

# Ashoka WhiteOak ICAV

(An Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registration number C180440 and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

## CONSOLIDATED PROSPECTUS FOR SWITZERLAND

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### INVESTMENT MANAGER

**White Oak Capital Partners Pte. Ltd.**

**DATED 26 February 2025**

This Consolidated Prospectus for Switzerland is a consolidated version of the prospectus of the ICAV dated 29 February 2024, the Sub-Funds' Supplements and the "Additional information for investors in Switzerland". It does not constitute a prospectus for the purposes of Irish law. This Consolidated Prospectus is exclusively used for the offer and distribution of the Shares of the ICAV in Switzerland. It may not be used for the offer or distribution of the Shares of the ICAV in any other jurisdiction.

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## INTRODUCTION

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If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

### Authorisation by the Central Bank of Ireland

The ICAV has been authorised by the Central Bank of Ireland (the “Central Bank”) as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (“UCITS Regulations”) and has been established as an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between Funds and will comply with the Central Bank UCITS Regulations. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank will not be liable for the performance or default of the ICAV.

Authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

This Prospectus (which term will include a reference to any Supplement hereto) provides information about the ICAV and the Funds. Prospective investors are required as part of the Subscription Agreement to confirm they have read and understood it. It contains information which prospective investors ought to know before investing in the ICAV and should be retained for future reference. Further copies may be obtained from the ICAV, at its address set out in the “Directory”. Copies of the most recent annual and semi-annual report of the ICAV are available free of charge on request.

Shares in the ICAV are offered only on the basis of the information contained in this Prospectus and the documents referred to herein. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation other than those contained in the KIID, this Prospectus, each relevant Supplement and, if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any such Shares other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy such Shares by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus or the relevant Supplements nor the issue of Shares will, under any circumstances, create any implication that the affairs of the ICAV have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Directors of Ashoka WhiteOak ICAV (the “ICAV”) whose names appear in the “Directory” of the Prospectus accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. This Prospectus may be translated into other languages provided that such translation will be a direct translation of the English text and in the event of a dispute, the English language version will prevail. All disputes as to the terms thereof will be governed by, and construed in accordance with, the laws of Ireland.

The ICAV is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the ICAV. It is intended that each Fund will have segregated liability from the other Funds and that the ICAV will not be liable as a whole to third parties for the liability of each Fund. However, investors should note the risk factor “ICAV’s Liabilities” under “Risk Considerations” below. A separate pool of assets will not be maintained for each Class. As of the date of this Prospectus, the ICAV is offering Shares in the Fund described in the most recent Supplements in force at the date of this Prospectus. The Directors may from time to time decide to offer, with the prior approval of the Central Bank,

additional separate Funds and, with prior notice to and clearance from the Central Bank, additional classes of Shares in existing Funds. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and/or classes, and/or a separate Supplement or addendum with respect to such Funds and/or classes will be prepared. Such updated and amended Prospectus or new separate Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds, but will be available on [www.whiteoakcapitalpartners.com](http://www.whiteoakcapitalpartners.com)

Investors may, subject to applicable law, invest in any Fund offered by the ICAV. Investors should choose the Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Fund and will be invested in accordance with the investment policy applicable to the relevant Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Funds and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Fund will be achieved

The maximum redemption charge which may be imposed is 3% of the Net Asset Value of the Shares being redeemed. Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Furthermore, unlike a deposit in a bank account, the principal invested in a Fund is capable of fluctuation.

## **DISTRIBUTION AND SELLING RESTRICTIONS**

The distribution of this Prospectus and the offering of the Shares is restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself or herself about and to observe all applicable laws and regulations of relevant jurisdictions. Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions and/or exchange control requirements that they might encounter under the laws of the countries of their citizenship, residence, or domicile and that might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of Shares of a Fund.

### ***United States***

The Shares offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”). The Shares offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any U.S. state nor has the SEC or any U.S. state securities commission passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense. Each applicant will be required to certify to the ICAV that, among other things, the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any US Person. It is the responsibility of each Shareholder to verify that it is not a US Person that would be prohibited from owning Shares. The offering and sale of the Shares to Non-US Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act.

Shares may be offered in the United States to “Accredited Investors”, as defined in Rule 501 of Regulation D under the 1933 Act and “Qualified Purchasers” as defined in Section 2(A)(51) of the Investment Company Act of 1940, as amended (the “**1940 Act**”). Neither the ICAV nor any Fund is or will be registered under the 1940 Act, and the Investment Manager is not registered under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) or as an investment adviser with any state securities commission.

This offering is made in reliance upon exemptions from the registration requirements of the 1933 Act. Neither the ICAV nor any Fund will be obligated to register the Shares under the 1933 Act in the future. There currently is no public or other market for the Shares and the Investment Manager does not expect that any such market will develop. All of the Shares, whether acquired within the United States or outside the United States, will be “restricted securities” within the meaning of Rule 144 under the 1933 Act and therefore may not be transferred by a holder thereof within the United

States or to a U.S. Person unless such transfer is made pursuant to registration under the 1933 Act, pursuant to an exemption therefrom, or in a transaction outside the United States pursuant to the resale provisions of Regulation S. Moreover, the transfer of Shares is subject to other requirements detailed elsewhere in this Prospectus.

Prospective investors should be aware that the Investment Manager is not registered as an Investment Adviser with the SEC or the regulator of any U.S. state and will not be subject to many of the substantive provisions of the U.S. Advisers Act and the regulations thereunder, or any equivalent state statutes and regulations, in connection with the investment management services it carries out on behalf of the ICAV and the Funds. The Investment Manager will provide its services hereunder to the ICAV and each Fund and not to any individual investor.

Notwithstanding anything to the contrary in this Prospectus, nothing in this Prospectus prohibits, or is intended in any manner to prohibit, a report of a possible violation of U.S. federal law or regulation to any governmental agency or entity, including but not limited to the U.S. Department of Justice, the SEC, the U.S. Congress, and any agency Inspector General, or making other disclosures that are protected under whistleblower provisions of U.S. federal law or regulation. In addition, nothing in this Prospectus is intended to interfere with or restrain the immunity provided under 18 U.S.C. Section 1833(b) for confidential disclosures of trade secrets to government officials or lawyers, solely for the purpose of reporting or investigating a suspected violation of law; or in a sealed filing in court or other proceeding.

Pursuant to an exemption from the CFTC in connection with pools whose participants are limited to qualified eligible persons, an offering memorandum for the ICAV or a Fund is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for the ICAV or any Fund.

While a Fund may trade commodity interests, with respect to each Fund, the Investment Manager is exempt from the obligations of a U.S. Commodity Futures Trading Commission commodity pool operator (“CPO”) pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a non-exempt CPO, the Investment Manager is not required to deliver a CFTC disclosure document to prospective investors, nor is it required to provide Shareholders with certified annual reports that satisfy the requirements of CFTC rules applicable to non-exempt CPOs.

With respect to each Fund (and as a result, the ICAV), the Investment Manager qualifies for the exemption under CFTC Rule 4.13(a)(3) on the basis that, among other things, (i) each Shareholder is a “qualified eligible person”, as defined under rule 4.7(a)(2) of the U.S. Commodity Exchange Act, as amended, or an “Accredited Investor”, as defined under SEC rules; (ii) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (iii) participations in the each Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) at all times that each Fund establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value of each Fund’s portfolio, respectively; or (b) the aggregate net notional value of each Fund’s commodity interest and security futures positions will not exceed 100% of the liquidation value of that Fund’s portfolio, respectively.

Should the Investment Manager determine in the future that it will no longer rely on CFTC Rule 4.13(a)(3), the Investment Manager will instead claim an exemption from certain of the CFTC’s disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to CFTC Rule 4.7.

You should also be aware that a Fund may trade futures or options contracts. Transactions on markets located outside the United States, including markets formally linked to a United States market, may be subject to regulations which offer different or diminished protection to this pool and its participants. Further, United States regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-U.S. jurisdictions where transactions for this pool may be effected.

Entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, generally may not purchase Shares of a Fund.

Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representative, or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax

structure of (i) the ICAV and/or a Fund and (ii) any their respective transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure, it being understood and agreed for this purpose that (1) the name of, or any other identifying information regarding, the Fund and any existing or future investor (or any affiliate thereof) in the Fund, or any investment or transaction entered into by the Fund, and (2) any performance information relating to the Fund or any of its investments, do not constitute such tax treatment or tax structure information. Acceptance of this Prospectus by prospective investors constitutes an agreement to be bound by the foregoing terms.

#### **NOTICE TO RESIDENTS OF FLORIDA**

THE INTERESTS IN THE FUND BEING OFFERED HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF THE FLORIDA OFFICE OF FINANCIAL REGULATION UNDER THE FLORIDA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION THEREFROM. IF SALES ARE MADE TO FIVE OR MORE FLORIDA PURCHASERS, EACH SUCH SALE IS VOIDABLE BY THE PURCHASER WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER OR AN ESCROW AGENT, OR WITHIN THREE DAYS AFTER AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

#### **NOTICE TO RESIDENTS OF NEW HAMPSHIRE**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE NEW HAMPSHIRE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER NEW HAMPSHIRE RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE NEW HAMPSHIRE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **NOTICE TO PROSPECTIVE PURCHASERS IN NEW YORK**

THIS PROSPECTUS HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

#### ***Singapore***

Please refer to the separate document entitled "ADDITIONAL INFORMATION FOR INVESTORS IN SINGAPORE" in relation to the relevant Fund.

In respect of marketing of a Fund which is offered in Singapore pursuant to section 305 of the SFA (a "**Restricted Fund**"), each Singapore investor must also satisfy the requirements for an "accredited investor" or an "institutional investor", each as defined under the SFA. The list of categories of "accredited investor" and "institutional investor" prescribed under present regulations are set out in the Subscription Agreement.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, the ICAV has determined, and hereby notifies all relevant persons (as defined in Section 309B of the SFA), that the Shares of each Fund 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)).

## ***Gulf Cooperation Council (GCC)***

### **NOTICE TO RESIDENTS OF DUBAI**

This Prospectus relates to a fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“**DFSA**”). The DFSA has no responsibility for reviewing or verifying the Prospectus or other documents in connection with the ICAV. Accordingly, the DFSA 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 and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares.

The Shares will not be offered to retail investors in Dubai.

If you do not understand the contents of this document you should consult an authorized financial adviser

### **NOTICE TO RESIDENTS OF ABU DHABI**

The Financial Services Regulatory Authority of the Abu Dhabi Global Market accepts no responsibility for reviewing or verifying the Prospectus or other documents in connection with the ICAV.

The Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Shares.

The Shares will not be offered to retail investors in Abu Dhabi.

If you do not understand the contents of this document you should consult an authorised financial adviser.

### **NOTICE TO RESIDENTS OF UAE**

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 and accordingly should not be construed as such. The Shares in the Funds have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority (“**SCA**”) or any other relevant licensing authorities or governmental agencies in the UAE.

The Shares in the Funds are only being offered to Professional Investors (as defined in the Decision of SCA Chairman No. (13/T.M) of 2021 on the Rules Handbook of Financial Activities and Mechanisms of Status Regularization). The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee’s consideration thereof).

### **NOTICE TO RESIDENTS OF KUWAIT**

This Prospectus is strictly private and confidential and does not constitute an offer or invitation to subscribe for, or purchase, any securities (including units in investment funds) (regardless of nomenclature) in the State of Kuwait. The ICAV, its agents and representatives have not been registered, licensed, or authorized to market, sell, or offer securities (including units in investment funds) (regardless of nomenclature) in the State of Kuwait where it is unlawful to make such an offer or market securities unless all necessary approvals from the competent authorities in the State of Kuwait pursuant to Law No. 7 of 2010, and its executive bylaws (each as amended) in addition to the various resolutions, regulations, directives and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) and any other applicable law or regulation directly or indirectly regulating this matter in the State of Kuwait (together, the “**Securities Regulations**”), have been given.

No services relating to the offering, including the receipt of applications and/or the allotment of Shares may be rendered (or deemed to have been rendered) within the State of Kuwait by the ICAV, the Manager, the Investment Manager and their agents and representatives. Interested investors in the State of Kuwait who approach the ICAV, the Manager, the Investment Manager and their agents and representatives, acknowledge the restrictions under the Securities Regulations.

The subscription of Shares, contemplated in this Prospectus by investors in the State of Kuwait, shall not be (a) deemed to have taken place in the State of Kuwait for whatever reason; (b) governed in any way by the laws of the State of Kuwait; (c) subject to the jurisdiction of the Courts of the State of Kuwait, as the subscription agreements (and any other document related thereto) will be entered into outside the jurisdiction of the State of Kuwait.

The Fund(s) are only available outside Kuwait. Prior to investing, a prospective investor should consult a financial advisor who has been duly licensed by the Kuwait Capital Markets Authority and with his, her or its own legal, business and tax advisors to determine the appropriateness and consequences of an investment for such prospective investor and arrive at an independent assessment of such investment.

This Prospectus or any other associated documents are not for general circulation to the public in Kuwait.

#### **NOTICE TO RESIDENTS OF STATE OF QATAR (“QATAR”)**

The ICAV is not registered in Qatar, and this Prospectus or any other associated documents detailed herein, have not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant licensing authorities in Qatar and does not constitute a public offer in Qatar under Qatari law.

This Prospectus or any other associated documents detailed herein, are made on an exclusive basis to the specifically intended recipients thereof for personal use only, and does not constitute, and is not intended to constitute, a public offer for the subscription of interest to the public or an attempt to do business, as a bank, investment company or otherwise in Qatar. This Prospectus or any other associated documents are not for general circulation to the public in Qatar nor will the investment opportunity be sold to the public in Qatar.

This Prospectus or any other associated documents are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such investment opportunity. This document may not be reproduced or used for any other purpose.

This Prospectus or any other associated documents are only available outside Qatar and any inquiries regarding the Prospectus, or any other associated documents should be made to the ICAV. No transaction will be concluded in Qatar in relation to this Prospectus or any other associated documents.

#### **NOTICE TO RESIDENTS OF OMAN**

The information contained in this Prospectus neither constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies law of Oman (Sultani decree 4/74) or the Capital Market Law of Oman (Sultani decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman as contemplated by Articles 124 and 139 of the Executive Regulations to the Capital Market Law (issued via ministerial decision no 1/2009).

This Prospectus or any other associated documents are not for general circulation to the public in Oman nor will the Fund(s) be sold to the public in Oman. This Prospectus or any other associated documents are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an

investment in such investment opportunity. Any offering of the Prospectus or any other associated documents in Oman shall be conducted through Ubhar Capital SAOC and any completed offers shall be registered with the Capital Market Authority of Oman.

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA (“SAUDI ARABIA”)**

This document may not be distributed in Saudi Arabia except to such persons as are permitted under the Investment Funds Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities to be offered. If you do not understand the contents of this document, you should consult an authorised financial adviser.

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN**

All applications for investment should be received, and any allotments should be made, in each case from outside the Kingdom of Bahrain. This Prospectus has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The ICAV represents and warrants that it has not made and will not make any invitation to the public in the Kingdom of Bahrain and that this Prospectus will not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain has not reviewed, nor has it approved, this Prospectus or the marketing of the Shares in the Kingdom of Bahrain. Accordingly, the Shares may not be offered or sold in the Kingdom of Bahrain to residents thereof except as permitted by Bahrain law. The Central Bank of Bahrain is not responsible for the performance of the Fund(s).

#### **NOTICE TO RESIDENTS OF GERMANY**

The following sub-funds will continuously invest more than 50% of their assets in equity participations as defined in section 2(8) of the German Investment Tax Act and therefore ensure eligibility for the partial tax exemption for equity funds for German resident investors:

1. Ashoka WhiteOak India Opportunities Fund;
2. Ashoka WhiteOak India ESG Fund; and
3. Ashoka WhiteOak Emerging Markets Equity Fund.

#### **SPECIFIC INFORMATION FOR INVESTORS IN THE EUROPEAN UNION AND THE EUROPEAN ECONOMIC AREA (excluding Spain) FOR REGISTERED, PASSPORTED FUND/SUB-FUNDS**

Contact and information agent

The Manager has appointed Zeidler Legal Process Outsourcing Ltd., SouthPoint, Herbert House, Harmony Row, Grand Canal Dock, Dublin 2, Ireland, e-mail: [facilities\\_agent@zeidlerlegalservices.com](mailto:facilities_agent@zeidlerlegalservices.com) (“Zeidler”) to act as the contact and information agent for the ICAV. This means that Zeidler will perform the following tasks:



1. Notification of investors of how subscription, repurchase and redemption orders may be submitted and further payments may be made to the unitholders for units in a Fund and how repurchase and redemption proceeds will be paid out;
2. Facilitating the handling of information and access to procedures and arrangements relating to the safeguarding of the rights of investors resulting from units in a Fund in the respective EU/EEA country;
3. Enabling the investors to view and make copies of the Prospectus, the IOI, the KIIDs and the annual and semi-annual report;
4. Providing the investors with relevant information relating to the tasks fulfilled by the contact and information agent, on a permanent data storage medium; and
5. Serving as the contact for communication with the respective financial market supervisory authority in the EU/EEA distribution country in question.

### **SPECIFIC INFORMATION FOR INVESTORS IN SPAIN FOR REGISTERED/PASSPORTED FUND/SUB-FUNDS**

#### Contact and information agent

The Manager has appointed Allfunds Bank, S.A.U. Calle de los Padres Dominicos n7, 28050, Madrid, Spain ("Allfunds") to provide facilities in respect of the ICAV. This means that Allfunds will perform the following tasks:

1. Notification of investors of how subscription, repurchase and redemption orders may be submitted and further payments may be made to the unitholders for units in a Fund and how repurchase and redemption proceeds will be paid out;
2. Facilitating the handling of information and access to procedures and arrangements relating to the safeguarding of the rights of investors resulting from units in a Fund in Spain;
3. Enabling the investors to view and make copies of the Prospectus, the IOI, the KIIDs and the annual and semi-annual report;
4. Providing the investors with relevant information relating to the tasks fulfilled by the contact and information agent, on a permanent data storage medium; and
5. Serving as the contact for communication with the CNMV in Spain.

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**DIRECTORY**

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**ASHOKA WHITEOAK ICAV**

**Registered Office**  
3rd Floor,  
55 Charlemont Place  
Dublin 2  
Ireland

**Directors of the ICAV:**

Chee Kiang (Francis) Tan  
Elizabeth Beazley  
Lorcan Murphy

**Manager:**

Carne Global Fund Managers (Ireland) Limited  
3rd Floor,  
55 Charlemont Place  
Dublin 2  
Ireland

**Directors of the Manager:**

Neil Clifford  
Winfried (Teddy) Otto  
Sarah Murphy  
Elizabeth Beazley  
Christophe Douche  
Jackie O'Connor

**Investment Manager:**

White Oak Capital Partners Pte. Ltd.  
3 Church Street  
#22-04, Samsung Hub  
Singapore  
049483

**Auditors:**

EY  
EY Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

**Depositary:**

HSBC Continental Europe  
1 Grand Canal Square, Grand Canal Harbour  
Dublin 2  
Ireland

**Administrator, Registrar and Transfer Agent:**

HSBC Securities Services (Ireland) Designated Activity  
Company  
1 Grand Canal Square, Grand Canal Harbour  
Dublin 2  
Ireland

**Secretary:**

Carne Global Financial Services Limited  
3rd Floor,  
55 Charlemont Place  
Dublin 2  
Ireland

**Legal Advisors as to Irish Law:**

Matheson LLP  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Legal Advisors as to Singapore Law:**

Allen & Gledhill LLP  
One Marina Boulevard  
#28-00  
Singapore 018989

**Legal Advisors as to United States Law:**

Foley Hoag LLP  
Seaport West, 155 Seaport Boulevard,  
Boston, MA 02210, USA

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## DEFINITIONS

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

<b>“1933 Act”</b>	means the U.S. Securities Act of 1933, as amended;
<b>“1940 Act”</b>	means the U.S. Investment Company Act of 1940, as amended;
<b>“Accumulating Class”</b>	means any Class in respect of which the Directors have determined not to declare dividends, as may be specified in the relevant Supplement;
<b>“Additional Subscription Agreement”</b>	means the additional subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for additional Shares in such form as is approved by the ICAV or Investment Manager from time to time;
<b>“Administrator”</b>	means HSBC Securities Services (Ireland) Designated Activity Company or such other company in Ireland for the time being appointed as administrator by the Manager as successor thereto, in accordance with the requirements of the Central Bank;
<b>“Administration Agreement”</b>	means the agreement dated 6 November 2018, between the ICAV, the Manager and the Administrator, pursuant to which the Administrator was appointed administrator of the ICAV;
<b>“Advisers Act”</b>	means the U.S. Investment Advisers Act of 1940, as amended;
<b>“Article 8”</b>	means Article 8 of the SFDR in respect of the transparency of the promotion of environmental or social characteristics in pre-contractual disclosures;
<b>“Base Currency”</b>	means the base currency of a Fund, being USD unless otherwise determined by the Directors and disclosed in a Supplement;
<b>“Benefit Plan Investor(s)”</b>	means (i) an employee benefit plan that is subject to the fiduciary duty provisions of Part 4 of Title I of ERISA; (ii) a plan, account or arrangement subject to the prohibited transaction provisions of Section 4975(c) of the Code; or (iii) an entity the underlying assets of which are deemed to hold “plan assets” under ERISA by reason of investment by Benefit Plan Investors in such entity.
<b>“Business Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as amended, together with any questions and answer documentation and other guidance issued by the Central Bank thereunder;
<b>“CFTC”</b>	means the U.S. Commodity Futures Trading Commission;
<b>“Class” or “Classes”</b>	means any class or classes of Shares established by the Manager in respect of any Fund;
<b>“Class Currency”</b>	means the currency in which a Share class is designated;

