analysis (both of quantitative factors such as profitability, valuation, earnings model and dividend yield, cash flow strength, track record and balance sheet risk; and qualitative factors such as management quality and integrity, SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis which identifies the strengths, weaknesses, opportunities and threats of a specific health care company, competitor analysis, industry 'Big Picture' analysis which provides an analysis on the industry's overall attractiveness and helps to identify the fastest growing sector of the health care industry, corporate culture review which analyses a specific company's management integrity and business strategies, and the value of hidden assets or liabilities and off-balance sheet items that the Investment Manager identifies from inconsistent balance sheet or suspicious financial ratios from a specific company's financial reports) is conducted and financial models are constructed to set target prices for each stock. Depending on the outcome of the analysis, a portfolio will be constructed which will continually be monitored and assessed and the Investment Manager will take appropriate actions to adjust the portfolio accordingly. There are no capitalisation restrictions on securities that can be held in the portfolio, but rather, selection will be determined by the availability of attractive investment opportunities.

To provide flexibility for the Investment Manager to invest in classes of securities which may have more efficient exposures to underlying assets which are consistent with the investment policy of the Fund, the Fund may also invest in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme.

The total investment in collective investment schemes by the Fund will not exceed 20% of the Fund's Net Asset Value and will be made in accordance with the requirements of the Central Bank.

Financial derivative instruments may also be used by the Investment Manager to achieve the investment objective of the Fund. The Fund may invest in futures contracts, options, depository receipts and forwards for investment purposes, efficient portfolio management purposes, to indirectly gain exposure to underlying equity securities where the Investment Manager considers it is more efficient to do so or as a cheaper alternative to direct investment in that security, or for hedging purposes in accordance with the requirements of the Central Bank.

Futures include equity and fixed income futures. Exchange traded futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The Investment Manager may enter into equity and fixed income futures contracts to hedge against changes in the values of underlying equity securities or to hedge against interest rate risk.

The Investment Manager may enter into single stock and index futures contracts to hedge against changes in the values of equity securities held by the Fund, or markets to which the Fund is exposed, or to hedge against currency and interest rate risk.

The Investment Manager may also use futures contracts to equitise cash (i.e. the purchase of stock index futures, forwards, or stock options contracts from cash to seek a return that is linked to equity performance) or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer-term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Fund.

For the purposes of hedging market and currency risks, the Fund may invest in index and currency swaps and currency forwards. Forward foreign exchange contracts may be used to hedge the value of the Hedged Share Classes in the Fund against changes in the exchange rate between the currency of denomination of the Hedged Share Class of Shares and the Base Currency of the Fund.

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency and interest rate risk and the Investment Manager may write put options and covered call options to generate additional revenues for the Fund. The Investment Manager will not write uncovered call options. The Fund does not intend to use exotic types of options.

Depository Receipts are certificates issued by a depository bank or investment bank, representing shares held by the bank, usually by a branch or in the country of issue of the shares, which trade independently from the shares. ADRs are negotiable certificates that are claims on shares in non-US companies. GDRs are negotiable certificates that are claims on shares in companies traded on their domestic markets, in this case the Fund will in particular use Singapore GDRs. The GDRs are traded in global markets and may be issued simultaneously in multiple foreign markets.

The Fund will be leveraged through the use of the above financial derivative instruments. The leveraged exposure of the Fund through the use of these derivatives will not exceed 100% of the Net Asset Value of the Fund under the commitment approach. However, it is not anticipated that the maximum level of leverage of the Fund will exceed 50% of the Net Asset Value calculated using the commitment approach.

The Fund is actively managed and is not managed by reference to any benchmark.

Performance of the Fund is measured against the MSCI China All Shares Health Care 10/40 Index for comparative purposes only. The MSCI China All Shares Health Care 10/40 Index captures large and mid-cap representation across China A Shares, China B Shares, China H Shares, Red-chips (firms are incorporated outside mainland China and listed on the Hong Kong Stock Exchange), P- chips (Chinese companies listed on the Hong Kong Stock Exchange which are incorporated in the Cayman Islands, Bermuda and the British Virgin Islands with operations in mainland China) and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China. All

securities in the index are classified in the healthcare sector according to the Global Industry Classification Standard (GICS®).

## **6. Risk Management Process**

The Manager on behalf of the ICAV will employ a risk management process based on the commitment approach which will enable it to accurately monitor, measure and manage the risks attached to financial derivative positions - details of this process have been provided to the Central Bank. Further details in relation to the risk management process is disclosed under the section entitled **Investment in Financial Derivative Instruments** of the Prospectus.