<b>“Class Expenses”</b>	means any expenses attributable to a specific class including legal fees, marketing expenses (including tax reporting expenses) and the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;
<b>“Code”</b>	means the U.S. Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	means the U.S. Commodity Exchange Act, as amended;
<b>“Dealing Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Depository”</b>	means HSBC Continental Europe or such other company in Ireland as may for the time being be appointed as depository of the assets of the ICAV as successor thereto in accordance with the requirements of the Central Bank;
<b>“Depository Agreement”</b>	means the agreement dated 6 November 2018 between the ICAV, the Manager and the Depository, pursuant to which the Depository was appointed depository of the ICAV;
<b>“Directors”</b>	means the directors of the ICAV for the time being and any duly constituted committee thereof;
<b>“Distributing Class”</b>	means any Class in respect of which the Directors have determined to declare dividends, as may be specified in the relevant Supplement;
<b>“Dodd-Frank Act”</b>	means the Dodd-Frank Wall Street Reform and Consumer Protection Act;
<b>“Duties and Charges”</b>	means in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the NAV and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but will not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the NAV of Shares in the relevant Fund;
<b>“Eligible Investors”</b>	means such persons as described in the sub-section entitled "Eligible Investors" under the section entitled "Subscription for Shares";
<b>“ERISA”</b>	means the Employee Retirement Income Security Act of 1974, as amended;
<b>“ESG”</b>	means environmental, social and governance;

<b>“ESG Integration”</b>	means the framework for the integration of ESG factors and Sustainability Risks into the investment process for a Fund;
<b>“ESMA”</b>	means the European Securities and Markets Authority;
<b>“EEA”</b>	means the European Economic Area;
<b>“EU”</b>	means the European Union;
<b>“EU Member State”</b>	means a member state of the EU;
<b>“Euro” or “€”</b>	means the unit of the European single currency;
<b>“Euronext Dublin”</b>	means the Irish Stock Exchange plc trading as Euronext Dublin;
<b>“Exempt Investor”</b>	means certain Irish Residents as described under <i>“Taxation of exempt Irish shareholders”</i> in the “Taxation” section below;
<b>“Fund” or “Funds”</b>	means a distinct portfolio of assets established (with the prior approval of the Central Bank) constituting in each case a separate fund represented by one or more Classes of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
<b>“Hedged Class” or “Hedged Classes”</b>	means any Class or Classes of a Fund in respect of which currency hedging will be implemented as set out in a Supplement;
<b>“ICAV”</b>	means Ashoka WhiteOak ICAV;
<b>“Instrument of Incorporation”</b>	means the Instrument of Incorporation of the ICAV for the time being in force and as may be modified from time to time, subject to approval by the Central Bank;
<b>“Intermediary”</b>	means a person who: <ul style="list-style-type: none"> <li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or</li> <li>(b) holds shares in an investment undertaking on behalf of other persons;</li> </ul>
<b>“Investment Manager”</b>	means White Oak Capital Partners Pte. Ltd. or such other company for the time being appointed as investment manager by the ICAV as successor thereto in accordance with the requirements of the Central Bank.
<b>“Investment Management Agreement”</b>	means the agreement dated 6 November 2018 between the ICAV, the Manager and the Investment Manager, pursuant to which the latter acts as investment manager in relation to the assets of the ICAV;
<b>“Irish Resident”</b>	means, unless otherwise determined by the Directors, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below;
<b>“IRS”</b>	means the Internal Revenue Service, the U.S. government agency responsible

for tax collection and tax law enforcement;

<b>“Irish Revenue Commissioners”</b>	means the Irish authority responsible for taxation and customs duties;
<b>“KIID”</b>	means key investor information document;
<b>“Manager”</b>	means Carne Global Fund Managers (Ireland) Limited or such other company as may from time to time be appointed to provide management company services to the ICAV in accordance with the requirements of the Central Bank;
<b>“Management Agreement”</b>	means the agreement dated 6 November 2018 between the ICAV and the Manager, pursuant to which the latter acts as management company in relation to the ICAV;
<b>“MAS”</b>	means the Monetary Authority of Singapore;
<b>“Net Asset Value” or “NAV”</b>	means the Net Asset Value of the ICAV, or of a Fund, as appropriate, calculated as described herein;
<b>“Net Asset Value per Share” or “NAV per Share”</b>	means the Net Asset Value per Share of each Class of Shares of a Fund calculated as described herein;
<b>“OECD”</b>	means the Organisation for Economic Co-Operation and Development;
<b>“Ordinary Resolution”</b>	means a resolution passed by a simple majority of the votes cast by Shareholders entitled to attend and vote at general meetings of the ICAV or on matters affecting the relevant class of Shares, as the case may be;
<b>“Plans”</b>	means U.S. employee benefit plans and retirement arrangements;
<b>“Prospectus”</b>	means this document, any Supplement or addendum designed to be read and construed together with and to form part of this document and the ICAV’s most recent annual and semi-annual report and accounts (if issued);
<b>“Qualified U.S. Investor”</b>	means a U.S. Person who is both an Accredited Investor and Qualified Purchaser.
<b>“Recognised Market”</b>	means such markets as are set out in Appendix B hereto;
<b>“Redemption Application”</b>	means an application by a Shareholder to the ICAV and/or the Administrator requesting that Shares of a Fund be redeemed in such form as is approved by the ICAV or Investment Manager from time to time;
<b>“Redemption Cut-Off Time”</b>	means, in relation to a Fund, such time as will be specified in a Supplement;
<b>“Rule 506(d) Related Party”</b>	means a Shareholder holding 20 percent or more of a Fund’s outstanding voting equity securities;
<b>“Section 739B”</b>	means Section 739B of TCA;
<b>“SEC”</b>	means the U.S. Securities and Exchange Commission;
<b>“SFA”</b>	means the Securities and Futures Act 2001;



<b>“SFDR”</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as may be amended, consolidated or replaced from time to time;
<b>“SGD” or “S\$”</b>	means Singapore Dollars, the lawful currency of Singapore;
<b>“Share” or “Shares”</b>	means a share or shares of any class in the ICAV or a Fund, as the context so requires;
<b>“Shareholder”</b>	means a holder of Shares;
<b>“SITA”</b>	means the Singapore Income Tax Act 1947;
<b>“Subscription Agreement”</b>	means the subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for Shares in such form as is approved by the ICAV or Investment Manager from time to time;
<b>“Subscription Cut-Off Time”</b>	means, in relation to a Fund, such time as will be specified in a Supplement;
<b>“Supplement”</b>	means a document which contains specific information in relation to a particular Fund and any addenda thereto;
<b>“Sustainability Risk”</b>	means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of a Fund’s investment(s) as defined under the SFDR;
<b>“Taxonomy Regulation”</b>	means 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;
<b>“tranche”</b>	means the Shares issued in one or more Classes which represent a separate Fund;
<b>“TCA” or “Taxes Act”</b>	means the Irish Taxes Consolidation Act 1997, as amended from time to time;
<b>“UCITS”</b>	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations (as amended) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
<b>“U.S.” or “United States”</b>	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;
<b>“USD” or “US\$”</b>	means U.S. Dollars, the lawful currency of the U.S.;
<b>“U.S. Person”</b>	means (a) any person who is a “U.S. Person” as defined in Rule 902 of the 1933 Act and (b) any person who is not a “Non-United States person” as defined in CFTC Rule 4.7.

The full definition of U.S. Person is set out in Appendix A hereto;

**“Valuation Day”**

means, in relation to a Fund, such day as will be specified in a Supplement;  
and

**“Valuation Point”**

means, in relation to a Fund, such time as will be specified in the relevant Supplement.

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## THE ICAV

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The ICAV was registered in Ireland pursuant to the Irish Collective Asset-management Vehicles Act 2015 (as amended) on 5 April 2018 under registration number C180440 and is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The sole object of the ICAV is the collective investment of its funds in property and giving members the benefit of the results of the management of its funds in accordance with the UCITS Regulations operating on the principle of risk spreading.

The ICAV is organised in the form of an umbrella fund with segregated liability between Funds. The Instrument of Incorporation provides that the ICAV may offer separate Funds. Each Fund will have a distinct portfolio of investments. The ICAV has obtained the approval of the Central Bank for the establishment of the Funds set out below. Information specific to a Fund will be set out in a separate Supplement.

<b>Funds of the ICAV</b>
Ashoka WhiteOak India Opportunities Fund
Ashoka WhiteOak India ESG Fund
Ashoka WhiteOak Emerging Markets Equity Fund

With the prior approval of the Central Bank, the Manager from time to time may create an additional Fund or Funds, the investment policies and objectives for which will be outlined in a Supplement, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplement will form part of, and should be read in conjunction with, this Prospectus. In addition, the Manager may create additional Classes of Shares within a Fund to accommodate different terms, including different charges and/or fees and/or brokerage arrangements provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of any such additional Class of Shares.

Under the Instrument of Incorporation, the Directors are required to establish a separate Fund, with separate records, for each tranche of Shares in the following manner:

- (a) For each tranche of Shares the ICAV will keep separate books in which all transactions relating to the relevant Fund will be recorded and, in particular, the proceeds from the allotment and issue of Shares of each such tranche, the investments and liabilities and income and expenditure attributable thereto will be applied or charged to such Fund subject to the below;
- (b) Any assets derived from any other asset (whether cash or otherwise) comprised in any Fund will be applied in the books of the ICAV to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset will be applied to the relevant Fund;
- (c) In the event that there are any assets of the ICAV which the Manager does not consider are readily attributable to a particular Fund or Funds, the Manager will allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors will have the power to and may at any time and from time to time vary such basis in respect of assets not previously allocated;
- (d) Each Fund will be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges or reserves of the ICAV not readily attributable to any particular Fund or Funds will be allocated and charged by the Directors in such manner and on such basis as the Manager in their discretion deems fair and equitable, and the Manager will have the power to and may at any time and from time to time vary such basis;
- (e) If, as a result of a creditor proceeding against certain of the assets of the ICAV or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it has been borne under paragraph (d) above, or in any similar circumstances, the Manager may, with the consent of the Depositary, transfer in the books and records of the ICAV any assets to and from any of the Funds;

- (f) Subject as otherwise provided in the Instrument of Incorporation, the assets held in each Fund will be applied solely in respect of the Shares of the tranche to which such Fund appertains and will belong exclusively to the relevant Fund and will not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and will not be available for any such purpose.

Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of a Fund will be upheld.

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## INVESTMENT OBJECTIVES AND POLICIES

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The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Manager at the time of creation of each Fund.

With the exception of permitted investments in unlisted instruments, a Fund will invest in transferable securities and/or other liquid assets listed or traded on Recognised Markets and, to the limited extent specified in the relevant Supplement, in units/shares of other investment funds, all in accordance with the investment restrictions described in Appendix D “Investment Restrictions” below and as articulated in the relevant Supplement.

In addition, and to the extent only that the Investment Manager deems consistent with the investment policies of a Fund, a Fund may utilise for the purposes of efficient portfolio management, the investment techniques and instruments described in Appendix C. Such investment techniques and instruments may include financial derivative instruments. To the extent only that the Investment Manager deems consistent with the investment policies of a Fund, and in accordance with the requirements of the Central Bank, a Fund may also utilise financial derivative instruments for investment purposes. The Investment Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative instruments, and details of this process have been provided to the Central Bank. The Investment Manager will not utilise financial derivative instruments which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank.

A Fund may use financial derivative instruments for investment purposes or for efficient portfolio management as is disclosed in the relevant Supplement. The following is a summary list of descriptions of the types of financial derivative instruments that a Fund may use:

### ***Futures***

Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

Futures transactions are effected through a clearinghouse associated with the exchange on which the contracts are traded. No money is paid or received on the purchase or sale of a future. Upon entering into a futures transaction, the purchaser is required to deposit an initial margin payment for the futures commission merchant (the “futures broker”). The initial margin payment will be deposited with the custodian bank in an account, registered in the futures broker’s name, that the futures broker can gain access to only under specified conditions. As a future is marked-to-market (that is, its value on the books is changed to reflect changes in its market value), subsequent margin payments, called variation margin, will be paid to or from the futures broker daily. At any time prior to expiration of the future, the purchaser may elect to close out its position, at which time a final determination of variation margin is made and any cash in the margin account must be paid or released. The purchaser then realises any loss or gain on the futures transaction for tax purposes.

### ***Index Futures***

Index futures are based on the value of the basket of securities that comprise an index. These contracts obligate the buyer or seller to pay cash to settle the futures transaction, based on the fluctuation of the index’s value in response to the change in the relative values of the underlying securities that are included in the index over the term of the contract. No delivery of the underlying securities is made to settle the futures contract. The buyer or seller of an index future is obligated to pay cash to settle the transaction, based on the fluctuation of the index’s value in response to the changes in the relative values of the underlying securities that are included in the index over the term of the contract. Either party may also settle the transaction by entering into an offsetting contract. An index cannot be purchased or sold directly.

## ***Interest Rate Futures***

An interest rate future obligates the seller to deliver (and the purchaser to take) cash or a specified type of debt security to settle the futures transaction. Either party could also enter into an offsetting contract to close out the position.

## ***Forwards***

A forward is an obligation to purchase or sell a specific asset at a future date at a price set at the time of the contract. A Fund may buy and sell currencies on a forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time, to reduce the risks of adverse changes in exchange rates. Currency forwards will be used for currency hedging and to shift exposure to currency fluctuations from one currency to another.

## ***Options***

A call option gives the buyer the right, but not the obligation, to purchase an underlying asset at a specified (strike) price. A put option gives the buyer the right, but not the obligation, to sell an underlying asset at a specified price. A Fund may buy and sell call and put options on futures contracts, financial indices, securities indices, currencies, financial futures, swaps and securities. Options may be traded on a securities or futures exchange or over-the-counter. A Fund may purchase and sell options on futures listed on U.S. and other national exchanges.

A Fund may sell call options if they are “covered.” That means that while the call option is outstanding, the relevant Fund must either own the security subject to the call, or, for certain types of call options, identify liquid assets on its books that would enable it to fulfil its obligations if the option were exercised. A Fund has no limit on the amount of its total assets that may be subject to covered calls. The Fund in question may also sell put options. A Fund must identify liquid assets to cover any put options it sells.

## ***Swap Agreements***

Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular “notional amount” and which may embed an agreed fee or rate of return for the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund’s exposure to equity or debt securities, long-term or short-term interest rates, foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of a Fund’s portfolio. Swap agreements can take many different forms and are known by a variety of names, including credit default swaps, total return swaps, interest rate swaps, volatility/variance swaps, variance swaps and currency swaps. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with that Fund’s investment objective and policies and the types of swap to be used in respect of a Fund will be set out in the relevant Supplement.

## ***Credit Default Swap***

A credit default swap is a transaction where a “protection buyer” or “buyer” in a credit default contract is obligated to pay the “protection seller” or “seller” a periodic stream of payments over the term of the contract provided that no credit event (as defined in the applicable contract) on an underlying reference obligation has occurred. If a credit event occurs, the seller may be required to transfer substantial value in cash or securities. A Fund may be either the buyer or seller in a credit default swap transaction.

## ***Swap Options/Swaptions***

Swap options are options to enter into swaps, such as interest rate swaps. In exchange for an option premium, the buyer gains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date. Funds may also use credit default swaptions on indices, which are options to buy or sell the underlying credit default index swaps at a specified date.

## P-Notes

Participatory notes or "P-notes" are a type of financial derivative instrument used by foreign investors to access Indian capital markets and recognized by Securities and Exchange Board of India ("SEBI"). P-notes are issued by registered foreign portfolio investors ("FPIs") to overseas investors who wish to be a part of the Indian stock market without registering themselves directly with SEBI. It is a pass-through mechanism by which overseas investors can participate in Indian markets without going through the elaborate registration process with SEBI. SEBI classifies them as Overseas Derivative Instrument ("ODI") and defined them as meaning "any instrument, by whatever name called, which is issued overseas by a foreign portfolio investor against securities held by it in India, as its underlying". SEBI regulates issue and subscription of ODIs by FPIs and stipulates several conditions for investing through ODIs. The use of P-notes is very selective and typically limited to applying for initial public offerings to get adequate allocations to oversubscribed offerings.

Further details regarding the risks relating to a Fund's use of financial derivative instruments are set out in the section headed "Risk Considerations – Derivative Risks".

Each Fund may invest in other collective investment schemes. The Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and each relevant Supplement. The closed ended collective investment schemes in which a Fund may invest will include, without limitation, closed ended collective investment schemes listed or traded on the New York Stock Exchange, Euronext Dublin and the London Stock Exchange. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this ICAV. A Fund may only invest in another Fund of this ICAV if the Fund in which it is investing does not itself hold Shares in any other Fund of this ICAV. Any Fund that is invested in another Fund of this ICAV will be invested in a class of Shares for which no management or investment management fee is charged. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

There can be no assurance or guarantee that a Fund's investments will be successful or its investment objective will be achieved. Please refer to the "Risk Considerations" in this Prospectus and in the Supplements for a discussion of those factors that should be considered when investing in that Fund.

The investment objective of each Fund will not at any time be altered without the prior approval of an Ordinary Resolution. Changes to investment policies which are material in nature may only be made with the prior approval of an Ordinary Resolution to which the changes relate. In the event of a change of investment objective and/or a material change in the investment policy a reasonable notification period will be provided by the Manager and the Manager will provide facilities to enable Shareholders to redeem their Shares prior to implementation of these changes.

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## SUSTAINABLE FINANCE

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SFDR is designed to support the move towards sustainable investing by enhancing transparency for investors with respect to the extent to which financial products promote environmental or social characteristics, invest in sustainable investments, or have sustainable objectives.

The Investment Manager believes that a sustainable investment strategy preserves long-term shareholder and stakeholder value by balancing financial and commercial analysis with sound environment, social, and governance practices serving a wider community. Thus, its investment approach naturally integrates ESG factors in the decision-making process. The Investment Manager values businesses that follow industry-leading environmental, social, governance compliance practices that demonstrate ethical business conduct and fair dealings with stakeholders.

Currently, there is no universally accepted framework or list of factors to consider to ensure that investments are sustainable and the legal and regulatory framework governing sustainable finance is still under development. 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 (the “Taxonomy Regulation”) provides a common taxonomy for identifying economic activities as environmentally sustainable within the European Economic Area. The scope of the Taxonomy Regulation is limited to six environmental objectives (and so will not cover the entire universe of ESG objectives).

For further information regarding investments underlying the Funds, Shareholders should refer to each relevant Supplement.

The below section provides an overview of how the Investment Manager integrates ESG assessment in investment decisions and plays an active role in asset ownership through asset stewardship and its voting policy.

### *ESG considerations*

The Investment Manager believes that material ESG factors should be integrated into investment decision-making, and therefore incorporates ESG analysis when evaluating potential investment opportunities for the Funds. While doing so, the Funds deploy a proprietary bottom-up framework called ABLEx (Assessment of Business Longevity and Excellence) for ESG risk assessment. The framework consists of sector-specific key ESG factors.

Further, the Investment Manager has signed the United Nations-supported “Principles for Responsible Investment” (PRI) to support its commitment towards responsible investing.

As applicable and material to any given investment, the ESG factors that may be incorporated into the investment evaluation and monitoring processes include, but are not limited to, the following:

#### Environmental Factors

- GHG emissions
- Effective Waste Management
- Efficient resource utilization

#### Social Factors

- Human rights compliance
- Employee welfare
- Adequate product safety

#### Governance Factors

- Anti-corruption and bribery
- Board independence
- Anti-money laundering
- Regulatory and tax compliance
- Facilitation of whistle-blowing



- Alignment of interests with minority shareholders
- Appropriate accounting practices
- Ethical business conduct
- Fair dealing with investors and other stakeholders
- Transparency with investment community

### *Asset Stewardship and Voting Policy*

Stewardship comprises the identification of material investment risks, active monitoring of holdings, engagement and proxy voting (where applicable). The Investment Manager believes that stewardship involves the responsible management of the assets entrusted to its care and includes engagement with companies and other issuers of the securities in which the Funds invest and the responsible discharge of voting rights associated with those securities. The Investment Manager's stewardship activities include monitoring and engagement on topics including strategy, performance and risk, including Sustainability Risks.

The Investment Manager has adopted guidelines for exercising voting rights in accordance with its fiduciary duties and Shareholders' best interests. The voting guidelines reflect what the Investment Manager believes to be good corporate governance and behaviour on several issues pertaining to boards of directors, the ratification of auditors, management and director compensation, anti-takeover mechanisms and related issues, changes to capital structure, mergers and corporate restructuring, environmental and social issues, governance matters, proxy access and global corporate governance.

The Investment Manager's voting policy aims to meet the following requirements:

- ensuring that proxies are voted in the best interests of the relevant Fund; and
- addressing material conflicts that may arise between the Investment Manager's interests and the Funds it manages.

The Investment Manager's sole concern in voting proxies is the economic effect of the proposal on the value of portfolio holdings in a Fund, considering both the short and long-term impact. In many instances, the Investment Manager believes that supporting the investee's strategy and voting "for" management's proposals builds portfolio value. In other cases, however, proposals set forth by the management of an investment may have a negative effect on that value, while some of the investment's shareholder proposals may hold the best prospects for enhancing it. The Investment Manager monitors developments in the proxy voting arena and will revise this policy as needed.

There may be instances where the Investment Manager's interests conflict, or appear to conflict, with the relevant Fund's interests in the voting of proxies. The Investment Manager recognises that any material conflicts of interest must be addressed before voting the proxies. In situations where there is a conflict of interest or appearance of a conflict of interest, the Investment Manager will cast the proxy votes in a manner consistent with the best interest of the relevant Fund and shall place those interests ahead of its own. The Investment Manager will take necessary steps to ensure that a decision to vote the proxy was based on the Investment Manager's determination of the Fund's best interests and was not the product of the conflict.

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## RISK CONSIDERATIONS

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**An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost.** Each Fund is primarily designed to purchase certain investments, which will introduce significant risk to the Fund, including asset performance, price volatility, administrative risk and counterparty risk. No guarantee or representation is made that any Fund's investment program will be successful. Prospective investors should consider the following additional factors in determining whether an investment in a Fund is a suitable investment.

**Each Fund may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in a Fund is suitable only for persons who can bear the economic risk of the loss of their investment and who meet the conditions set forth in this Prospectus and the Subscription Agreement. There can be no assurances that a Fund will achieve its investment objective. Prospective Shareholders should carefully consider the risks involved in an investment in a Fund, including, but not limited to, those discussed below. Various risks discussed below may apply to a Fund. The following does not intend to describe all possible risks of an investment in a Fund. In addition, different or new risks not addressed below may arise in the future. Prospective Shareholders should consult their own legal, tax and financial advisors about the risks of an investment in a Fund. Any such risk could have a material adverse effect on a Fund and its Shareholders.**

**The difference at any one time between the subscription and redemption price of Shares in a Fund (including as a result of any applicable sales charge, redemption charge or Duties and Charges) means that the investment should be viewed as medium to long term.**

Whilst some risks will be more relevant to certain Funds, investors should ensure that they understand all the risks discussed in this Prospectus, insofar as they may relate to that Fund. In addition the relevant Supplement provides more information on the specific risks associated with individual Funds.

Investors should read all the "Risk Considerations" in this Prospectus and the relevant Supplement to determine applicability to a specific Fund in which the investor intends to invest.

The following "Risk Considerations" detail particular risks associated with an investment in a Fund, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in a Fund.

### **GENERAL RISKS**

#### ***Forward-Looking Statements***

This Prospectus contains forward-looking statements, including observations about markets and industry and regulatory trends as of the original date of this Prospectus. Forward-looking statements may be identified by, among other things, the use of words such as "intends," "expects," "anticipates" or "believes," or the negatives of these terms, and similar expressions. Forward-looking statements reflect views as of such date with respect to possible future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the control of the Directors, Manager or Investment Manager. Prospective investors are cautioned not to place undue reliance on such statements. Neither the Director, Manager nor Investment Manager has any obligation to update any of the forward-looking statements in this Prospectus.

#### ***General Economic and Market Conditions***

The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or result in

losses.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

Since 2008 world financial markets have experienced extraordinary market conditions, including, among other things, extreme volatility in securities markets and the failure of credit markets to function. When such conditions arise, decreased risk tolerance by investors and significantly tightened availability of credit may result in certain securities becoming less liquid and more difficult to value, and thus harder to dispose of. Such conditions may be exacerbated by, among other things, uncertainty regarding financial institutions and other market participants, increased aversion to risk, concerns over inflation, instability in energy costs, complex geopolitical issues, the lack of availability and higher cost of credit and declining real estate and mortgage markets. These factors, combined with variable commodity pricing, declining business and consumer confidence, increased unemployment and diminished expectations for predictable global financial markets, may lead to a global economic slowdown and fears of a global recession. Neither the duration and ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted. The continuation or further deterioration of any such market conditions and continued uncertainty regarding markets generally could result in further declines in the market values of potential investments or declines in market values. Such declines could lead to losses and diminished investment opportunities for a Fund, could prevent a Fund from successfully meeting its investment objectives or could require a Fund to dispose of investments at a loss while such unfavourable market conditions prevail. While such market conditions persist, a Fund would also be subject to heightened risks associated with the potential failure of brokers, counterparties and exchanges, as well as increased systemic risks associated with the potential failure of one or more systemically important institutions. See "*Failure of Brokers, Counterparties and Exchanges*".

In reaction to these events since 2008, regulators and lawmakers have taken unprecedented regulatory actions and enacted programs to stabilize the financial markets. Some of the programs enacted during this period have terminated; however, certain governments and regulators continue to consider and implement measures to stabilize global financial markets. Despite these efforts global financial markets remain extremely volatile. It is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets, or to stimulate the credit markets.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realise value from a Fund's existing investments.

### **Cyber Security Risk**

The ICAV and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting, the Directors, the ICAV, the Manager, the Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a ICAV's ability to calculate its NAV; impediments to trading for the Fund's portfolio; the inability of Shareholders to transact business with the ICAV; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### ***Incentive Arrangements***

The ICAV's incentive arrangements involve the payment of performance fees and could create an incentive for the Investment Manager to select riskier or more speculative trades than would be the case in the absence of such an arrangement. The payment of a performance fee in respect of a Fund will be based on the performance of that Fund which may include net realised and net unrealised gains and losses as at the end of each calculation period. As a result, payments of performance fees may be made in respect of unrealised gains which may subsequently never be realised.

### ***Performance Fee Methodology***

The methodology used by the ICAV in calculating a performance fee in respect of a Fund may result in inequalities as between Shareholders in relation to the payment of performance fees (with some investors paying disproportionately higher performance fees in certain circumstances) and may also result in certain Shareholders having more of their capital at risk at any time than others.

### ***Fraud Risk***

None of the ICAV, the Manager, the Investment Manager, the Administrator, the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Shareholders, including but not limited to requests for redemptions of Shares, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorized or fraudulent instructions. Although, the Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and switching procedures of the ICAV are adhered to, as appropriate.

### ***Competition***

A Fund may invest in equities, credit and fixed income securities, instruments, leveraged acquisitions and reorganisations. These markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds including business development companies, and other private investors, as well as more traditional lending institutions. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Fund, and thus these competitors may have advantages not shared by a Fund. In addition, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. A Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisors.

### ***Public Securities***

In the event that a Fund acquires fixed income securities and/or equity securities that are publicly traded, the Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, a Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Fund may be limited in its ability to make investments, and to sell existing investments, in public securities if the Investment Manager or an affiliate has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Fund.

### ***Stock Lending***

A Fund will have a credit risk on a counterparty to any securities lending contract. The risks associated with lending

portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

### ***Insolvency Considerations With Respect to Issuers of Securities***

Various laws enacted for the protection of creditors may apply to the securities held by a Fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and/or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

In general, if payments on securities may be avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments (such as the Shareholders). To the extent that any such payments are recaptured from a Fund, the resulting loss will be borne by the Shareholders of a Fund at that time pro rata. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Shareholder only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a Shareholder that has given value in exchange for its Shares, in good faith and without knowledge that the payments were avoidable.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganisation of a company usually involves the development and negotiation of a plan of reorganisation, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the ICAV and the Funds; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganisation will, in most cases, not pay current interest, may not accrue interest during reorganisation and may be affected adversely by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

A Fund may invest in companies based in the OECD and non-OECD countries. Investment in the debt of financially distressed companies domiciled in non-OECD countries involves additional risks. Bankruptcy law and process may differ substantially from that in OECD countries, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganisation timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganisation remains highly uncertain.

The Investment Manager, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee

represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or group, and in such case a Fund may not realise the benefits, if any, of participation on the committee or group. In addition and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Reorganisations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that the ICAV, a Fund, or the Investment Manager could be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets.

### ***Investments which are not Liquid***

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. Any use of the efficient portfolio management techniques described in Appendix C, may also adversely affect the liquidity of a Fund's portfolio and will be considered by the Investment Manager in managing the Fund's liquidity risk.

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments in which a Fund has invested. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance.

### ***Country Risks***

Investments in securities of issuers of different nations and denominated in currencies other than the Base Currency present particular risks. Such risks include changes in relative currency exchange rates; foreign custody risk; time zone arbitrage; political, economic, legal and regulatory developments; taxation; the imposition of exchange controls; confiscation and other governmental restrictions (including those related to foreign investment currency repatriation) or changes in policy. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country. The growing inter-relationship of global economies and financial markets has increased the effect of conditions in one country or region on issuers of securities in a different country or region.

Issuers of foreign investments are generally subject to different accounting, auditing and financial reporting standards, practices and requirements in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit a Fund's ability to invest in securities of certain issuers located in those countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Fund is uninvested and no or limited return is earned thereon. The inability of a Fund to make intended investment purchases due to settlement problems could cause a Fund to miss

attractive investment opportunities. The inability of a Fund to dispose of its investments due to a failed trade settlement could result in losses to a Fund due to subsequent declines in the value of its investments or, if the Fund has entered into a contract to sell the investments, in a possible liability to the purchaser. There may also be a danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by, or to be transferred to, the Fund.

Some economies may be more vulnerable to political or economic changes than others. They may be more concentrated in particular industries or may rely on particular resources or trading partners to a greater extent. Certain economies may be adversely affected by shortages of investment capital or by high rates of inflation.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding taxes on dividend or interest payments or other income, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments that could affect investments in those countries. Investments may be adversely affected by such possibilities or their realization. An issuer of securities or obligations may be domiciled in a country other than the country in whose currency such securities are denominated. Furthermore, the ability to collect or enforce obligations may vary depending on the laws and regulations of the issuer/borrower's jurisdiction. Additionally, the values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

A change in the value of a foreign currency against the Base Currency will result in a change in the Base Currency value of securities denominated in that foreign currency. If the Base Currency rises in value against a foreign currency, a security denominated in that currency will be worth less in the Base Currency and if the Base Currency decreases in value against a foreign currency, a security denominated in that currency will be worth more in the Base Currency. Foreign currency exchange transactions may impose additional costs on a Fund. A Fund can also invest in derivative instruments linked to foreign currencies. The change in value of a foreign currency against the Base Currency will result in a change in the Base Currency value of derivatives linked to that foreign currency. The Investment Manager's selection of foreign currency denominated investments may not perform as expected. Currency derivative investments may be particularly volatile and subject to greater risks than other types of foreign-currency denominated investments.

There may be very limited regulatory oversight of certain foreign banks or securities depositories that hold foreign securities and foreign currency and the laws of certain countries may limit the ability to recover such assets if a foreign bank or depository or their agents goes bankrupt. There may also be an increased risk of loss of portfolio securities.

If a Fund invests a significant amount of its assets in securities of different countries, it may be exposed to "time-zone arbitrage" attempts by investors seeking to take advantage of differences in the values of foreign securities that might result from events that occur after the close of the foreign securities market on which a security is traded and before the close of a particular stock that day, when a Fund's net asset value is calculated. If such time zone arbitrage were successful, it might dilute the interests of other shareholders.

At times, a Fund might increase the relative emphasis of its investments in a particular region of the world. Securities of issuers in a region might be affected by changes in economic conditions or by changes in government regulations, availability of basic resources or supplies, or other events that affect that region more than others. If a Fund has a greater emphasis on investments in a particular region, it may be subject to greater risks from adverse events that occur in that region than a Fund that invests in a different region or that is more geographically diversified. Political, social or economic disruptions in the region may adversely affect the values of a Fund's holdings.

### ***Temporary Defensive and Interim Investments***

A Fund may, in response to adverse market, economic political or other conditions, take a temporary defensive position. This means the Fund may invest a significant portion of its assets in cash, cash equivalents or money market instruments. A Fund might also hold these types of securities as interim investments for ancillary purposes so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities. To the extent that a Fund invests in these securities, it might not achieve its investment objective.

## **Portfolio Turnover**

“Portfolio turnover” describes the rate at which a Fund invested in or divested from its portfolio securities during its last fiscal year. For example, if the Fund sold all of its securities during the year to purchase securities, its portfolio turnover rate would have been 100%. The portfolio turnover rate will fluctuate from year to year. Increased portfolio turnover creates higher brokerage and transaction costs for a Fund, which could reduce its overall performance.

## **Risks of Developing and Emerging Markets**

Investments in developing and emerging market countries are subject to all the risks associated with foreign investing, however, these risks may be magnified in developing and emerging markets. Investments in securities of issuers in developing or emerging market countries may be considered speculative. Additional information regarding certain of the risks associated with investing in developing and emerging markets is provided below.

- *Less Developed Securities Markets.* Developing or emerging market countries may have less well-developed securities markets and exchanges. Consequently they have lower trading volume than the securities markets of more developed countries and may be substantially less liquid than those of more developed countries.
- *Transaction Settlement.* Settlement procedures in developing or emerging markets may differ from those of more established securities markets, and settlement delays may result in the inability to invest assets or to dispose of portfolio securities in a timely manner. As a result there could be subsequent declines in the value of the portfolio security, a decrease in the level of liquidity of the portfolio or, if there is a contract to sell the security, a possible liability to the purchaser.
- *Price Volatility.* Securities prices in developing or emerging markets may be significantly more volatile than is the case in more developed nations of the world, which may lead to greater difficulties in pricing securities.
- *Less Developed Governments and Economies.* The governments of developing or emerging market countries may be more unstable than the governments of more developed countries. In addition, the economies of developing or emerging market countries may be more dependent on relatively few industries or investors that may be highly vulnerable to local and global changes. Developing or emerging market countries may be subject to social, political, or economic instability. Further, the value of the currency of a developing or emerging market country may fluctuate more than the currencies of countries with more mature markets.
- *Government Restrictions.* In certain developing or emerging market countries, government approval may be required for the repatriation of investment income, capital or the proceeds of sales of securities by foreign investors. Other government restrictions may include confiscatory taxation, expropriation or nationalization of company assets, restrictions on foreign ownership of local companies, protectionist measures, and practices such as share blocking.
- *Privatization Programs.* The governments in some developing or emerging market countries have been engaged in programs to sell all or part of their interests in government-owned or controlled enterprises. However, in certain developing or emerging market countries, the ability of foreign entities to participate in privatization programs may be limited by local law. There can be no assurance that privatization programs will be successful.

## **General Economic and Market Conditions**

The economies of individual emerging markets may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.



With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of a Fund, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Fund's investments in those countries.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

### *Volatility*

Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for a Fund.

### *Securities Markets*

Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. Furthermore, some of a Fund's investments may not be listed on any stock market.

### *Exchange Rate Fluctuations; Currency Considerations*

The assets of a Fund that are invested in emerging markets may be invested in securities denominated in currencies other than the Base Currency, and any income or capital received by such Fund from these investments may be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class is denominated may affect the value of the Shares. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Fund that are invested in emerging markets may be more pronounced than it would be for a fund that invests in more developed markets.

Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign currency exchange rates may also be affected by affirmative government policies of intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to the dollar by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt devaluations of such currencies.

Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of emerging market countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies, which may result in relatively higher currency exchange costs for a Fund. Where it is specified in a Supplement, a Fund may conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or by entering into forward or options contracts to purchase or sell currencies.

### *Emerging Markets Legal and Regulatory Risk*

Many of the laws that govern private investment, securities transactions and other contractual relationships in emerging markets are new and largely untested. As a result, a Fund may be subject to a number of unusual risks, including

inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which assets of a Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of a Fund may be subject to withholding taxes imposed by governments for which shareholders may not receive a full tax credit.

Regulatory controls and corporate governance of companies in emerging markets usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. Disclosure and regulatory standards in emerging markets are in many respects less stringent than those in other international securities markets, with a low level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which a Fund may acquire investments may be affected by other market participants' anticipation of the Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in an emerging market than would be available in a non-emerging market, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in non-emerging markets. Balance sheet and income statement data appearing in the financial statements of emerging markets issuers may not reflect the financial position or results of operations of such issuers in the same way as financial statements prepared in accordance with generally accepted accounting principles in the United States, Western Europe or Japan. Emerging markets issuers that operate in certain inflationary economies may be required to keep records according to inflation accounting rules that require that certain balance sheet assets and liabilities be restated annually in order to express such items in terms of currency of constant purchasing power. This process may indirectly generate losses or profits. As a result, traditional investment measurements, such as price/earnings ratios, may not be useful in certain emerging markets.

Some emerging markets prohibit or impose substantial restrictions on investments in their capital markets by foreign entities such as a Fund. Certain emerging markets require governmental approval prior to investment by foreign persons, limit the amount of such investment in a particular company or limit such investment to only a specific class of securities, which may have less advantageous terms than securities available for purchase by nationals.

Substantial limitations may exist in certain emerging markets with respect to the ability to repatriate income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is a deterioration in a country's balance of payments or for other reasons, an emerging market may impose restrictions on foreign capital remittances abroad. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restrictions on investments. Finally, the concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

#### *Diversification and Concentration.*

Each Fund will attempt to reduce its exposure to the risks of individual securities by diversifying its investments across a broad number of different issuers. The Funds will not concentrate their investments in issuers in any one industry. At times, however, the Funds may emphasize investments in some industries or sectors more than others. The prices of securities of issuers in a particular industry or sector may go up and down in response to changes in economic conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry or sector more than others. To the extent that a Fund increases the relative emphasis of its investments in a particular industry or sector, its share values may fluctuate in response to events affecting that industry or sector.

#### ***Use of Leverage***

A Fund may borrow to avoid settlement failure and may be leveraged through the use of derivatives. These transactions may expose a Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment

fails to earn a return that equals or exceeds the relevant Fund's cost of borrowing such funds (including interest, transaction costs and other costs of borrowing). Derivative instruments contain inherent leverage in that they provide more market exposure than the money paid or deposited when the transaction is entered into; consequently, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested or deposited. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

### ***Concentration Risk***

A Fund will generally seek to diversify portfolio investments; however, a significant percentage of the Fund's assets may be invested from time to time in groups of issuers deriving significant revenues from the same market, region or industry. To the extent a Fund makes such investments, the exposure to equity, credit and market risks associated with such market, region or industry will be increased.

### ***ICAV's Liabilities***

The ICAV will be responsible for paying its fees and expenses regardless of its level of profitability. Pursuant to Irish law, the ICAV should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of a Fund will necessarily be upheld.

### ***Limited Operating History; No Reliance on Past Performance***

A Fund may have limited or no operating history upon which prospective investors can evaluate its likely performance. The success of a Fund depends in substantial part upon the skill and expertise of the personnel of the Investment Manager and the ability of the Investment Manager to develop and successfully implement the investment policy of the Fund. No assurance can be given that the Investment Manager will be able to do so. Moreover, decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalised. Shareholders are not permitted to engage in the active management and affairs of a Fund. As a result, prospective investors will not be able to evaluate for themselves the merits of investments to be acquired by a Fund prior to their being required to pay for Shares of a Fund. Instead, such investors must rely on the judgment of the Investment Manager to conduct appropriate evaluations and to make investment decisions. Shareholders will be relying entirely on such persons to manage the assets of the ICAV. There can be no assurance that any of the key investment professionals will continue to be associated with the Investment Manager throughout the life of a Fund.

### ***Dependence on Key Personnel***

The performance of a Fund is largely dependent on the services of a finite number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Fund.

### ***Systemic Risk***

A default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which a Fund interacts on a daily basis.

### ***Provisional Allotments***

As the ICAV or a Fund may provisionally allot Shares to proposed investors prior to receipt of the requisite subscription monies for those Shares, the ICAV or the Fund may suffer losses as a result of the non-payment of such subscription monies.

## **Sustainability Risk**

The Investment Manager believes that, the value of securities in which the Funds invest may be materially impacted by the occurrence of an ESG event or condition.

### *Environmental Risk*

Climate-related and other environmental risks are divided into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

### *Transition Risk*

The process of adjustment towards a lower-carbon and more environmentally sustainable economy may directly or indirectly influence the value of securities of a Fund. This could be triggered by adoption of climate and environmental public policies, technological progress or changes in market sentiment, client preferences and/or society values. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to a Fund's portfolio.

### *Physical risk*

Financial impact on securities of the Fund may occur as a result of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk can be "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss and resource scarcity.

### *Social risk*

Occasionally the value of securities of a Fund may be negatively influenced by an issuer institution involved in a situation or event around health and safety conditions, human rights, selling practices & product labelling, customer welfare, public governance failure or infectious diseases.

### *Governance risk*

Governance practices of issuers may negatively impact the values of securities of a Fund for instance as a consequence of sub-optimal business ethics, competition behaviour, management of the regulatory environment and critical risk management.

Sustainability risk may manifest themselves in different ways, including, as but not limited to:

- Failure to comply with environmental, social or governance standards resulting in reputational damage, causing a fall in demand for products and services, or loss of business opportunities for a company or industry group,
- Changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire industry's prospects for growth and development,
- Changes in laws or regulations, may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher ESG standards. Prices of such securities may become more volatile if perception from market participants about companies' adherence to ESG standards changes,
- Changes in laws or regulations, may incentivise companies to provide misleading information about their environmental, social or governance standards or activities.
- Can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment of a Fund and thus may materially impact its market price or liquidity.
- The impact of Sustainability Risks on an investment may only emerge over the medium to long term and investment decisions may be made on that basis, with the result that other investments may prove more profitable in the shorter term.