## **7. Offer**

All Classes of Shares listed in the section entitled **Classes of Shares** above, with the exception of those listed below, will be initially offered to investors at the Initial Price from 9:00 a.m. (Irish time) on 17 October 2022 until 5:00 p.m. (Irish time) on 17 April 2023, or as otherwise determined by the Directors (the “**initial offer period**”), and subject to acceptance of applications for Shares by the ICAV, such Shares will be issued on the same day after expiry of the initial offer period.

Shares of Euro Class A (Unhedged), Hong Kong Dollar Class A (Unhedged), RMB Class A (Unhedged), United States Dollar Class A (Unhedged), Singapore Dollar Class A (Hedged), Singapore Dollar Class A (Unhedged) and Japanese Yen Class X (Unhedged) will be issued at the Net Asset Value per Share and subject to acceptance of applications for Shares by the ICAV.

After closing of the initial offer period, Shares in the Fund will be issued at the Net Asset Value per Share. Where a Class of Shares is fully redeemed and subsequently re-launched, the Shares of such Class will initially be issued at the Initial Offer Price (exclusive of an Initial Sales Charge of up to 5% of the Initial Offer Price) during such re-launch, and thereafter, Shares in the Fund will be issued at the Net Asset Value per Share.

Additional information in respect of Share subscriptions and redemptions is set out below.

## **8. Hedged Share Classes**

These Classes of Shares will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Fund. Further details in relation to the Hedged Classes are disclosed under the section entitled **Hedged Classes** of the Prospectus.

## **9. Dividend Policy**

Each of the Classes of Shares will be accumulating non distributing Shares.

The Fund is an accumulating Fund and, therefore, it is not currently intended to distribute dividends to the Shareholders. The income and earnings and gains of the Fund will be accumulated and reinvested on behalf of Shareholders.

## **10. Fees and Expenses**

The fees and operating expenses of the ICAV are set out in detail under the heading **Fees and Expenses** in the Prospectus.

### **Establishment Expenses**

The fees and expenses relating to the establishment and approval of the Fund, including the fees of the ICAV's professional advisers, the fees and expenses incurred with respect to registering the Shares of the Fund for sale in various markets prior to the approval of the Fund, new Fund inception costs charged by the Administrator and the expenses associated with the issue of Shares, including the costs incurred in connection with the preparation and publication of this Supplement, and all legal and printing costs amounted to €46,000. These fees and

expenses are being paid out of the assets of the Fund and amortised over the first five years of the Fund's operation or such other period and in such manner as the Directors may in their discretion determine.

### **Operating Expenses and Fees**

The operating expenses and fees paid by the Fund are set out in detail under the heading **Fees and Expenses – Operating Expenses and Fees** in the Prospectus. The Fund, however, will not share any expenses in connection with marketing the ICAV and/or the Fund, including but not limited to payments made to fund platforms and factsheet production. Any expenses in connection with the marketing of the Fund will be borne by the Investment Manager.

### **11. Risk Factors**

The attention of investors is drawn to the disclosures under the **Risk Factors** section in the Prospectus, in particular, Investment Risk, Risks of Investing in Other Funds, Equity Risk, Geographical Concentration Risk, Investing in Fixed Income Securities, Below investment grade or unrated debt securities risk, Risk of Investing in Convertible Bonds and Risks relating to the PRC. Investors should also note that other risks in the Prospectus may also be relevant to the Fund from time to time and investors should refer to **Risk Factors** section in the Prospectus for full description of these risks.

In addition, the following risk factors are specific to the Fund.

#### ***General***

The risks inherent in investment by the Fund are of a nature and degree not typically encountered in investment in securities of listed companies on the major securities markets. Such risks are political, economic and environmental. They are additional to the normal risks inherent in investing in securities. In addition, owing to the investment objectives and policies of the Fund, investment in the Fund may involve a greater degree of risk than is the case with conventional securities.

The investment policy of the Fund may result in the Net Asset Value of the Fund having a medium to high level of volatility. However, the Investment Manager will strive to limit the volatility of the Fund's returns.

#### ***Health care sector related risks***

The investments of the Fund are concentrated in the health care sector. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The economic prospects of the health care sector are generally subject to greater influences from governmental policies and regulations than those of many other industries. Certain health care companies may allocate greater than usual financial resources to research and product development and experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, certain health care companies may be adversely affected by lack of commercial acceptance of a new product or process or by technological change and obsolescence.