- Sustainability Risks may not be realised in the manner or to the extent anticipated by the Investment Manager with the result that investments made on an assumption of the applicability of Sustainability Risks may not perform as well as expected.
- To the extent that a Sustainability Risk occurs, or occurs in a manner that is not anticipated by the Investment Manager, there may be a sudden, material negative impact on the value of an investment and hence on the Net Asset Value of the relevant Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of a Fund.  
The Funds, the Investment Manager and / or the issuers in which the ICAV invests and other parties, such as service providers or Fund counterparties, may be negatively affected by Sustainability Risks.

The Investment Manager may integrate Sustainability Risks in its investment decision making process through the consideration of certain ESG indicators. Sustainability Risks may be considered as part of the investment process as appropriate, by reference to the investment strategy of the Fund, to assess their potential impact on the quality of a particular investment. While doing so, the Investment Manager may utilise proprietary and/or third-party data and research to assess and monitor sustainability risks that are relevant to the Fund.

Integration of Sustainability Risk may have the below impact:

- The Investment Manager's assessment is that integration of the consideration of Sustainability Risks should help mitigate the potential material negative impact of such Sustainability Risks on the returns of the Funds, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.
- The Investment Manager may determine that Sustainability Risks are not applicable either because it may not be possible or practicable to integrate Sustainability Risks for the investment strategy or due to the specific investment outcomes targeted by the strategy or Fund.
- Sustainability Risks may not be deemed relevant for certain asset classes or types of investments, where the Investment Manager does not believe that ESG factors pose a risk of an actual or a potential material negative impact on the value of such investments.
- The integration of Sustainability Risks in the investment decision process of a Fund may have the effect of excluding profitable investments from the investment universe of a Fund and may also cause a Fund to sell or refrain from purchasing investments that otherwise would have been expected to be profitable.
- Where investments are selected for non-financial reasons, a Fund that incorporates Sustainability Risks may underperform its broader reference market or other funds that do not consider Sustainability Risks criteria when selecting investments. Such a Fund may sell, for Sustainability Risks-related concerns, assets that are both performing and may subsequently perform well.
- The assessment of Sustainability Risk is inevitably subjective to a degree and there can be no guarantee that all investments made by the Funds, even those which integrate the management of Sustainability Risks into their investment selection processes will reflect beliefs or values of any particular investor on sustainable investments.
- The circumstances in which Sustainability Risks are not or cannot be integrated into investment decision-making or the assessment of a Sustainability Risk itself may change over time depending on the availability of relevant data or other information which may become available.
- Assessment of Sustainability Risks is complex and may be based on ESG data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. In addition, even when such data is identified and obtained, as with any data, there can be no guarantee that ESG data will be correctly assessed.
- Assessments may also not be conclusive in the investment process for a Fund and, where consistent with the investment policy of the relevant Fund, the Investment Manager may have the discretion to make investment decisions notwithstanding the potential for Sustainability Risks associated with the relevant investments.

- The Fund may invest in a company prior to completion of the Sustainability risk analysis or without engaging with company management. Instances in which such analysis may not be completed prior to investment include but are not limited to IPOs, in-kind transfers, and /or corporate actions.
- Sustainability risks will not be relevant to certain noncore activities undertaken by the ICAV in respect of the Fund, namely currency hedging and cash management activities.

In order to primarily assess environmental, social and governance characteristics of the investee company the Funds deploy the ABLEx framework. The methodology used to assess the ESG data manifests limitation including, but not limited to:

- Reliance on qualitative details posing element of subjectivity when applying ESG factors outlined in the 'Sustainable Finance' section
- Lack of back testing or validation of the proprietary framework due to limitation on historic ESG data
- Evolving legal and regulatory environment on ESG factors and associated risks
- Periodic refinement of investment decision making process to address ESG factors and associated risks.

In addition, there are limitation from the investee companies and third-party data providers including but not limited to:

- Lack of adequate disclosures to assess the ESG factors
- Veracity of such disclosures posing limitations on reliability of information
- Absence of disclosures leading to using estimates which may not be accurate representative of ESG factors for assessing the company.
- Inconsistent approach followed in measuring ESG data making it difficult to compare data across time periods and within peer group.

The Investment Manager tries to contain the impact of limitations through active engagement, channel checks, company and factory visits and study of regulatory disclosures.

## **FIXED INCOME RISKS**

### ***Debt Securities Generally***

Debt securities (including for the avoidance of doubt, money market instruments) are subject to the risk of an issuer's or a guarantor's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

In respect of structured securities, they may also be more volatile and less liquid than less complex securities. The timing of purchase and sale transactions in debt obligations may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with prevailing interest rates.

### ***Risks of Debt Securities***

In particular, debt securities may be subject to interest rate risk, duration risk, credit risk, extension risk, credit spread risk, reinvestment risk, prepayment risk, and event risk. Additional information regarding the risk associated with investing in debt securities is provided below.

Interest rate risk is the risk that when prevailing interest rates fall, the values of already-issued debt securities generally rise; and when prevailing interest rates rise, the values of already-issued debt securities generally fall, and they may be worth less than the amount a Fund paid for them. When interest rates change, the values of longer-term debt securities usually change more than the values of shorter-term debt securities. Risks associated with rising interest rates are heightened given that interest rates are at, or near, historic lows.

Duration risk is the risk that longer-duration debt securities will be more volatile and more likely to decline in price in a

rising interest rate environment than shorter-duration debt securities.

Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due. If an issuer fails to pay interest or repay principal, a Fund's income or share value might be reduced. Adverse news about an issuer or a downgrade in an issuer's credit rating, for any reason, can also reduce the market value of the issuer's securities.

"Credit spread" is the difference in yield between securities that is due to differences in their credit quality. There is a risk that credit spreads may increase when the market expects lower-grade bonds to default more frequently. Widening credit spreads may quickly reduce the market values of the Fund's lower-rated and unrated securities. Some unrated securities may not have an active trading market or may trade less actively than rated securities, which means that the Fund might have difficulty selling them promptly at an acceptable price.

Extension risk is the risk that an increase in interest rates could cause principal payments on a debt security to be repaid at a slower rate than expected. Extension risk is particularly prevalent for a callable security where an increase in interest rates could result in the issuer of that security choosing not to redeem the security as anticipated on the security's call date. Such a decision by the issuer could have the effect of lengthening the debt security's expected maturity, making it more vulnerable to interest rate risk and reducing its market value.

Reinvestment risk is the risk that when interest rates fall a Fund may be required to reinvest the proceeds from a security's sale or redemption at a lower interest rate. Callable bonds are generally subject to greater reinvestment risk than non-callable bonds.

Prepayment risk is the risk that the issuer may redeem the security prior to the expected maturity or that borrowers may repay the loans that underlie these securities more quickly than expected, thereby causing the issuer of the security to repay the principal prior to the expected maturity. A Fund may need to reinvest the proceeds at a lower interest rate, reducing its income.

Event risk is the risk that an issuer could be subject to an event, such as a buyout or debt restructuring, that interferes with its ability to make timely interest and principal payments and cause the value of its debt securities to fall.

### ***Corporate Debt***

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

### ***Sovereign Debt***

Sovereign debt securities ("**Sovereign Debt**") include fixed income securities issued or guaranteed by governments, their agencies and instrumentalities, and securities issued by supranational entities such as the World Bank or the EU. Investment in Sovereign Debt can involve a high degree of risk, including the risk that 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. A governmental entity's willingness or ability to repay principal and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards international lenders or agencies and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and other entities to reduce principal and interest arrearages on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on the implementation of economic reforms and/or economic performance and the timely service of such debtor's obligations. Failure to implement such reforms, achieve specified

levels of economic performance or repay principal or interest when due may result in the cancellation of such third parties' commitments to lend funds to the governmental entity, which may further impair such debtor's ability or willingness to timely service its debts. Consequently, governmental entities may default on their Sovereign Debt.

Holders of Sovereign Debt may be requested to participate in the rescheduling or restructuring of such debt and to extend further loans to governmental entities. Restructuring arrangements have included, among other things, reducing and rescheduling interest and principal payments by negotiation, new or amended credit agreements and obtaining new credit for finance interest payments. There can be no assurance that foreign Sovereign Debt securities will not be subject to similar restructuring arrangements or to requests for new credit which may have adverse consequences for holders of such debt. Furthermore, certain participants in the secondary market for such debt may be directly involved in negotiating the terms of these arrangements and may therefore have access to information not available to other market participants. In the event of a default by a governmental entity, there may be limited or no effective legal remedies for collecting on such debt. A restructuring or default of Sovereign Debt may also cause additional impacts to the financial markets, such as downgrades to credit ratings, a flight to quality debt instruments, disruptions in common trading markets or unions, reduced liquidity, increased volatility, and heightened financial sector, foreign securities and currency risk, among others.

Debt securities issued by certain "supra-national" entities include entities designated or supported by governments to promote economic reconstruction or development, international banking organizations and related government agencies. Examples are the International Bank for Reconstruction and Development (commonly called the "World Bank"), the Asian Development Bank and the Inter-American Development Bank. A supra-national entity's lending activities may be limited to a percentage of its total capital, reserves and net income. The governmental members of those supra-national entities are "stockholders" that typically make capital contributions and may be committed to make additional capital contributions if the entity is unable to repay its borrowings. There can be no assurance that the constituent governments will continue to be able or willing to honor their capitalization commitments.

### ***Investment in Fixed Income Securities and Risks of Interest and Exchange Rate Fluctuations***

The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity may decline unpredictably in response to overall economic conditions or credit tightening. During times of reduced market liquidity, a Fund may not be able to readily sell bonds at the prices at which they are carried on a Fund's books and could experience a loss. If a Fund needed to sell large blocks of bonds to meet shareholder redemption requests or to raise cash, those sales could further reduce the bonds' prices, particularly for lower-rated and unrated securities. An unexpected increase in redemptions by Fund shareholders, which may be triggered by general market turmoil or an increase in interest rates, could cause a Fund to sell its holdings at a loss or at undesirable prices.

Economic and other market developments can adversely affect fixed-income securities markets in the EU, the United States and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers of debt securities to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market. Those concerns may impact the market price or value of those debt securities and may cause increased volatility in those debt securities or debt securities markets. Under some circumstances, those concerns may cause reduced liquidity in certain debt securities markets, reducing the willingness of some lenders to extend credit, and making it more difficult for borrowers to obtain financing on attractive terms (or at all). A lack of liquidity or other adverse credit market conditions may hamper a Fund's ability to sell the debt securities in which it invests or to find and purchase suitable debt instruments.

More specifically, the Net Asset Value of the Shares of a Fund invested in fixed income securities will change in response to fluctuations in interest rates and currency exchange rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise and when interest rates rise the value of fixed income securities generally can be expected to fall. The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency.

### ***Zero Coupon, Deferred Interest Bonds and Payment in Kind Bonds***



A Fund may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. A Fund may also invest in payment in kind bonds, which are debt obligations where interest is paid in the form of the issue of additional bonds. While zero coupon bonds and payment in kind bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and a Fund may accrue income on such obligations even though it receives no cash.

### ***Floating Rate Debt Instruments***

Floating rate debt securities present more complex types of interest rate risks. For example, range floaters are subject to the risk that the coupon will be reduced below market rates if a designated interest rate floats outside of a specified interest rate band or collar. Dual index or yield curve floaters are subject to lower prices in the event of an unfavourable change in the spread between two designated interest rates.

### ***Risks of Investing in Non-Investment Grade Fixed Income Securities***

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

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

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

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

The secondary market for non-investment grade fixed income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial

institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield bonds is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Fund's ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Fund to obtain precise valuations of the high yield bonds in its portfolio.

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

### ***Unrated Securities***

Because a Fund may purchase securities that are not rated by any nationally recognized statistical rating organization, the Investment Manager may internally assign ratings to those securities, after assessing their credit quality and other factors, in categories similar to those of nationally recognized statistical rating organizations. Unrated securities are considered "investment-grade" or "non-investment grade" if judged by the Investment Manager to be comparable to rated investment-grade or non-investment grade securities. There can be no assurance, nor is it intended, that the Investment Manager's credit analysis process is consistent or comparable with the credit analysis process used by a nationally recognized statistical rating organization. The Investment Manager's rating does not constitute a guarantee of the credit quality. In addition, some unrated securities may not have an active trading market, which means that a Fund might have difficulty selling them promptly at an acceptable price. In evaluating the credit quality of a particular security, whether rated or unrated, the Investment Manager will normally take into consideration a number of factors including, but not limited to, the financial resources of the issuer, the underlying source of funds for debt service on a security, the issuer's sensitivity to economic conditions and trends, any operating history of the facility financed by the obligation, the degree of community support for the financed facility, the capabilities of the issuer's management, and regulatory factors affecting the issuer or the particular facility.

### ***Emerging Market Debt Securities***

In addition to the risks related to investments in emerging markets generally, emerging market debt securities may be subject to greater risk of loss of principal and interest than debt securities issued by obligors in developed countries and may be considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They may also be generally subject to greater risk than securities with issued by obligors in developed countries in the case of deterioration of general economic conditions. Additionally, evaluating credit risk for emerging market debt securities may involve greater uncertainty. Because investors generally perceive that there are greater risks associated with emerging market debt securities, the yields or prices of such securities may tend to fluctuate more than those for debt securities issued by obligors in developed countries. The market for emerging market debt securities may be thinner and less active than that for debt securities issued by obligors in developed countries, which can adversely affect the prices at which emerging market debt securities are sold. In addition, adverse publicity and investor perceptions about emerging market debt securities and the economies of emerging market countries generally, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such securities.

### ***Risks of Spread Transactions***

Where a Fund enters into spread transactions, it is subject to the risk that the prices of the currencies underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Fund could sustain losses on one or both legs of the spread position.

### ***Arbitrage Risk***

A Fund can invest in securities in order to take advantage of a perceived relationship between the value of two securities present. Securities purchased or sold short pursuant to such a strategy may not perform as intended, which may result in a loss to the Fund. Additionally, issuers of a security purchased pursuant to such a strategy are often engaged in significant corporate events, such as restructurings, acquisitions, mergers, takeovers, tender offers or exchanges, or liquidations. Such events may not be completed as initially planned or expected, or may fail.

### ***Mortgage-Backed and Asset-Backed Securities***

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

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

### ***Structured Notes***

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

### ***Event-Linked Securities***

Event-linked securities (including “catastrophe” bonds and other insurance-linked securities) are fixed income securities for which the return of principal and payment of interest is contingent on the non-occurrence of a trigger event, such as a hurricane, earthquake, or other catastrophe or series of catastrophe events that leads to physical or economic loss(es). If the trigger event occurs prior to maturity, a Fund may lose all or a portion of its principal and additional interest. Event-linked securities may expose a Fund to certain other risks, including issuer default, adverse regulatory or jurisdictional interpretations, liquidity risk and adverse tax consequences.

### ***Senior Loans and Other Loans***

A Fund may invest in loans, and in particular, in floating rate loans (sometimes referred to as “adjustable rate loans”) that hold (or in the judgment of the Investment Manager, hold) a senior position in the capital structure of corporations, partnerships or other business entities that, under normal circumstances, allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation. These investments are referred to as “Senior Loans.” Senior loans typically have higher recoveries than other debt obligations that rank lower in the priority of payments for a particular debtor, because in most instances they take preference over those subordinated debt

obligations, with respect to payment of interest and principal, and over stock. However, a Fund is still subject to the risk that the borrower under a loan will default on scheduled interest or principal payments and that the assets of the borrower to which a Fund has recourse will be insufficient to satisfy in full the payment obligations that the borrower has to the Fund. The risk of default will increase in the event of an economic downturn or, in the case of a floating rate loan, a substantial increase in interest rates (because the cost of the borrower's debt service will increase as the interest rate on its loan is upwardly adjusted). A Fund may own a debt obligation of a borrower that becomes, or is about to become, insolvent. A Fund can also purchase debt obligations that are extended to a bankrupt entity (so called debtor-in-possession or 'DIP' financing) or debt obligations that are issued in connection with a restructuring of the borrower under insolvency laws.

### ***Repurchase and Reverse Repurchase Agreements***

A Fund may acquire securities subject to repurchase agreements. Repurchase agreements may be acquired for temporary defensive purposes, to maintain liquidity to meet anticipated share redemptions, pending the investment of the proceeds from sales of shares, or pending the settlement of portfolio securities transactions. In a repurchase transaction, the purchaser buys a security from, and simultaneously resells it to, an approved institution for delivery on an agreed-upon future date. The resale price exceeds the purchase price by an amount that reflects an agreed-upon interest rate effective for the period during which the repurchase agreement is in effect.

A reverse repurchase agreement is the sale of a debt obligation to a party for a specified price, with the simultaneous agreement to repurchase it from that party on a future date at a higher price. Similar to a borrowing, reverse repurchase agreements provide a Fund with cash for investment and operational purposes. Reverse repurchase agreements that the Fund may engage in also create leverage. When the Fund engages in reverse repurchase agreements, changes in the value of a Fund's investments will have a larger effect on its share price than if it did not engage in these transactions due to the effect of leverage. Reverse repurchase agreements create fund expenses and require that a Fund have sufficient cash available to repurchase the debt obligation when required.

Reverse repurchase agreements also involve the risk that the market value of the debt obligation that is the subject of the reverse repurchase agreement could decline significantly below the price at which a Fund is required to repurchase the security. A Fund will identify liquid assets on its books to cover its obligations under reverse repurchase agreements until payment is made to the other party.

In the event the other party to a repurchase agreement or a reverse repurchase agreement becomes subject to a bankruptcy or other insolvency proceeding or such party fails to satisfy its obligations thereunder, the ICAV could (i) experience delays in recovering cash or the securities sold (and during such delay the value of the underlying securities may change in a manner adverse to the ICAV) or (ii) lose all or part of the income, proceeds or rights in the securities to which the ICAV would otherwise be entitled.

### ***Potential Implications of an Epidemic and/or a Pandemic***

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Epidemics and pandemics can seriously disrupt the global economy and markets. The outbreak of pandemics such as COVID-19, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the countries in which a Fund may invest and global commercial activity and thereby adversely affect the performance of a Fund's investments. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund's investments, or a Fund's ability to source new investments or to realise its investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the Investment Manager's operations and the operations of the Investment Manager's and the ICAV's service providers.

Any outbreak of disease epidemics may result in the closure of the Investment Manager's and/or an investment's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in (a) the lack of availability or price volatility of raw materials or component parts necessary to an investment's business, (b) disruption of regional or global trade markets and/or the availability of capital or economic decline. Such

outbreaks of disease may have an adverse impact on a Fund's value and/or a Fund's investments.

## ***EQUITIES RISKS***

### ***Equity and Equity-Related Securities and Instruments***

Equity market risk is the possibility that stock prices overall will decline over short or even extended periods. Equity markets are volatile and tend to move in cycles, with periods of rising and falling stock prices. This volatility in stock prices means that the value of an investor's holding in a Fund may go down as well as up and an investor may not recover the amount invested. Equities are representatives of companies' capital and expose the investor at the economic risk of the enterprise, so the investor is exposed to the risk of losing completely the money invested in equities.

A Fund may, directly or indirectly, purchase equity-related securities and instruments, such as convertible securities, warrants, rights, stock options and individual stock futures. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which a Fund invests and can result in significant losses.

### ***Risks of Investing in Stocks***

The value of a Fund's portfolio may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and may move in the opposite direction from one another.

The prices of individual stocks generally do not all move in the same direction at the same time. For example, "growth" stocks may perform well under circumstances in which "value" stocks in general have fallen. A variety of factors can affect the price of a particular company's stock. These factors may include, but are not limited to: poor earnings reports, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry. To the extent that securities of a particular type are emphasized (for example foreign stocks, stocks of small- or mid-cap companies, growth or value stocks, or stocks of companies in a particular industry), fund share values may fluctuate more in response to events affecting the market for those types of securities.

### ***Investment in Small Capitalisation Companies***

Small-cap companies may be either established or newer companies, including "unseasoned" companies that have been in operation for less than three years. While smaller companies might offer greater opportunities for gain than larger companies, the investment risk associated with small cap companies is higher than that normally associated with larger, older companies due to the greater business risks associated with small size, the relative age of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of small companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on national securities exchange. Nonetheless, a Fund will not invest more than 10% of its net assets in securities traded over the counter as provided in the "Investment Restrictions" section. As a result, in order to sell this type of holding,

a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies which are often traded on a national securities exchange.

When a Fund invests in smaller company securities that might trade infrequently, investors might seek to trade fund shares based on their knowledge or understanding of the value of those securities (this is sometimes referred to as “price arbitrage”). If such price arbitrage were successful, it might interfere with the efficient management of a Fund’s portfolio and a Fund may be required to sell securities at disadvantageous times or prices to satisfy the liquidity requirements created by that activity. Successful price arbitrage might also dilute the value of fund shares held by other shareholders.

### **Investing in Small, Unseasoned Companies**

These are companies that have typically been in operation for less than three years, including the operations of any predecessors. Because small, unseasoned companies may be less secure financially, they may rely on borrowing to a greater extent. In that case, they may be more susceptible to adverse changes in interest rates than larger, more established companies. Small, unseasoned companies may also offer fewer products and rely on fewer key personnel. Market or economic developments may have a significant impact on these companies and on the value of their securities. These companies may have a limited trading market and the prices of their securities may be volatile, which could make them difficult to sell in a short period of time at a reasonable price. If other investors that own the security are trading it at the same time, it may have a more significant effect on the security’s price than that trading activity would have on the security price of a larger company. Securities of smaller, newer companies are also subject to greater risks of default than those of larger, more established issuers. These securities may be considered speculative and could increase overall portfolio risks.

### **Investment in Mid Capitalisation Companies**

Mid-cap companies are generally companies that have completed their initial start-up cycle, and in many cases have established markets and developed seasoned management teams. While mid-cap companies might offer greater opportunities for gain than larger companies, they also involve greater risk of loss. They may be more sensitive to changes in a company’s earnings expectations and may experience more abrupt and erratic price movements than larger companies. Mid-cap companies’ securities often trade in lower volumes and in many instances, are traded over-the-counter or on a regional securities exchange, where the frequency and volume of trading is substantially less than is typical for securities of larger companies traded on national securities exchanges. Therefore, the securities of mid-cap companies may be subject to wider price fluctuations and may be less liquid than securities of larger exchange-traded issuers, meaning it might be harder for a Fund to dispose of those holdings at an acceptable price when it wants to sell them. Mid-cap companies may have less established markets for their products or services and may have fewer customers and product lines than larger companies. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Since mid-cap companies typically reinvest a high proportion of their earnings in their business, they may not pay dividends for some time, particularly if they are newer companies. Mid-cap companies may have unseasoned management or less depth in management skill than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business. Securities of unseasoned companies may be particularly volatile, especially in the short term and in periods of market instability, and may have limited liquidity in a declining market. It may take a substantial period of time to realise a gain on an investment in a mid-cap company, if any gain is realised at all.

### ***Preferred Stock, Convertible Securities, Rights and Warrants***

The value of preferred stocks, convertible securities, rights and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants

attached).

With respect to convertible debt securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. In evaluating a convertible security, the Investment Manager will give primary emphasis to the attractiveness of the underlying common stock. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

### ***Voting Rights***

The Investment Manager may in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to investments held by a Fund, including Shares held by a Fund in another Fund. In relation to the exercise of such rights the Investment Manager may establish guidelines for the exercise of voting or other rights and the Investment Manager may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

### **Dividend Risk**

There is no guarantee that the issuers of the stocks held by a Fund will declare dividends in the future or that, if dividends are declared, they will remain at their current levels or increase over time. Depending on market conditions, dividend paying stocks that also meet a Fund's investment criteria may not be widely available for purchase by a Fund. This may increase the volatility of a Fund's returns and may limit the ability of a Fund to produce current income while remaining fully diversified. High-dividend stocks may not experience high earnings growth or capital appreciation. A Fund's performance during a broad market advance could suffer because dividend paying stocks may not experience the same capital appreciation as non-dividend paying stocks.

### ***Depository Receipts***

A Fund may purchase sponsored or unsponsored American Depository Receipts ("**ADRs**"), European Depository Receipts ("**EDRs**") and Global Depository Receipts ("**GDRs**") (collectively "**Depository Receipts**") typically issued by a bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. EDRs and GDRs are typically issued by banks or trust companies and evidence ownership of underlying securities issued by a corporation.

Generally, Depository Receipts in registered form are designed for use in the U.S. securities market and Depository Receipts in bearer form are designed for use in securities markets outside the United States. Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depository Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of Depository Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

### **Real Estate Risk**

An investment in a Fund may be closely linked to the performance of the real estate markets. Real estate securities are subject to the same risks as direct investments in real estate and mortgages, and their value will depend on the

value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur earlier or later than expected, and such loans may also include so-called “subprime” mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties.

### **Real Estate Investment Trust (REIT) Risk**

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, may not be diversified geographically or by property/mortgage asset type, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs may be more volatile and/or more illiquid than other types of equity securities.

REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations.

Investing in certain REITs involves risks similar to those associated with investing in small capitalization companies. These REITs may have limited financial resources, may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities. Historically, small capitalization stocks, such as REITs, have been more volatile in price than the larger capitalization stocks included in the S&P 500 Index. The management of a REIT may be subject to conflicts of interest with respect to the operation of the business of the REIT and may be involved in real estate activities competitive with the REIT. REITs may own properties through joint ventures or in other circumstances in which the REIT may not have control over its investments. REITs may incur significant amounts of leverage.

While the Investment Manager attempts to invest wisely, all investments involve risk. Because a Fund could invest in real estate securities, including REITs, the Fund is subject to the risks of investing in the real estate industry, such as changes in general and local economic conditions, the supply and demand for real estate and changes in zoning and tax laws. If a Fund concentrates in the real estate industry, its holdings can vary significantly from broad market indexes. As a result, a Fund's performance can deviate from the performance of such indexes. Because the Investment Manager invests in stocks, there is the risk that the price of a particular stock owned could go down or pay lower-than-expected or no dividends. In addition to an individual stock losing value, the value of the equity markets or of companies comprising the real estate industry could go down.

### **REAL ESTATE RELATED SECURITIES**

Although a Fund may not invest directly in real estate, a Fund may invest in securities of issuers that are principally engaged in the real estate industry. Therefore, an investment by a Fund is subject to certain risks associated with the ownership of real estate and with the real estate industry in general. These risks include, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limitations on access to capital; overbuilding; risks associated with leverage; market illiquidity; extended vacancies of properties; increase in competition, property taxes, capital expenditures and operating expenses; changes in zoning laws or other governmental regulation; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; tenant bankruptcies or other credit problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents, including decreases in market rates for rents; investment in developments that are not completed or that are subject to delays in completion; and unfavourable changes in interest rates. To the extent that assets underlying a Fund's investments are concentrated geographically, by property type or in certain other respects,



a Fund may be subject to certain of the foregoing risks to a greater extent.

Investments by a Fund in securities of companies providing mortgage servicing will be subject to the risks associated with refinancing and their impact on servicing rights.

## **DERIVATIVE RISKS**

### ***Derivative Instruments Generally***

A Fund may make extensive use of derivatives in its investment policy. Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index, or interest rate. Examples of derivatives include, but are not limited to, swap agreements, futures contracts, options contracts, and options on futures contracts. A futures contract is an exchange-traded agreement between two parties, a buyer and a seller, to exchange a particular financial instrument at a specific price on a specific date in the future. An option transaction generally involves a right, which may or may not be exercised, to buy or sell a financial instrument at a particular price on a specified future date.

A Fund's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the overall portfolio of the Fund as a whole. Derivatives permit an investor to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as an investor can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on a Fund's performance. If a Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss, which could be significant. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk and operations risk. In addition, a Fund could experience losses if derivatives are poorly correlated with its other investments, or if the Fund is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Engaging in derivative transactions involves a risk of loss to a Fund that could materially adversely affect the Fund's NAV. No assurance can be given that a liquid market will exist for any particular contract at any particular time.

A Fund's use of derivative instruments involves risks different from and possibly greater than, the risks associated with investing directly in securities. These risks include:

- Potential changes in value in response to interest rate changes or other market developments or as a result of the counterparty's credit quality;
- The potential for the derivative transaction to not have the effect the Investment Manager anticipated;
- The failure of the counterparty to the derivative transaction to perform its obligations under the transaction or to settle a trade;
- Possible mispricing or improper valuation of the derivative instrument;
- Imperfect correlation in the value of a derivative with the asset, rate, or index underlying the derivative;
- The risks specific to the asset underlying the derivative instrument;
- Possible increase in the amount and timing of taxes payable by investors;

- Lack of liquidity for a derivative instrument if a secondary trading market does not exist;
- The potential for reduced returns to a Fund due to losses on the transaction and an increase in volatility;
- The potential for conflicts of interest if a Fund enters into derivatives transactions with or through the Manager, the Investment Manager or one of its affiliates; and
- Legal risks arising from the form of contract used to document derivative trading.

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

Further, when a Fund invests in a derivative instrument, it may not be required to post collateral equal to the amount of the derivative investment. Consequently, the cash held by the Fund (generally equal to the unfunded amount of the derivative) will typically be invested in money market instruments and therefore, the performance of the Fund will be affected by the returns achieved from these investments. It is possible that returns on the investment of this cash may have a negative impact on the performance and/or returns of the Fund. Risk factors in relation to the specific types of derivatives that a Fund may use are also set out in the Supplement.

### ***Derivatives with Respect to High-Yield and Other Indebtedness***

A Fund may engage in trading of derivatives with respect to high yield and other debt. In addition to the credit risks associated with holding high yield debt securities, with respect to derivatives involving high yield and other debt, the Fund will usually have a contractual relationship only with the counterparty of the derivative, and not with the issuer of the indebtedness. Generally, a Fund will have no right to directly enforce compliance by the issuer with the terms of the derivative nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. A Fund will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the derivative, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such derivatives in any one counterparty may subject the Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

### ***Futures***

A Fund may use futures as part of its investment program. Futures positions may be illiquid because certain 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 particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Fund to substantial losses. These circumstances could also impair the Fund’s ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Fund’s normal redemption dates.

The successful use of futures for speculative purposes is subject to the ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

### ***Forward Contracts***

A Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. In addition, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to such Fund. An example of a forward contract is a currency forward.

### ***When-Issued and Forward Commitment Securities***

A Fund may purchase securities on a "when-issued" basis and may purchase or sell securities on a "forward commitment" basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by the Fund to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Fund. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by the Fund on a forward basis will not honour its purchase obligation. In such cases, the Fund may incur a loss.

### ***Options***

A Fund may directly or indirectly sell or purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

A Fund may directly or indirectly sell or purchase put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

### ***Trading in futures contracts, options, foreign exchange and leveraged foreign exchange transactions***

The risk of loss in trading futures contracts, options, foreign exchange and leveraged foreign exchange transactions

can be substantial. In particular:

- (a) If a Fund purchases or sells a futures contract or leveraged foreign exchange transaction, the Fund may sustain a total loss of the Fund's position. If the market moves against a Fund's position, the Fund may be called upon to deposit a substantial amount of additional margin funds on short notice in order to maintain its position. If a Fund does not provide the required funds within the specified time, its position may be liquidated at a loss, and the Fund will be liable for any resulting deficit in its account.
- (b) Under certain market conditions, a Fund may find it difficult or impossible to liquidate a position.
- (c) The placement of contingent orders by the Investment Manager authorised by a Fund, such as a 'stop-loss' or 'stop limit' order, will not necessarily limit a Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.
- (d) A 'spread' position may not be less risky than a simple 'long' or 'short' position.
- (e) The high degree of leverage that is often obtainable in futures and leveraged foreign exchange trading can work against a Fund as well as for a Fund. The use of leverage can lead to large losses as well as gains.
- (f) A Fund is subject to substantial charges for management and advisory fees. It may be necessary for a Fund to make substantial trading profits to avoid depletion or exhaustion of its assets.

### **Swap Agreements**

A Fund may enter into swap agreements. Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by a Fund, the Fund must have sufficient cash available to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Fund.

Swaps may be individually negotiated transactions in the over-the-counter market in which a Fund assumes the credit risk of the other counterparty to the swap and is exposed to the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of the swap counterparty. Such over-the-counter swap transactions may be highly illiquid and may increase or decrease the volatility of a Fund's portfolio. If there is a default by a counterparty, a Fund under most normal circumstances will have contractual remedies pursuant to the swap agreement; however, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Fund being less than if the Fund had not entered into the transaction. Furthermore, there is a risk that a swap counterparty could become insolvent and/or the subject of insolvency proceedings, in which event the recovery of the collateral posted by the Fund with such counterparty or the payment of claims under the swap agreement may be significantly delayed and the Fund may recover substantially less than the full value of the collateral entrusted to such counterparty or of the Fund's claims.

A Fund will also bear the risk of loss if it breaches the swap agreement or if it fails to post or maintain required collateral. Recent changes in law and regulation require certain types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse, and will in the future require additional types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse. See "The EU Regulation on OTC derivatives, central counterparties and trade repositories" and "Changes to US Securities Law - Derivatives Regulation."

### **Credit Default Swaps**

A Fund may enter into credit default swap transactions. If a Fund is a protection buyer under the contract and no credit

event occurs, the Fund will lose its investment and recover nothing. However, if a credit event occurs, the Fund (as buyer) may receive the full notional value of the reference obligation even if the reference obligation has little or no value. As a seller, a Fund generally receives a fixed rate of income throughout the term of the contract, which generally is between six months and ten years (depending on the maturity of the underlying reference obligation), provided that there is no credit event. If a credit event occurs, a Fund (as seller) will be required to pay the full notional value of the reference obligation. Credit default swap transactions may involve greater risks than if a Fund had invested in the reference obligation directly.

A Fund may also purchase credit default swap contracts in order to hedge against the risk of a credit event with respect to debt securities it holds. This would involve the risk that the credit default swap may expire worthless and would only generate income in the event of an actual credit event by the issuer of the underlying reference obligation. It would also involve a credit risk that the seller may fail to satisfy its payment obligations to the Fund in the event of a credit event.

Selling credit default protection creates a synthetic “long” position which may replicate the terms of credit exposure to the referenced cash-market security or index. However, there can be no assurance that the price relationship between the cash-market security or index and the credit derivative will remain constant, and events unrelated to the underlying security or index (such as those affecting availability of borrowed money and liquidity, or the creditworthiness of a counterparty) can cause the price relationship to change. This risk is known as “basis risk.” Basis risk may cause a Fund to realise a greater loss on an investment in synthetic form than might otherwise be the case with a cash-market security. To the extent the Fund purchases credit default swap protection to hedge risk, basis risk may cause the hedge to be less effective or ineffective.

### ***Interest Rate Swaps***

In an interest rate swap, the Fund and another party exchange the right to receive interest payments. For example, they might swap the right to receive floating rate payments based on a reference rate for the right to receive fixed rate payments. An interest rate swap enables an investor to buy or sell protection against changes in an interest rate. An interest rate swap may be embedded within a structured note or other derivative instrument. Interest rate swaps are subject to interest rate risk and credit risk. An interest rate swap transaction could result in losses if the underlying asset or reference rate does not perform as anticipated. Interest rate swaps are also subject to counterparty risk. If the counterparty fails to meet its obligations, the Fund may lose money.

### ***Total Return Swaps***

In a total return swap transaction, one party agrees to pay the other party an amount equal to the total return on a defined underlying asset or a non-asset reference during a specified period of time. The underlying asset might be a security or asset or basket of securities or assets or a non-asset reference such as a securities or other type of index. In return, the other party would make periodic payments based on a fixed or variable interest rate or on the total return from a different underlying asset or non-asset reference. Total return swaps could result in losses if the underlying asset or reference does not perform as anticipated. Total return swaps can have the potential for unlimited losses. They are also subject to counterparty risk. If the counterparty fails to meet its obligations, the Fund may lose money.

### ***Volatility/Variance Swaps***

A Fund may enter into types of volatility swaps to hedge the volatility of a particular security, currency, index or other financial instrument, or to seek to increase its investment return. In volatility swaps, counterparties agree to buy or sell volatility at a specific level over a fixed period. For example, to hedge the risk that the value of an asset held by a Fund may fluctuate significantly over the Fund’s period of investment, a Fund might enter into a volatility swap pursuant to which it will receive a payment from the counterparty if the actual volatility of the asset over a specified time period is greater than a volatility rate agreed at the outset of the swap. Alternatively, if the Investment Manager believes that a particular security, currency, index or other financial instrument will demonstrate more (or less) volatility over a period than the market’s general expectation, to seek to increase investment return a Fund might enter into a volatility swap pursuant to which it will receive a payment from the counterparty if the actual volatility of that underlying instrument over the period is more (or less) than the volatility rate agreed at the outset of the swap. Volatility swaps are subject to credit risks (if the counterparty fails to meet its obligations), and the risk that the Investment Manager is incorrect in its

forecast of volatility for the underlying security, currency, index or other financial instrument that is the subject of the swap. If the Investment Manager is incorrect in its forecast, the Fund would likely be required to make a payment to the counterparty under the swap.

### ***Swap Options/Swaptions***

A swaption is a contract that gives the holder the right, but not the obligation, to enter into an interest rate swap at a preset rate within a specified period of time. In return, the purchaser pays a “premium” to the seller of the contract. The seller of the contract receives the premium and bears the risk of unfavorable changes in the preset rate on the underlying interest rate swap.

### ***Collateral and security interests***

A Fund may pass its assets to a counterparty as margin, collateral or security. The provision by a Fund of assets as margin, collateral or security increases that Fund’s exposure to the counterparty and the potential detrimental impact on the Fund of a default by or the insolvency of the counterparty. While the assets are held by the counterparty, they will be outside of the Depository’s custody network. The relevant Fund will have a contractual right, in accordance with the terms and conditions of the relevant agreement, for the return of those (or equivalent) assets, however the Fund will be subject to the risk that the counterparty may not perform its obligation to return the assets when required to do so. In the event that the counterparty is unable or unwilling to meet its contractual obligations in this regard, there may be a detrimental impact on the relevant Fund.

In addition, a Fund may grant a counterparty a security interest over its assets, whether by way of charge, pledge, lien or otherwise. This interest will generally give the counterparty certain preferential rights over the assets, in the event that the Fund fails to meet its obligations to the counterparty.

### ***Hedging Transactions***

Hedging techniques used by the Investment Manager may involve a variety of derivative transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions (collectively, “Hedging Instruments”). Hedging techniques involve unique risks. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Fund’s positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets a Fund may not be able to close out transactions in certain of these instruments without recurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of a Fund to hedge successfully will depend on the Investment Manager’s ability to predict pertinent market movements, which cannot be assured. A Fund is not required to hedge and there can be no assurance that hedging transactions may be available or, even if undertaken, will be effective. In addition it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Furthermore, over-hedged or under-hedged positions may arise due to factors beyond the control of the Fund.

### ***Position Limits***

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

### ***Necessity for Counterparty Trading Relationships***

Participants in the over-the-counter markets 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 it is anticipated that a Fund will be able to establish the necessary counterparty business relationships to permit the Fund to effect transactions in the over-the-counter commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does, that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Fund's activities and would require the 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 the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### ***Failure of Brokers, Counterparties and Exchanges***

A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Fund deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house. A Fund may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Fund may be required to post margin for its foreign exchange transactions either with the Investment Manager or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Fund).

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Fund deals, or a customer loss as described in the foregoing paragraph, the Fund might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Fund, and, to the extent such assets or amounts are recoverable, the Fund might only be able to recover a portion of such amounts. Further, even if the Fund is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Fund's property, the Fund may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Fund. This could result in significant losses to the Fund.

A Fund may effect transactions on "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent the Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Fund to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Fund.

A Fund may engage in direct or indirect trading of securities, currencies, derivatives (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment policy) on a principal basis. As such, a Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Fund; (ii) possible decline in the value of any collateral during the period in which the Fund seeks to enforce its rights with respect

to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. A Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

## **CURRENCY RISKS**

### ***Currency Transactions***

A Fund may engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations. Since a spot or forward contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Fund of unrealised profits, transaction costs and the hedging benefits of the contract or force a Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Fund is fully invested in securities while also maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary Fund securities transactions. If the Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Fund would be less favourable than it would have been if this investment technique were not used.

A Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund sell to the dealer.

### ***Currency Risks***

As a result of investment in obligations involving currencies of various countries, the value of the assets of a Fund as measured in a Fund's Base Currency will be affected by changes in currency exchange rates, which may affect a Fund's performance independent of the performance of its securities investments. A Fund may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if a Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-Base Currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

### ***Currency Counterparty Risk***

Contracts in the foreign exchange market are not regulated by a regulatory agency, and such contracts are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank-traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which



a Fund has a forward contract. Although the Investment Manager intends to trade with counterparties it believes to be responsible, failure by a counterparty to fulfil its contractual obligations could expose a Fund to unanticipated losses.

### ***Share Currency Designation Risk***

The ICAV may from time to time in its sole discretion, and without notice to the Shareholders, issue multiple Hedged Classes of Shares which are designated in a currency other than the Base Currency of a Fund. However, a Fund seeks to achieve its investment objectives in its Base Currency. In order that investors in any Hedged Classes receive a return in the applicable Class Currency substantially in line with the investment objectives of the Fund, the Investment Manager intends to seek to hedge the foreign currency exposure of such interests through foreign exchange transactions. Foreign exchange hedging involves the ICAV seeking to mitigate the risk of losses caused by adverse exchange rate fluctuations through the use of the efficient portfolio management techniques (including futures and currency forwards) set out in Appendix C within the conditions and limits imposed by the Central Bank to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund. There can be no assurance that foreign exchange hedging will be effective. For example, foreign exchange hedging may not take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Fund allocable to Hedged Classes in the periods between Dealing Days of the relevant Fund. In addition, foreign exchange hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant Class Currency because, among other reasons, the valuations of the underlying assets of the Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Fund may lack a readily ascertainable market value. Moreover, while holding Shares of a Hedged Class should protect investors from a decline in the value of the Base Currency against the relevant Class Currency, investors in a Hedged Class will not generally benefit when the Base Currency appreciates against the relevant Class Currency. The value of Shares of any Hedged Class will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

While the Investment Manager will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilized by a Fund exceed the assets of the applicable class of interests on behalf of which such hedging activities were undertaken, it could adversely impact the NAV of other classes in a Fund. In addition, foreign exchange hedging will generally require the use of a portion of a Fund's assets for margin or settlement payments or other purposes. For example, a Fund may from time to time be required to make margin, settlement or other payments, including in between Dealing Days of the relevant Fund, in connection with the use of certain hedging instruments. Counterparties to any foreign exchange hedging may demand payments on short notice, including intra-day. As a result, a Fund may liquidate assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. A Fund generally expects to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment policy of the Fund, which may materially adversely affect the performance of the Fund (including Base Currency denominated Shares). Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Manager may not be able to accurately predict future margin requirements, which may result in a Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Fund does not have cash or assets available for such purposes, the Fund may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Fund defaults on any of its contractual obligations, the Fund and its Shareholders (including holders of Base Currency denominated Shares) may be materially adversely affected.