#### ***Risks relating to investments in CAAPs***

The Fund may from time to time obtain exposure to China A Shares by investing into CAAPs. CAAPs represent only an obligation of the counterparty issuing the CAAPs to provide to the Fund the economic return equivalent to holding the underlying shares. CAAPs do not provide any beneficial or equitable entitlement or interest in the shares to which the CAAPs are linked. CAAPs constitute an unsecured contractual obligation of the relevant issuer. Accordingly, the Fund is subject to credit risk of the issuer of any CAAPs invested in by the Fund. The Fund may suffer a loss, potentially equal to the full value of the CAAPs, if the issuer becomes bankrupt or otherwise fails to perform its obligations under the CAAPs due to financial difficulties.

Any CAAPs will be subject to the terms and conditions imposed by its issuer and such terms and conditions may lead to delays in implementing the investment strategy of the Fund. CAAPs typically have no active secondary market and so have limited liquidity. In order to liquidate investments, the Fund will rely upon the issuer quoting

a price to unwind part of the CAAPs. Accordingly, the ability to adjust positions may be restricted which may have an impact on the performance of the Fund.

Under the relevant laws and regulations, the ability of CAAPs issuers to acquire shares in certain companies may be limited from time to time due to the imposition of certain investment restrictions. These restrictions may restrict the ability of an issuer to issue, and therefore the ability of the Fund to purchase, CAAPs linked to certain shares. In certain circumstances, the Investment Manager may not be able to fully implement or pursue the investment strategy of the Fund due to such restrictions.

***Sustainability risks not relevant***

The Manager, in conjunction with the Investment Manager, has determined that sustainability risks are not relevant to the Fund. The investment objective of the Fund is to achieve long-term capital growth by investing primarily in equities and equity-related securities in health care companies including pharmaceuticals, biotechnology, healthcare services and medical technology and supplies on a worldwide basis. While sustainability risk forms part of the Manager's and Investment Manager's overall risk management processes and is one of many risks which may, depending on the specific investment opportunity, be relevant to a determination of risk, sustainability risk would not by itself prevent the Fund from making any investment. The Manager, in conjunction with the Investment Manager, does not apply any absolute risk limits or risk appetite thresholds which relate exclusively to sustainability risk as a separate category of risk. The Investment Manager, in conjunction with the Manager, on behalf of the ICAV analyses investment opportunities on the basis of a number of factors, including the potential for such investments to achieve long-term capital growth for investors. Therefore, the Manager, in conjunction with the Investment Manager, does not seek to minimise sustainability risks as a separate objective in respect of the Fund.



## COUNTRY SUPPLEMENT FOR INVESTORS IN SWITZERLAND

Dated 3 October 2023

to the  
Prospectus  
of  
**VALUE PARTNERS IRELAND FUND ICAV**

*This country supplement to the Prospectus of Value Partners Ireland Fund ICAV (the "ICAV"), dated 17 October 2022 (as amended, supplemented or modified from time to time) forms part of and should be read in conjunction with the Prospectus, the Key Information Documents (KIDs) for the Value Partners Classic Equity Fund, the Value Partners Health Care Fund, the Value Partners Asia ex-Japan Equity Fund, the Value Partners All China Equity Fund and the Value Partners Greater China High Yield Bond Fund. Words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.*

References to the Prospectus are to be taken as references to that document as supplemented or amended hereby. In addition, words and expressions defined in the Prospectus, unless otherwise defined below, shall bear the same meaning when used herein.

### Information for investors in Switzerland

#### Swiss Representative:

FIRST INDEPENDENT FUND SERVICES LTD, Feldeggstrasse 12, CH-8008 Zurich.

#### Swiss Paying Agent:

NPB New Private Bank Ltd, Limmatquai 1, CH-8001, Zurich.

#### Location where the relevant documents may be obtained:

The Prospectus, the Instrument of Incorporation, the Key Information Documents (KIDs), as well as the annual and semi-annual reports of the ICAV may be obtained free of charge from the Swiss Representative.

#### Publications:

Publications in respect of the ICAV will be available on the electronic platform [www.fundinfo.com](http://www.fundinfo.com). The issue and the redemption prices or the Net Asset Value per Share (with a footnote stating "excluding commissions") of all relevant Share Classes will be published daily on the electronic platform [www.fundinfo.com](http://www.fundinfo.com).

#### Payment of retrocessions and rebates:

The Investment Manager and its agents may pay retrocessions as remuneration for distribution activity in respect of fund shares in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Keeping documentary records under Art. 24 para. 3 CISA and Art. 34a CISO;
- Forwarding or providing access to legally required publications and other publications.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of Federal Act on Financial Services.

In the case of distribution activity in Switzerland, the Investment Manager and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Investment Manager and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Investment Manager are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behaviour shown by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the Shareholder, the Investment Manager must disclose the amounts of such rebates free of charge.

**Place of performance and jurisdiction:**

In respect of the shares offered in Switzerland, the place of performance is at the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.