There may be circumstances in which the Investment Manager may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Manager determines, in its sole discretion, that foreign exchange hedging is not practicable or possible or may materially affect a Fund or any direct or indirect investors therein, including the holders of Base Currency denominated Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged.

There can be no assurance that the Investment Manager will be able to hedge, or be successful in hedging, the currency exposure, in whole or in part, of Shares of any Hedged Class. In addition, a Fund is not expected to utilize foreign exchange hedging during the period when the Fund's assets are being liquidated or the Fund is being wound

up, although it may do so in the Investment Manager's sole discretion. The Investment Manager may, in its sole discretion and subject to applicable law, delegate the management of all or a portion of the foreign exchange hedging to one or more of its affiliates.

## **OTHER SECURITIES RISKS**

### ***Investment in Collective Investment Schemes***

Each Fund will bear its proportionate share of any fees and expenses paid by collective investment schemes in which the Fund may invest (including funds affiliated with the Investment Manager, other than a Fund of the ICAV), in addition to all fees and expenses payable by each Fund. Investments in funds affiliated with the Investment Manager will be subject to the Investment Manager's fiduciary obligations to a Fund and will be made on an arm's length basis. Where a Fund invests in units of a collective investment scheme managed by the Investment Manager or its affiliates, and the Investment Manager or its affiliate, as the case may be, is entitled to receive a preliminary charge for its own account in respect of an investment in such fund, the Investment Manager or the affiliate, as appropriate, will waive the preliminary charge. Where the Investment Manager receives any commission by virtue of investing in a fund advised or managed by the Investment Manager, such commission will be paid into the assets of the relevant Fund.

### ***Exchange Traded Funds ("ETFs")***

ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. Such ETF's expenses may make owning shares of the ETF more costly than owning the underlying securities directly. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

### ***Purchases of Securities and Other Obligations of Financially Distressed Companies***

A Fund may directly or indirectly purchase securities and other obligations of issuers that are experiencing significant financial or business distress ("**Distressed Companies**"), including issuers involved in bankruptcy or other reorganisation and liquidation proceedings. These investments are considered speculative. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time, if ever. In fact, many of these instruments ordinarily remain unpaid unless and until the issuer reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers experiencing significant business and financial distress is unusually high. There is no assurance that a Fund will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In any reorganisation or liquidation proceeding relating to an issuer, a Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation by the Investment Manager and its representatives. This may expose a Fund to litigation risks or restrict a Fund's ability to dispose of its investments. Under such circumstances, the returns generated from a Fund's investments may not compensate Shareholders adequately for the risks assumed.

### ***Restricted Securities***

A Fund may invest in securities that are not registered under the 1933 Act or under the laws of any non-U.S. jurisdiction pursuant to an exemption thereunder ("**Restricted Securities**"). Restricted Securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realised from the sales, due to illiquidity, could be less than those originally paid by the Fund or less than their fair market value. In addition,

issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, a Fund may be required to bear the expenses of registration. A Fund's investments in private placements may consist of direct investments and may include investments in smaller, less seasoned issuers, which may involve greater risks. These issuers may have limited product lines, markets or financial resources or they may be dependent on a limited management group. In making investments in such securities, a Fund may obtain access to material non-public information, which may restrict a Fund's ability to conduct portfolio transactions in such securities.

### ***Stripped Securities***

Stripped securities are created when the issuer separates the interest and principal components of an instrument and sells them as separate securities. In general, one security is entitled to receive the interest payments on the underlying assets (the interest only or "IO" security) and the other to receive the principal payments (the principal only or "PO" security). Some stripped securities may receive a combination of interest and principal payments. The yields to maturity on IOs and POs are sensitive to the expected or anticipated rate of principal payments (including prepayments) on the related underlying assets, and principal payments may have a material effect on yield to maturity. If the underlying assets experience greater than anticipated prepayments of principal, a Fund may not fully recoup its initial investment in IOs. Conversely, if the underlying assets experience less than anticipated prepayments of principal, the yield on POs could be adversely affected. Stripped securities may be highly sensitive to changes in interest rates and rates of prepayment.

### **ADDITIONAL RISKS**

#### ***Umbrella Cash Collection Account***

Subscription monies received in respect of a Fund will be held in the Umbrella Cash Collection Account in the name of the ICAV and will be an asset of the relevant Fund. Investors will be unsecured creditors of the Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of a Fund during this period, there is no guarantee that the Fund will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another sub-fund of the ICAV, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the Fund. Accordingly, there is no guarantee that a Fund will recover such amounts. Furthermore, there is no guarantee that in such circumstances a Fund would have sufficient funds to repay any unsecured creditors.

### ***Correlation of Performance Across Investments and Strategies***

The Investment Manager may invest in securities in a manner which is intended to provide some degree of portfolio diversification. However, there can be no assurance that the performance of its investments will not be correlated. For

example, in periods of illiquidity such as those experienced in 2008, assets in certain market sectors which historically did not show a high degree of correlation became correlated due to the sharp decrease in liquidity available to investors and the loss of systemically important institutions that affected all such investments. Similarly, there can be no assurance that the strategy employed by the Investment Manager will be uncorrelated with other investment strategies in the future.

### ***Execution of Orders; Electronic Trading***

A Fund's investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. A Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to a Fund, the Investment Manager, a Fund's counterparties, brokers, dealers, agents or other service providers. In such event, a Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, a Fund would not be able to achieve the market position selected by the Investment Manager, which may result in a loss. In addition, a Fund relies heavily on electronic execution systems (and may rely on new systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by a Fund.

### ***Trading on Exchanges***

A Fund may trade, directly or indirectly, futures and securities on exchanges located anywhere. Some exchanges are "principals' markets" in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Fund will be subject to the risk of the inability of, or refusal by, a counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States. A Fund is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

### ***Depositaries and Sub-Custodians***

The assets of a Fund will be held by the Depositary. There are risks involved in dealing with the depositary who settles a Fund's trades. It is expected that all securities and other assets deposited with depositaries will be identified as being assets of a Fund, and hence a Fund should not be exposed to credit risk with regard to such parties. However, with respect to both U.S. and non-U.S. depositaries, it may not always be possible to achieve such segregation, and there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Depositary may appoint sub-custodians in certain jurisdictions to hold assets of a Fund. Subject and without prejudice to the terms of the Depositary Agreement, as described in the Depositary section below, the Depositary may not be responsible in certain circumstances for cash or assets which are held by sub-custodians in certain jurisdictions, nor for any losses suffered by a Fund as a result of the bankruptcy or insolvency of any such sub-custodian. A Fund may have a potential exposure on the default of any sub-custodian. In such event, many of the protections that would normally be provided to a customer by a depositary may not be available to a Fund. Custody services in certain jurisdictions remain undeveloped, and accordingly there are transaction and custody risks of dealing in certain jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain jurisdictions, the ability of a Fund to recover assets held by a sub-custodian in the event of its insolvency would be in doubt.

### ***Third Party Litigation***

A Fund's investment activities subject it to the normal risks of becoming involved in litigation by third parties. The expense of defending against any such claims and paying any amounts pursuant to settlements or judgments would generally be borne by such Fund and would reduce its net assets.

### ***Substantial Subscriptions***

The Investment Manager may not be able to invest all net subscription proceeds immediately following the Dealing Day. To the extent that a Fund's assets are not invested immediately following the relevant Dealing Day, there could be a negative impact on the performance of a Fund, as the Fund will not be pursuing its investment objective in respect of the portion of its assets held in cash or other liquid assets.

### ***Substantial Redemptions***

Substantial redemption requests by Shareholders in a concentrated period of time could require a Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the Investment Manager to successfully implement the investment policy of a Fund and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Fund may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Fund holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Manager to successfully implement the investment policy of a Fund may be impaired and the Fund's returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the NAV of a Fund could make it more difficult for the Fund to generate profits or recover losses. Shareholders will not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Fund and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders.

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Fund accepts investments related directly or indirectly to the offering of structured products including, without limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Fund may or may not accept such investments, as determined by the Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Fund's NAV.

### ***Limited Liquidity of Shares: Redemptions***

An investment in a Fund is of limited liquidity since Shares may be subject to certain restrictions. Subject to limited redemption rights, each Shareholder must be prepared to bear the economic risk of an investment in the ICAV for an indefinite period. Shares are subject to the restrictions on transfer. See "Transfer of Shares" section of the Prospectus. Redemption rights may be limited or postponed under certain circumstances. See "Temporary Suspension of Dealings" section of the Prospectus.

A distribution in respect of a redemption may be made in kind, at the discretion of the Manager in consultation with the Investment Manager; provided that where the redemption request represents less than 5% of the NAV of a Fund, the Shareholder's consent is required. The investments so distributed may not be readily marketable or saleable and may have to be held by such Shareholder for an indefinite period of time.

An investment in a Fund is therefore suitable only for certain sophisticated investors that can bear the risks associated with the limited liquidity of their Shares. There is no independent market for the purchase or sale of Shares, and none is expected to develop.

### ***Adjustments***

If at any time the ICAV determines, in its sole discretion, that an incorrect number of Shares was issued to a Shareholder because the NAV in effect on the Dealing Day was incorrect, the ICAV will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct NAV. In addition, if at any time after a redemption of Shares (including in connection with any

complete redemption of Shares by a Shareholder) the ICAV determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the NAV at which the Shareholder or former Shareholder purchased such Shares was incorrect), the ICAV will pay to such Shareholder or former Shareholder any additional amount that the ICAV determines such Shareholder or former Shareholder was entitled to receive (other than de minimus amounts or where the Shareholder or former Shareholder does not wish to receive such payment), or, in the ICAV's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder will be required to pay) the amount of any excess payment that the ICAV determines such Shareholder or former Shareholder received, in each case without interest. In the event that the ICAV elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the NAV will be less than it would have been had such amounts been collected.

### ***Valuations of Assets***

The valuation of a Fund's assets obtained for the purpose of calculating NAV may not be reflected in the prices at which securities are sold. For details of the valuation of assets please see the "Administration of the ICAV".

### ***Indemnification of the Investment Manager***

The Investment Management Agreement contains broad exculpation and indemnification provisions that require the ICAV and a Fund, out of the assets of the ICAV and a Fund, to exculpate and indemnify the Investment Manager (and each of its directors, officers, employees and agents) against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees or expenses) suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of negligence, wilful default, bad faith or fraud. Notwithstanding the foregoing, the federal and state securities laws of the United States may impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the Fund or an Investor may have under any such securities laws.

### ***Lack of Separate Representation***

The ICAV and each Fund is represented by Foley Hoag LLP with respect to matters of U.S. law. Foley Hoag LLP may continue to serve in such capacity in the future, but has not assumed any obligation to update this Prospectus. Foley Hoag LLP may advise the ICAV or a Fund in matters relating to the operation of the ICAV or such Fund on an ongoing basis.

Foley Hoag LLP's engagement by the ICAV and any Fund is limited to matters of U.S. law and the specific matters as to which it is consulted by the ICAV, Fund or the Investment Manager. Therefore, there may exist facts or circumstances which could have a bearing on the ICAV's or Funds' financial condition or operations with respect to which Foley Hoag LLP has not been consulted and for which Foley Hoag LLP expressly disclaims any responsibility. More specifically, Foley Hoag LLP does not undertake to monitor the compliance of the ICAV, any Fund or the Investment Manager with the investment objectives and policies of the Funds, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws. In preparing this Prospectus, Foley Hoag LLP relied upon information furnished to it by the ICAV and the Investment Manager, and did not investigate or verify the accuracy and completeness of information set forth herein concerning the ICAV, Fund, the Investment Manager or any of the service providers named herein.

## **REGULATORY RISKS**

### ***Government Investment Restrictions***

Government regulations and restrictions may limit the amount and types of securities that may be purchased or sold by a Fund. The ability of a Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of a Fund's assets may be invested in those countries where such limitations do not exist. Such restrictions may also affect the market price, liquidity and rights of securities and may increase Fund expenses. In addition, policies established by the governments of certain countries may adversely affect each Fund's investments and the ability of a Fund to achieve its investment objective.

In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation may affect certain aspects of the operation of a Fund.

### ***The EU Regulation on OTC derivatives, central counterparties and trade repositories***

The EU Regulation on OTC derivatives, central counterparties and trade repositories ("**EMIR**") introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called "eligible" OTC derivative contracts through a duly authorised central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements.

Prospective investors should be aware that the regulatory changes arising from EMIR may adversely affect a Fund's ability to adhere to its investment approach and to achieve its investment objective.

### **MiFID II**

The Markets in Financial Instruments Directive ("**MiFID**") has been repealed and replaced by the MiFID II Directive and the Markets in Financial Instruments Regulation ("**MiFIR**") (together "**MiFID II**"), which entered into force on 2 July 2014 and which applied from 3 January 2018 in all EU Member States. MiFID II applies to investment firms, market operators and service providers providing post-trade transparency in the EU but will not apply directly to the ICAV or the Investment Manager. MiFID II requires that all purchases and sales of financial instruments in the EU will have to be conducted on (i) Regulated Markets ("**RMs**") (such as EU stock exchanges), (ii) Multilateral Trading Facilities ("**MTFs**"), or (iii) Organised Trading Facilities ("**OTFs**"). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives will have to be conducted on OTFs and all trading in shares in the EU will have to be conducted on organised trading venues such as RMs or MTFs.

Prospective investors should be aware that the regulatory changes arising from MiFID II may adversely affect a Fund's ability to adhere to its investment approach and to achieve its investment objectives.

### **United States Regulatory Risks**

The ICAV and Funds will be subject to a variety of securities laws and other types of governmental regulation in the United States that may limit the scope of their operations or impose material compliance costs and other burdens.

To the maximum extent permitted by applicable law, the Investment Manager, ICAV and the Fund (together with their respective related persons) hereby disclaim any duties, obligations, or status as an advisor, finder, agent, broker or dealer on behalf or in respect of any person in connection with such person's actual or proposed investment in the ICAV or a Fund.

### ***Lack of Regulation under the 1933 Act***

The Shares have not been registered under the U.S. Securities Act and will be offered in reliance upon an exemption from said Act. The Shares have not been approved or disapproved by the SEC or any securities regulatory authority of any state, nor has any such government agency passed upon the accuracy or adequacy of this Prospectus.

### **Lack of Regulation under the 1940 Act**

The ICAV and Funds are not subject to the provisions of the 1940 Act, except Section 12(d)(1) thereof, in reliance upon Sections 3(c)(7) and 7(d) of the 1940 Act. The ICAV and the Funds rely on an exclusion from the definition of an investment company provided in Section 3(c)(7) of the 1940 Act. Consequently, each Shareholder that is a U.S. Person must be an “accredited investor,” as defined in Regulation D promulgated under the 1933 Act, and a “qualified purchaser,” as defined in Section 2(a)(51)(A) of the 1940 Act. The Subscription Agreement contains questions relating to these qualifications.

Investment in the ICAV and each Fund is subject to the following additional limitations. No potential U.S. investor which is a corporation, partnership, trust, association or other entity may purchase Interests if such investor (i) was formed for the purpose of investing in the ICAV or a Fund or (ii) invests 40% or more of its committed capital in the ICAV or such Fund, unless it receives the approval of the ICAV or such Fund, as applicable.

The ICAV and the Funds will rely on the representations of Shareholders concerning these matters. In addition to the restrictions on transfer, the fund documents provide that the ICAV and the Funds will have the power to require an investor to redeem some or all of such Shareholder’s Shares, as the ICAV or Fund shall deem necessary or desirable, for any purpose.

Due to this exemption, investors in the ICAV or any Fund will not be afforded the protective measures provided by the 1940 Act and the regulations thereunder (which, among other things, require registered investment companies to have a majority of disinterested directors and which regulate the relationship between an investment adviser and the investment company).

While the Investment Manager believes that neither the ICAV nor any Fund will be subject to the registration requirements of the 1940 Act, there can be no assurance that this belief is, or will continue to be, correct. If the ICAV or a Fund were subject to such registration requirements, the ICAV’s or Fund’s performance could be materially adversely affected.

### **Lack of Regulation under the U.S. Investment Advisers Act**

The Investment Manager is not registered as an investment adviser under the Advisers Act or under the laws of any State of the United States and does not currently have any plans to register. Accordingly, investors will not be afforded the benefit of such statutes and the regulations thereunder.

### **Lack of Regulation under the Commodity Exchange Act**

The Investment Manager is not registered with the CFTC as a commodity pool operator and commodity trading advisor under the Commodity Exchange Act. In the event that the ICAV or a Fund invests and trades in futures, the Investment Manager intends to limit such activity to items within the exemption contained in Section 4.13(a)(3) of the regulations under the Commodity Exchange Act, which exemption applies to pools that engage in only limited futures trading. Accordingly, this Prospectus is not required to be, and has not been, filed with the CFTC.

Should the Investment Manager determine in the future that it will no longer rely on CFTC rule 4.13(a)(3), the Investment Manager will instead claim an exemption from certain of the CFTC’s disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to CFTC Rule 4.7.

### **Compliance with Rule 506 “Bad Actor” Requirements**

The ICAV and each Fund is expected to rely on Rule 506 under the 1933 Act for an exemption from registration of interests in the ICAV and each Fund pursuant to Section 5 of the 1933 Act. Compliance with Rule 506 turns upon, among other things, whether any Investor holding 20 percent or more of the ICAV’s or a Fund’s outstanding voting equity securities (a “**Rule 506(d) Related Party**”) is a “bad actor” within the meaning of Rule 506(d). For this purpose, a Shareholder may be deemed a “bad actor” if the Shareholder or its applicable related persons has been subject to certain criminal convictions, SEC disciplinary orders, court injunctions or similar adverse events.



## Possible Law Changes

No assurance can be given that legislative, administrative or judicial changes will not occur which will alter, either prospectively or retroactively, the tax considerations or risk factors discussed in this Prospectus. Investment funds and their managers may be subject to increased regulation, restrictions or reporting in the future. No prediction can be made as to whether such changes will impact the ICAV and the Funds, their strategy or their cost structure.

Pursuant to the Dodd-Frank Act, the United States Congress, the SEC, and other regulators are continuing to review the private investment fund industry and its relationship to the securities markets and investors. Under the Dodd-Frank Act, certain investment managers to private funds are required to register with the SEC and are subject to certain reporting obligations, and certain types of derivatives must be traded through clearinghouses rather than “over-the-counter.” The Investment Manager cannot currently predict the form that any additional regulations under the Dodd-Frank Act may take or whether they will have an impact on the ICAV, Funds or the Investment Manager. In addition, other legislation may be passed or regulations adopted in the future which could negatively impact the Investment Manager, the ICAV, the Funds or their strategy.

## ERISA CONSIDERATIONS

The ICAV or a Fund may accept subscriptions from investors using the plan assets of U.S. employee benefit plans and other retirement arrangements (“**Plans**”), including, without limitation, (i) employee benefit plans subject to ERISA; (ii) plans and accounts subject to Section 4975 of the Code (including individual retirement accounts or “IRAs”); and (iii) any entity deemed to hold “plan assets” of any such employee benefit plan or other plan (collectively, “**Benefit Plan Investors**”). Fiduciaries of each prospective Benefit Plan Investor should consult with counsel before determining to invest the assets of a Benefit Plan Investor in the ICAV or a Fund.

In general, under United States Department of Labor regulations, when a Benefit Plan Investor acquires an equity interest in an entity such as the ICAV or a Fund, such investor’s assets include an undivided interest in each of the underlying assets of the ICAV or Fund, as applicable. This default rule does not apply, however, to any entity where total investment by Benefit Plan Investors is not “significant”. Participation in the ICAV or a Fund by Benefit Plan Investors will not be “significant” if less than 25% of the value of each class of equity interests in the ICAV or Fund, as applicable, is held by Benefit Plan Investors in the aggregate. An investor that is itself a commingled vehicle (such as a fund of funds) and that holds plan assets of Benefit Plan Investors will generally count as a Benefit Plan Investor for this purpose only to the extent of investment in such entity by Benefit Plan Investors. In addition, interests held by certain parties (including the Investment Manager and its affiliates) are disregarded for purposes of calculating participation by Benefit Plan Investors.

If the ICAV or a Fund were deemed to hold plan assets of Benefit Plan Investors, the Investment Manager would become a fiduciary to each Benefit Plan Investor and certain elements of the ICAV’s or Fund’s structure could result in violations of ERISA. In addition, any transaction the ICAV or Fund, as applicable, enters into would be treated as a transaction with each such Benefit Plan Investor and could result in a “prohibited transaction” under ERISA or Section 4975 of the Code.

To avoid having the ICAV’s or a Fund’s assets be deemed to constitute “plan assets” under ERISA, the ICAV and each Fund intend at all times to limit the equity interests held by Benefit Plan Investors in the ICAV and each Fund, so that such investment is not “significant”.

The ICAV and each Fund reserve the right to reject subscriptions in whole or in part for any reason, including where a prospective investor is a Benefit Plan Investor. In addition, the ICAV and each Fund may restrict transfers of interests in the ICAV or Fund, as applicable, and may require a full or partial withdrawal of any Benefit Plan Investor to the extent it deems appropriate to prevent the assets of ICAV or such Fund from being treated as plan assets under ERISA.

WHETHER OR NOT THE ASSETS OF THE ICAV OR A FUND ARE TREATED AS “PLAN ASSETS” UNDER ERISA, AN INVESTMENT IN THE ICAV OR A FUND BY A PLAN IS SUBJECT TO ERISA AND THE CODE. ACCORDINGLY, FIDUCIARIES OF PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA, THE CODE OR SIMILAR STATE OR OTHER LAW OF AN INVESTMENT IN THE ICAV OR A FUND.

## **TAX RISKS**

### **Non-Irish taxes**

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

### **Availability of the Singapore Tax Incentive Schemes**

As highlighted in the section entitled "TAXATION" under "Singapore", the income and gains derived by the ICAV may be considered income accruing in or derived from Singapore and be subject to Singapore income tax, unless exempted from tax pursuant to the 13D Tax Incentive Scheme or the Enhanced-Tier Tax Incentive Scheme (collectively, the "**Singapore Tax Incentive Schemes**"). The Singapore Tax Incentive Schemes are subject to prescribed conditions which are set out in the aforementioned section. The Investment Manager intends to conduct the affairs of the ICAV such that it will satisfy the prescribed conditions. There is however, no assurance that the Investment Manager will be able, on an ongoing basis, to ensure that the ICAV always meet those prescribed conditions. Upon any such disqualification, the ICAV may be exposed to Singapore tax on its income and gains, wholly or partially as the case may be, at the prevailing corporate tax rate, which would reduce net proceeds.

### **Financial transaction tax**

A number of EU Member States are proposing to implement a financial transaction tax ("**FTT**"), which is currently being discussed. In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a participating EU Member State, or where the financial instrument is issued in a participating EU Member State. The FTT is currently set to be levied at a minimum rate of 0.1% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the eleven participating EU Member States, as well as certain financial institutions located outside the EU.

The precise timing and ultimate form of any legislation and related regulations implementing the proposed FTT are not yet fully known. Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy and other EU Member States may introduce a similar tax. Participating EU Member States which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS**

### **General Environmental Risk**

Environmental changes and hazards which impact economic activities and human well-being may adversely impact a Fund's investments. For example, weather events such as hurricanes, tornadoes, floods, fires and other natural disasters could result in the curtailment or suspension of a portfolio company's operations, which if left unresolved, could have a detrimental effect on their profitability and even viability. As we transition to an environmentally sustainable economy, changes in public policies and consumer and investor preferences, as well as disruptive technological developments, could further impair investments into such portfolio companies, exacerbating environmental risks. There can be no assurance that each portfolio company will be fully insured against all risks

inherent to their businesses. While a Fund may seek to maintain insurance coverage for its investments, there is no guarantee that such insurance coverage can be obtained at a reasonable cost. This may result in the relevant Fund incurring significant liability or sustaining a substantial loss of its properties in the event of certain damage.

Information on the Investment Manager's environmental risk management policies may be obtained, upon request, from the Investment Manager.

## **Environmental Regulations**

Environmental laws, regulations and regulatory initiatives play a significant role in certain industries, and an investment in such industries may have a substantial impact on the relevant Fund(s). In particular, changing and increasingly stringent environmental laws, regulations and regulatory initiatives or stricter interpretations of such laws or regulations could potentially result in the Fund incurring substantial additional costs on investments or potential investments. For example, SFDR aims to increase transparency to investors and requires certain firms to make both firm and product-level disclosures, where relevant, about the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social factors, and sustainable investment objectives. Compliance with such increased disclosures could result in higher costs for the relevant Fund. There is no assurance that all costs and risks of environmental compliance can be identified. Furthermore, even if all environmental laws, regulations and regulatory initiatives are complied with, there is no guarantee that additional unforeseen costs will not be incurred, or that there will be a positive impact on the financial, climate, or ESG performance of any individual portfolio company or the relevant Fund as a whole.

In addition, there can be no assurance that the portfolio companies in which a Fund invests will comply with applicable environmental laws, regulations and regulatory initiatives.

## **Information Gap**

In evaluating a prospective portfolio company, the Investment Manager often depends on data and information provided by the portfolio company in relation to its ESG practices. Some of these portfolio companies are in emerging markets with less ESG regulation. Consequently, they may be subject to less stringent disclosure obligations which may hinder the Investment Manager's access to comprehensive sustainability data. This may in turn impair the Investment Manager's ability to assess the portfolio company's ESG practices and/or related risks and opportunities in its investment analysis.

## **RUSSIA INVESTMENTS RISKS**

### **Investment Risks Relating to Investments in Russia**

Investments in Russia are currently subject to certain heightened risks with regard to the ownership and custody of securities. Ownership of Russian securities is evidenced by entries in the books of a company or its registrar (which is neither an agent of, nor responsible to, the Depository). No certificates representing ownership of Russian companies will be held by the Depository or any of its local correspondents or in an effective central depository system. As a result of this system, as well as the uncertainties around the efficacy and enforcement of state regulation, a Fund could lose its registration and ownership of Russian securities through fraud, negligence or otherwise. In addition, Russian securities have an increased custodial risk associated with them as such securities are, in accordance with market practice, held in custody with Russian institutions which may not have adequate insurance coverage to cover losses due to theft, destruction or default while such assets are in custody.

In addition, in light of the current ongoing regional conflict in Europe, Russia has been the subject of economic sanctions imposed by countries throughout the world. Such sanctions have included, among other things, freezing the assets of particular entities and persons. The imposition of sanctions and other similar measures could, among other things, cause a decline in the value and/or liquidity of securities issued by Russia or companies located in or economically tied to Russia, downgrades in the credit ratings of Russian securities or those of companies located in or economically tied to Russia, devaluation of Russia's currency, and increased market volatility and disruption in Russia and throughout the world. Sanctions and other similar measures, including banning Russia from global payments systems that facilitate cross-border payments, could limit or prevent a Fund from buying and selling

securities (in Russia and other markets), significantly delay or prevent the settlement of securities transactions, and significantly impact a Fund's liquidity and performance. Sanctions and other similar measures could also be imposed by Russia which may further impair the value and liquidity of securities globally (including Russian securities). Moreover, disruptions caused by the current ongoing regional conflict in Europe, including cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, may impact Russia's economy and Russian issuers of securities in which Fund invests.

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## CONFLICTS OF INTEREST

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The Depositary, the Manager, the Investment Manager and the Administrator or their delegates or affiliates may from time to time act as manager, registrar, administrator, transfer agent, trustee, depositary, investment manager or advisor or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the ICAV or any Fund. Therefore, it is possible that in the due course of their business, any of them may have potential conflicts of interests with the ICAV or any Fund. Each will at all times have regard in such event to its obligations under the Instrument of Incorporation and / or any agreements to which it is party or by which it is bound in relation to the ICAV or any Fund and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise, and they will each respectively endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the ICAV or the Funds as appropriate.

The Investment Manager and its related entities, officers or employees may from time to time invest and deal in Shares for each of their respective individual accounts or (in the case of the Investment Manager and its related entities) for the account of another person (including, without limitation, the Investment Manager and its related entities' other clients). In such an event, the Investment Manager will have regard to its obligations to the ICAV and the relevant Fund and, in particular, the obligation to act in the best interests of the ICAV and the relevant Fund so far as practicable, having regard to applicable laws and its obligations to its other clients. If a conflict of interest does arise, the Manager or the Investment Manager will endeavour to ensure that such conflict is resolved fairly. The Investment Manager may procure the services of its related corporation or other entities in which its CEO, director or representative have controlling interests or substantial shareholdings.

The Instrument of Incorporation provides that the estimate of a competent person may be accepted when determining the probable realisation value of unlisted securities or of securities listed or traded on a Recognised Market where the market price is unrepresentative or unavailable. Thus an estimate provided by the Investment Manager for these purposes may be accepted and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

There is no prohibition on dealing in the assets of a Fund by entities related to the Depositary, the Manager, the Investment Manager or the Administrator. However, any such transactions must be negotiated at arm's length and in the best interests of Shareholders. Such transactions may be entered into if: (a) a certified valuation of the transaction by a person approved by the Depositary (or, in the case of a transaction involving the Depositary, the Manager) as independent and competent is obtained; (b) execution of the transaction is on best terms on organised investment exchanges in accordance with the rules of the relevant exchange; or (c) where (a) and (b) are not practical, the transaction is executed on terms which the Depositary is satisfied (or, in the case of a transaction involving the Depositary, on terms which the Manager is satisfied) conform to the principle of execution negotiated at arm's length and in the best interest of Shareholders. The Depositary (or the Manager, in the case of a transaction involving the Depositary) shall document how the above requirements were conformed with. With regard to (c) above, the Depositary (or the Manager, in the case of a transaction involving the Depositary) shall document their rationale for being satisfied that the transaction conformed with the above requirements.

Conflicts of interest may also arise out of, among other circumstances, (a) the Investment Manager's side-by-side management of (i) accounts with asset-based fees and accounts with performance-based fees, (ii) accounts for affiliated clients and accounts for non-affiliates, (iii) larger accounts and smaller accounts, and (b) the investment by an Investment Manager, whether for affiliated or non-affiliated accounts, in classes or types of securities, or at levels in the capital structure, of an issuer, that are different from the classes or types of securities, or level in the capital structure, in which they have invested on behalf of a Fund. The Investment Manager may also have financial interests or relationships with issuers in whose securities they invest in for client accounts, including the Funds.

The conflicts of interest described above could create incentives to favour one or more clients over others in the allocation of investment opportunities, time, aggregation and timing of investments. The Investment Manager has developed policies and procedures that seek to address, mitigate and assess these and other conflicts of interest. It

cannot be guaranteed, however, that these policies and procedures will detect and prevent, or lead to the disclosure of, each and every situation in which a conflict may arise. The Investment Manager will use its reasonable endeavours to ensure that the performance of its respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and equitably.

A director of the ICAV or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus other than as disclosed under "Management and Administration – The Board of Directors," no director of the ICAV has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

In placing orders with brokers and dealers to make purchases and sales for the Fund, the Investment Manager will seek to obtain best execution for the Fund. In determining what constitutes best execution, the Investment Manager may consider factors it deems relevant, including, but not limited to, the ability to match up natural order flow; the ability to control anonymity, timing or price limits; the quality of the back office; commission rates; use of automation; and / or the ability to provide information relating to the particular transaction or security. Information and research services furnished by brokers or dealers through which or with which a Fund effects securities transactions may be used by the Investment Manager in advising other funds or accounts and, conversely, information and research services furnished to the Investment Manager by brokers or dealers in connection with other funds or accounts that it advises may be used in advising a Fund. The Investment Manager may cause the Fund to pay a brokerage commission that is higher than may be charged by another member of an exchange, broker, or dealer, if it determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such member, broker, or dealer, viewed in terms of either that particular transaction or its overall responsibilities with respect to the Fund and / or other accounts over which the Investment Manager or its affiliates exercise investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the ICAV or a Fund. Any soft commission arrangements will be disclosed in the periodic reports of the relevant Fund.

A director of the ICAV, the Manager or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the ICAV is interested. At the date of this Prospectus other than as disclosed under "Management and Administration – The Board of Directors" below, no director of the ICAV has any interest, beneficial or non-beneficial, in the ICAV or any material interest in any agreement or arrangement relating to the ICAV. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

The Investment Manager and its affiliates 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 and its affiliates may hold a high proportion of the Shares and voting rights of a Fund or class in issue. The Investment Manager and its affiliates and principals are under no obligation to make or maintain their investments and may reduce or dispose of any of these in the Fund or Share Class at any time.

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## **BORROWING POLICY**

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Under the Instrument of Incorporation, the Manager is empowered to exercise all of the borrowing powers of the ICAV, subject to any limitations under the UCITS Regulations, and to charge the assets of the ICAV as security for any such borrowings.

Under the UCITS Regulations, a Fund may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its net assets and except as otherwise permitted under the UCITS Regulations. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions under Regulation 103 of the UCITS Regulations provided that the offsetting deposit (i) is denominated in the Base Currency of a Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. Currency risks may arise where the offsetting balance is not maintained in the Base Currency of a Fund. Please refer to the Currency Risks section above in this regard.

Subject to the provisions of the UCITS Regulations and the Central Bank UCITS Regulations, the ICAV may, from time to time, where collateral is required to be provided by a Fund to a relevant counterparty in respect of derivatives transactions, pledge investments of the relevant Fund equal in value to the relevant amount of required collateral, to the relevant derivative counterparty.

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## FEES AND EXPENSES

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Fees and expenses applicable to a Fund are set out in the relevant Supplement.

### ***Management Fees***

The Manager will be entitled to receive a management fee in respect of a Fund or Class pursuant to the Management Agreement. Details of the management fee will be contained in the relevant Supplement. The management fee will accrue at each relevant Valuation Point based on the NAV of the relevant Fund as of the prior Dealing Day and will be paid monthly in arrears.

The Manager may from time to time and at its sole discretion, out of its own resources, decide to rebate to some or all Shareholders, or provide retrocessions to intermediaries, part or all of its fees, without notice to other Shareholders.

### ***Investment Management Fees***

The Investment Manager will be entitled to receive an investment management fee in respect of a Fund or Class pursuant to the Investment Management Agreement. Details of the investment management fee will be contained in the relevant Supplements.

Unless stated to the contrary in the relevant Supplements, the Investment Manager will be responsible for discharging, from its fee, the fees of any advisor or other delegate, including any sub-investment manager, appointed by it in respect of a Fund.

The investment management fee will accrue at each relevant Valuation Point based on the NAV of the relevant Fund as of the prior Dealing Day and will be paid monthly in arrears.

The Investment Manager may from time to time and at its sole discretion, out of its own resources, decide to rebate to some or all Shareholders, or provide retrocessions to intermediaries, part or all of its fees, without notice to other Shareholders.

The Investment Manager may waive all or a portion of the investment management fee in respect of any Class.

### ***Performance Fees***

The Investment Manager may, for one or more Funds, charge a performance fee. If applicable, such performance fee will be described in the relevant Supplement and will be charged at the level of the individual Classes.

### ***Administration and Depositary Fees***

The fees and expenses of the Administrator and Depositary in relation to each Fund shall be set out in the relevant Supplement.

### ***Establishment, Organisational and Operating Expenses***

The ICAV's establishment and organisational expenses (including expenses relating to the drafting of this Prospectus and any Supplement, the negotiation and preparation of the material contracts, the printing of this Prospectus and the related marketing material, costs and expenses of obtaining initial authorisations or registrations with the regulatory authorities in any jurisdiction and the fees and expenses of its professional advisers) did not exceed USD 250,000 and will be borne by the initial Fund. These expenses are being amortised over the first 60 months of the ICAV's operation or such other period as the Directors may determine.

Each Fund will pay its organisational expenses incurred with the preparation of the initial offering of Shares in respect of that Fund. The ICAV reserves the right to write off the balance of unamortised establishment and organisational



expenses immediately in the event that the Manager determines that they have become material. Each Fund will also pay its own operational expenses as set forth in its Supplement.

The ICAV will also pay certain other costs and expenses incurred in its operation, including without limitation, withholding taxes that may arise on investments and all investment expenses, all fees and expenses of transactional and execution-related services such as dealing commissions, post-trade transaction processing fees and the costs of market data, pricing vendor fees, clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions, all administrative expenses, all of the charges and expenses of legal advisers, accountants and auditors insurance, interest, brokerage costs, all communication expenses with respect to investor services and promotional and marketing expenses including platform costs, and all professional and other fees and expenses in connection therewith and the cost of publication of the NAV of the Shares. Such charges will be at normal commercial rates and will be collected at the time of settlement. The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and / or operation of the ICAV and / or the marketing, distribution and / or sale of Shares. The Manager will be entitled to be reimbursed by the ICAV in respect of any such expenses borne by it. The Investment Manager may from time to time at its sole discretion rebate any or all of the investment management fee or incentive fee in respect of any particular payment period.

Charges and expenses that are not specifically attributable to a particular Fund may be allocated among the Funds based on their respective net assets or any other reasonable basis given the nature of the charges.

### ***Directors' Fees***

The Directors are entitled to receive fees in any year of up to €52,500 in aggregate (or such other sum as the Directors may from time to time determine and disclose to the Shareholders). Although some of the Directors may not receive a fee in remuneration for their services to the ICAV, all of the Directors will be paid for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of ICAV.

### ***Sales Charge***

Investors may be subject to a sales charge of up to 5% of the net subscription amount. Details of any sales charge will be set out in the relevant Supplement.

### ***Redemption Charge***

Investors may be subject to a redemption charge of up to 3% of the NAV of the Shares. Details of any redemption charge will be set out in the relevant Supplement.

### ***Duties and Charges***

If detailed in the relevant Supplement, on any Dealing Day, the Directors may determine (based on such reasonable factors as they see fit, including without limitation, the prevailing market conditions and the level of subscriptions and / or redemptions and / or exchange of Shares requested by Shareholders or potential Shareholders in relation to the size of the Fund) to require an applicant to pay to the Fund any Duties and Charges in addition to the subscription or redemption amount on that Dealing Day in order to cover dealing costs such as bid-offer spreads and / or tax provisions for unrealised gains and to preserve the value of the underlying assets of the Fund for existing Shareholders.

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## ADMINISTRATION OF THE ICAV

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Unless otherwise specified in a Supplement applicable to a particular Fund, the provisions in relation to the calculation of the Net Asset Value will apply to all Funds as set out below.

### Determination of Net Asset Value

The Administrator will determine the Net Asset Value of the ICAV, the Net Asset Value of a Fund and the Net Asset Value per Share of each Class of Shares, as appropriate, to the nearest two decimal places (or to such other number of decimal places as the Manager may determine from time to time in relation to a Fund), at each Valuation Point and in accordance with the Instrument of Incorporation and this Prospectus. All approvals given or decisions made by the Depositary in relation to the calculation of the Net Asset Value of the ICAV, the Net Asset Value of a Fund or the Net Asset Value per Class of Shares will be given or made, as the case may be, following consultation with the Investment Manager.

Where there is no more than one Class of Shares of a Fund, the NAV per Share of a Fund will be calculated by dividing the assets of the relevant Fund less its liabilities by the number of Shares in issue in a Fund. Shares of different Funds are expected to perform differently and each Fund will bear its own fees and expenses to the extent specifically attributable to that Fund. Any liabilities of the ICAV that are not attributable to any Fund may be allocated amongst the Funds based on their respective NAV or on any other reasonable basis approved by the Manager, following consultation with the Depositary having taken into account the nature of the liabilities.

### *Net Asset Value per Share of a Class*

Where a Fund issues multiple Classes of Shares, the NAV of each Class of Shares will be determined by calculating the amount of the NAV of a Fund attributable to each Class. The amount of the NAV of a Fund attributable to a Class will be determined by establishing the number of Shares in issue in the Class, by allocating relevant Class Expenses management fee and investment management fees to the Class and making appropriate adjustments to take account of distributions paid out of a Fund, if applicable, and apportioning the NAV of a Fund accordingly. Currency related transactions may be utilised for the benefit of a particular Class of Shares, a Hedged Class, and, in such circumstances, their cost and related liabilities and/or benefits will be for the account of that Class only. Accordingly, such costs and related liabilities (including tax liabilities on capital gains on disposition of securities) and/or benefits will be reflected in the NAV per Share for Shares of any such Class. Where there is more than one Class in a Fund denominated in the same currency (which is a currency other than the Base Currency), the Investment Manager may aggregate any currency related transactions entered into on behalf of such Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such Class in the Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

The NAV per Share of a Class will be calculated by dividing the NAV of the Class by the number of shares in issue in that Class. Class Expenses, management fees or investment management fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective NAV or any other reasonable basis approved by the Manager following consultation with the Depositary and having taken into account the nature of the fees and charges. Where Classes of Shares are issued which are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

### *Valuation of the assets*

In determining the value of the assets, debt securities which are quoted, listed or traded on or under the rules of any Recognised Market are generally valued at the last traded price published by that Recognised Market.

Generally, equity securities for which the primary market is on a Recognised Market are valued at the last traded price of the relevant Recognised Market as at each Valuation Point, or if there was no trade on such day, at the mean between the last bid and asked prices or at the last bid price on such day in the absence of an asked price. Fixed income securities may be valued using matrix pricing (i.e. valuing securities by reference to the valuation of other securities which are considered comparable in rating, yield, due date and other characteristics) where reliable market

quotations are not available. The matrix methodology will be compiled by a competent person appointed by the Manager and approved for the purpose by the Depositary (the "Competent Person").

If the security is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market will be that which the Manager, or the Administrator as their delegate, determine provides the fairest criterion of value for the security. For equities securities, this will be the primary exchange on which securities are traded unless otherwise determined by the Manager.

If prices for a security quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the opinion of the Manager, or their delegate, such security will be valued at such value as will be estimated with care and good faith as the probable realisation value of such security by the Manager, or their delegate or the Competent Person or valued at the probable realisation value estimated with care and in good faith by any other means provided that the value is approved by the Depositary. Adjustments to listed investments may include those deemed necessary to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant, including any events specific to issuers, market sectors or volatility occurring in security markets after the close of the Recognised Market which precedes the Fund's Valuation Point. Such fair valuations may include prices supplied by a pricing service approved by the Manager. Neither the Manager nor the Administrator, the Investment Manager, or the Depositary will be under any liability if a price reasonably believed by them to be the latest available price may be found not to be such.

The value of any instrument, including (i) debt and equity securities, which are not normally quoted, listed or traded on or under the rules of a Recognised Market, and (ii) in respect of which the Manager or their delegate (in consultation with the Investment Manager) determine that the closing price or closing mid-market price as set out above is not representative of its fair market value, (iii) over the counter derivatives and (iv) futures contracts and futures options which are traded on a Recognised Market but for which the settlement price is not available, will be valued at their probable realisation value as determined with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Manager with the approval of the Depositary or by the Competent Person.

Shares in collective investment schemes will be valued on the basis of the latest published net asset value of such shares. If such prices are unavailable, the shares will be valued at their probable realisation value estimated with care and good faith by the Manager, or by the Competent Person.

Cash deposits and similar assets will be valued at their face value together with accrued interest unless in the opinion of the Manager or its delegate (in consultation with the Investment Manager and the Depositary) any adjustment should be made to reflect the fair value thereof.

Futures contracts and futures options which are traded on a Recognised Market will be valued at the settlement price as determined by the relevant Recognised Market at the close of business on that market on the Valuation Day. Where the settlement price is not available these securities will be valued at their probable realisation value as determined with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Manager with the approval of the Depositary or by the Competent Person. Other exchange traded derivatives, excluding futures and futures options and swaps, will be valued at the last sale price on their Recognised Markets on the Valuation Day as reported by the exchange. In the absence of transactions on the Valuation Day, the value will be determined at the mean of between the closing "bid" and "asked" prices on the Recognised Market on the Valuation Day.

All swaps and currency forwards, as well as other FDIs which are not traded on a Recognised Market, shall be valued by a pricing service approved by the Competent Person, or as provided by a market maker in such securities whose value approximates the probable realisation value of such instruments. When the settlement date of a forward contract is an interim date for which a quotation is not available, interpolated values are derived using the nearest dated forward currency rate.

For purposes of determining the NAV of a Fund, the liabilities of the Fund to be deducted from the Fund's assets on the applicable Valuation Day will include accrued debts, liabilities and obligations of the Fund (including fees to service providers which have been earned but not yet paid and realised tax liabilities) and any contingencies for which reserves or accruals are made.

Notwithstanding the above provisions the Manager or their delegate may (a) adjust the valuation of any particular asset; where such adjustment or other method of valuation is considered necessary to reflect the fair value in the context of currency, applicable rate of interest, maturity, marketability and/or such other considerations which are deemed relevant, or (b) permit some alternative method of valuation to be used for a specific / particular asset, if the Manager deem it necessary and the alternative method of valuation is approved by the Depositary and the rationale / methodologies used are clearly documented.

In determining the ICAV's NAV, all assets and liabilities (including tax liabilities on capital gains on disposition of securities) initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the latest available exchange rates at the Valuation Point on each Valuation Day. If quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Manager or their delegate.

It is anticipated that if an investment becomes illiquid, such illiquid investment will be valued by a Competent Person and with input or recommendation by the Investment Manager. It is anticipated that the valuation methodology for such illiquid investments will take into account factors such as the size of the position and materiality of the adjustment to the net asset valuation and the duration of the suspension and likely timeframe of resolution that the suspension will be lifted. Investors should note that such factors are subject to change from time to time depending on the Competent Person's assessment of the nature of the circumstances giving rise to the illiquidity, general market conditions and input from the Investment Manager from time to time.

The Manager and/or the Investment Manager may, and may be required under certain circumstances to, engage one or more third parties to value assets of the ICAV. Any such third party engaged by the Manager and/or the Investment Manager will value such assets in the manner otherwise described above in this "Determination of Net Asset Value" section.

#### **Availability of the Net Asset Value per Share**

Except where the determination of the NAV per Share of a Fund has been suspended, in the circumstances described below, the NAV per Share of each Class of Shares will be available at the registered office of the ICAV. Such information will relate to the latest available NAV per Share which is usually for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Shares at that NAV per Share. The up-to-date Net Asset Value will be available on the website [www.whiteoakcapitalpartners.com](http://www.whiteoakcapitalpartners.com)

#### **Temporary Suspension Of Dealings**

The Manager may at any time, in consultation with the Depositary, temporarily suspend the issue, valuation, sale, purchase and/or redemption of Shares in any Fund during:

- (a) any period when any organised exchange on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed, traded or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such organised exchange are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Manager, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Manager, be promptly or accurately ascertained;
- (d) any period when the relevant Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or

the transfer or payment of the funds involved in connection therewith cannot, in the opinion of the Manager, be effected at normal prices;

- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Manager, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund;
- (f) any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended;
- (g) any period when proceeds of any sale or redemption of the Shares cannot be transmitted to or from the account of the relevant Fund;
- (h) any period in which the redemption of the Shares would, in the opinion of the Manager, result in a violation of applicable laws;
- (i) any period in which notice has been given to Shareholders of a resolution to wind up the ICAV;
- (j) any period when the Manager determine that it is in the best interests of the Shareholders to do so; or
- (k) any period during which dealings in a collective investment scheme in which a Fund has invested a significant portion of its assets are suspended.

The Central Bank and any relevant Shareholders will be notified immediately of any such suspension or postponement. Shareholders who have requested an issue or redemption of Shares will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension, but will not have priority over other Shareholders who requested an issue or redemption of Shares. Shares will be held by the Shareholder during the period of suspension as if no redemption request had been made. The ICAV will take reasonable steps to bring any period of suspension or postponement to an end as soon as possible. For the avoidance of doubt, no dividends will be paid at times when the redemption of Shares or the calculation of NAV per Share is suspended for any reason specified above.

The ICAV, in its discretion, may terminate, in part or in whole, the temporary suspension of the issue, valuation, sale, purchase and/or redemption of Shares in any Fund. The ICAV will notify all affected Shareholders of any termination of a temporary suspension.

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## SUBSCRIPTION FOR SHARES

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Unless otherwise specified in a Supplement applicable to a particular Fund, the procedure for determining the subscription price and applying for Shares in a Fund is as set out below.

Shares in a Fund may be purchased on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day on the terms and in accordance with the procedures described below and in the relevant Supplement.

Subscription orders are effected at the Net Asset Value per Share applicable on the relevant Dealing Day (subject to the Duties and Charges, if any, set out in the relevant Supplement). Details of the deadline by which subscription monies must be received by the ICAV will be set out in the relevant Supplement. If subscription monies are not received on or before the deadline set out in the relevant Supplement the relevant allotment of shares may be cancelled and an applicant for shares may be required to compensate the Fund if necessary. No Subscription order will be accepted after the relevant Valuation Point for a Fund. All orders must be received and paid for in the relevant Class Currency.

If a subscription order is received prior to the Subscription Cut-Off Time, Shares will be issued at the NAV per Share applicable on the relevant Dealing Day. Subscription orders received after the relevant Subscription Cut-Off Time will be held over without interest on any related subscription monies and, in the absolute discretion of the Manager, either (i) such subscription monies will be returned (without interest) to the person from whom the subscription order and subscription funds were received, or (ii) the relevant Shares will be issued on the next applicable Dealing Day at the relevant NAV per Share. Notwithstanding this deadline, the Manager may determine in its sole discretion to accept such subscriptions in exceptional circumstances and provided that such subscriptions for Shares are received before the Valuation Point on the preceding Dealing Day. Subscription orders will not be processed at times when the calculation of the NAV per Share is suspended in accordance with the terms of the Prospectus and the Instrument of Incorporation.

The Manager may also issue Shares in any Class on terms providing for the transfer to the ICAV of any investments provided that: (a) the assets to be transferred in to the Fund must qualify as investments of the Fund in accordance with the investment objectives, policies and restrictions which are set out in the relevant Supplement and this Prospectus; (b) the Manager will be satisfied that the terms of any such exchange will not be such as are likely to result in any material prejudice to the Shareholders; (c) the number of Shares to be issued will be not more than the number which would have been issued for settlement in cash on the basis that the amount of such cash was an amount equal to the value of the investments to be so vested in the ICAV as determined by the Manager on the relevant Dealing Day; (d) no Shares will be issued until the investments will have been vested in the Depositary to the Depositary's satisfaction; (e) any Duties and Charges arising in connection with the transfer of such investments in the ICAV will be paid by the person to whom the Shares are to be issued, or by the relevant Fund; and (f) the Depositary will be satisfied that the terms on which the shares are issued will not be such as are likely to result in any prejudice to the existing Shareholders.

An applicant wishing to make an initial subscription for Shares in a Fund must complete and send the Subscription Agreement to the Administrator. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or electronic means as previously agreed with the Administrator.

The Manager or their delegates are under no obligation to consider the allotment and issue of Shares in a Fund to an applicant unless and until the Administrator has received a completed Subscription Agreement and always have discretion as to whether or not to accept a subscription. Following the Initial Offer Period (as specified in the relevant Supplement), Shares to be issued will be issued at the relevant NAV per Share prevailing as of the relevant Dealing Day on the terms and in accordance with the procedures described above.

Subscription Agreements and Additional Subscription Agreements can be obtained by contacting the Administrator.

Except at the discretion of the ICAV, subscription orders will be irrevocable. Each prospective investor will be required to agree in the Subscription Agreement to, under certain circumstances, indemnify the ICAV or a Fund, the Administrator, the Investment Manager and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Manager may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities arising as a result of such failure to pay subscription proceeds to the ICAV or a Fund, the Manager, the Administrator, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax".

The Subscription Agreement contains, among other provisions, certain representations, warranties, agreements, undertakings and acknowledgements relating to a prospective Shareholder's suitability to purchase Shares, the terms of the Shares and other matters. Subscribers should understand that the Shares are offered and sold in reliance upon the representations, warranties, agreements, undertakings and acknowledgements made by the subscriber and contained in the Subscription Agreement, and that such provisions may be asserted as a defence by the ICAV, the Manager and the Investment Manager in any action or proceeding relating to the offer and sale of Shares.

The ICAV, the Investment Manager or its affiliates and/or service providers or agents of the ICAV or the Investment Manager may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about a Fund and the Shareholders, including, but not limited to, investments held by a Fund and the names and level of beneficial ownership of Shareholders, to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which the Fund directly or indirectly invests, or (ii) any counterparty of or service provider to the Investment Manager or the ICAV. By virtue of the entering into a Subscription Agreement, each Shareholder consents to any such disclosure relating to such Shareholder.

The ICAV, the Manager or the Administrator may, in their sole discretion, reject any subscription order for Shares for any reason, including in particular, where the ICAV, the Manager or Administrator, as appropriate, reasonably believes the subscription order may represent a pattern of excessive trading or market timing activity in respect of the ICAV.

Measures provided for in the Criminal Justice Act 2011 which are aimed at the prevention of money laundering and terrorist financing will, subject as set out below, require an applicant for Shares to verify its identity to the Administrator or the ICAV. The Administrator will notify applicants if additional proof of identity is required.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator or the ICAV will request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the ICAV may reject the application and the subscription monies relating thereto, in which case the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator or the ICAV may refuse to withhold payment of a redemption request until full information has been provided, in each case without any liability whatsoever on the part of the ICAV, the Administrator or any service provider to the ICAV. No interest will be paid either on subscription proceeds pending settlement to the account of the ICAV or on redemption proceeds pending settlement to the account of the Shareholder. Amendments to an investor's registration details and payment instructions will only be effected on receipt of authenticated documentation as required by the Administrator. Redemption orders will be processed on receipt of facsimile or electronic instructions (e.g. via clearing platform/SWIFT trading) only where payment is made to the account of record. The ICAV may issue fractional Shares up to three decimal places.

#### *Written Confirmation of Ownership*

The Administrator will be responsible for maintaining the ICAV's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. All Shares issued will be in registered form and no Share certificates will be issued. Ownership will be evidenced by entry in the Share register. Following each transfer,

purchase, redemption and conversion of Shares written confirmations of ownership will be sent by email or electronic means (e.g. via clearing platform/SWIFT trading) to each Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be available for inspection at the registered office of the ICAV during normal business hours.

### *Excessive Trading*

Investment in the Fund is intended for long-term purposes only. Excessive and/or short term trading can disrupt portfolio investment strategies and may increase expenses and/or negatively impact returns for all Shareholders. The Fund reserves the right to reject any purchase order for any reason with prior notice. Transactions placed through distribution agents or institutional investors on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part. Shareholders should be aware of the challenges in determining and enforcing short term or excessive trading in omnibus accounts. Neither the Administrator or the Fund accepts responsibility or liability should such activity through omnibus accounts. It shall be the responsibility of the intermediary to determine if these short term or excessive trading restrictions are being breached.

### *Eligible Investors*

Only persons who satisfy the requirements of this Prospectus (referred to herein as "**Eligible Investors**") may subscribe for or hold Shares in the ICAV. The Directors have the right to compulsorily redeem all Shares held by a Shareholder who is not or who ceases to be an Eligible Investor.

For these purposes, an Eligible Investor is a person to whom the issue or transfer of, or where the holding of Shares would not (i) constitute a breach of the laws of any jurisdiction; or (ii) be contrary to the regulations of any government authority; or (iii) give rise to circumstances (whether taken alone or conjunctively with other persons or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV and/or its Shareholders as a whole incurring any liability for taxation or suffering any other regulatory, pecuniary, legal or material administrative disadvantage that the ICAV and/or its Shareholders might not otherwise have suffered or incurred or (iv) give rise to circumstances which may cause the ICAV to breach the terms of any license, registration or approval procured by it in relation to its investments. In addition, in the case of a U.S. Person, such person must also be a Qualified U.S. Investor in order to be an Eligible Investor.

In respect of marketing of a Restricted Fund to investors in Singapore, investors in Singapore must also satisfy the requirements for an "**accredited investor**" or "**institutional investor**", each as defined under the SFA. Further details regarding the categories of persons who fall within the definition of "accredited investor" and "institutional investor" is set out in the Subscription Agreement.

### *Financial Knowledge and Experience*

Each investor must represent and warrant in his, her or its Subscription Agreement that, among other things, he, she or it has reviewed this Prospectus and understands the risks of an investment in the ICAV, has the financial knowledge and experience to evaluate such investment, is able to bear the substantial risks of an investment in the ICAV and can afford to lose his, her or its entire investment.

### **Operation of the Subscription and Redemption Collection Account**

The ICAV has established a collection account at umbrella level in the name of the ICAV (the "**Umbrella Cash Collection Account**"), and has not established such accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account. Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Share and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, monies in the Umbrella Cash Collection Account are



assets of the relevant Funds to which they are attributable, and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it and will not be a Shareholder.

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

The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The ICAV and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating Funds, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of monies attributable to another Fund due to timing differences.

Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor. Failure to provide the necessary complete and accurate documentation is at the investor's risk.

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## REDEMPTION OF SHARES

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Shareholders may request that Shares of a Fund be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator to arrive no later than the Redemption Cut-Off Time, in order to be effective on a Dealing Day. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Manager determines in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day. Redemption Applications may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator. Any minimum holding period in relation to a Fund may be set out in the relevant Supplement. Redemption Applications received after the relevant Redemption Cut-Off Time will be effective on the next succeeding Dealing Day. Redemption Applications will not be processed at times when the redemption of Shares or the calculation of the NAV per Share is suspended in accordance with the terms of this Prospectus and the Instrument of Incorporation. Shares which have been subject to a Redemption Application will be entitled to dividends, if any, up to the Dealing Day upon which the redemption is effective.

The applicable Supplement may provide that if Redemption Applications on any Dealing Day exceed a specified percentage of the NAV of the applicable Fund (which must be at least 10%), the ICAV may defer the excess Redemption Applications to subsequent Dealing Days. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

A distribution in respect of a redemption may be made in kind, at the discretion of the Manager, after consultation with the Investment Manager, provided that where the redemption request represents less than 5% of the NAV of a Fund, the redemption in kind will only be made with the consent of the redeeming Shareholder. The assets to be transferred will be selected at the discretion of the Manager with the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so redeemed. As a result, such distributions will only be made if the Manager and the Depositary consider that they will not materially prejudice the interests of the Shareholders of the relevant Fund as a whole and the Depositary is satisfied that the assets distributed are equivalent to the amount of the distribution declared. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the ICAV may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged.

The minimum holding amount in respect of each Fund will be set out in the relevant Supplement.

### *Redemption Price*

Shares will be redeemed at the applicable Net Asset Value per Share, obtained on the Dealing Day on which redemption is effected, subject to any applicable fees associated with such redemption (which may include the Duties and Charges, if any, set out in the relevant Supplement).

All payments of redemption monies will be made, except in the exceptional circumstances specified above, on the day specified in the relevant Supplement, following the Dealing Day on which the Redemption Application is effective and will be made by telegraphic transfer to the Shareholder's account, details of which will be notified by the Shareholder to the Administrator in the original Subscription Agreement or subsequently in writing. For the avoidance of doubt, no redemption payment will be made until the original Subscription Agreement has been received from the investor and all documentation required by the ICAV (including any documents in connection with anti-money laundering procedures) and the necessary anti-money laundering procedures have been completed. All orders must be received and paid for in the relevant Class Currency.

### *Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax*

If a redemption causes a Shareholder's holding in a Fund to fall below the minimum holding amount set out in the relevant Supplement, the ICAV may redeem the whole of that Shareholder's holding. Before doing so, the ICAV will notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Manager and the Administrator immediately in writing in the event that they become Irish Residents or become U.S. Persons. Shareholders who become U.S. Persons but are not Qualified U.S. Investors may be required to dispose of their Shares on the next Dealing Day thereafter to persons who are not U.S. Persons. Shareholders who become Irish Residents will cause the ICAV to become subject to Irish tax on a subsequent disposal of Shares held by such Shareholders whether by way of a redemption or transfer and on any distributions made in respect of such Shares. The ICAV will be obliged to account for and remit such tax to the Irish Revenue Commissioners. However, the ICAV will be entitled to deduct from the payment arising on such a chargeable event an amount equal to the appropriate tax and/or where applicable, to redeem and/or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to discharge the tax liability. The relevant Shareholder will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax in any jurisdiction on the happening of a chargeable event if no such deduction, redemption or cancellation has been made. The Irish taxation implication of disposals of Shares by Shareholders is outlined in the section entitled "Taxation" below.

The ICAV may, in its sole discretion, require any Shareholder to redeem some or all of its Shares at any time where, in the opinion of the Manager or the Investment Manager, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the ICAV, the Manager, the Investment Manager, a Fund or its Shareholders as a whole or where the Directors resolve to redeem such Shares, including where the holding of such Shares breaches, or will breach, any law or regulation of any jurisdiction, including failing to continue to meet the requirements of Section 3(c)(7) of the 1940 Act or for purposes of limiting the participation in the ICAV or a Fund of "benefit plan investors" as defined in ERISA. The ICAV may also, in its sole discretion, redeem some or all of the Shares of a Shareholder where the Shareholder has failed to pay subscription monies by the due date and may apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV or the Investment Manager or any of its respective affiliates pursuant to the indemnity described under "Subscription for Shares".

In addition, the ICAV may redeem all of its Shares of a Fund or Class in issue if the redemption of the Shares or Class is approved by a resolution of the Shareholders or where the Depositary has served notice of its intention to retire and an alternative depositary has not been approved within ninety (90) days from the date of such notice.

The Instrument of Incorporation of the ICAV permit the ICAV to redeem Shares where during a period of six years any dividend on the Shares remains unpaid and no acknowledgement has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder and require the ICAV to hold the redemption monies as a permanent debt of the ICAV. The Instrument of Incorporation also provides that any unclaimed dividends may be forfeited after six years and on forfeiture will form part of the assets of the relevant Fund.

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## DIVIDEND DISTRIBUTION POLICY

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The Instrument of Incorporation empowers the Directors to declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV and out of capital.

No dividends will be paid unless all required documentation including all documentation in relation to money laundering checks has been provided.

At the discretion of the Manager, dividends in respect of Shares in any Fund may be paid in the currency of the relevant class. Any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

The dividend distribution policy in respect of a Fund is set out in the relevant Supplement.

The Manager may from time to time, and in its sole discretion, determine that the ICAV shall, on behalf of one or more Funds, apply an equalisation formula in respect to any distributing Shares for any period where they believe it to be in the best interests of the Shareholders. In such circumstances, the subscription price of the distributing Shares in the relevant Fund will be deemed to include an equalisation amount which represents a portion the accrued income of the relevant class up to the point of subscription, and the first distribution in respect of distributing Shares in the relevant Fund will include a payment of capital usually equal to the amount of such equalisation payment. The redemption price of each distributing Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the Dealing Day on which the relevant distributing Shares are redeemed.

Dividends will be paid by wire transfer in accordance with the bank account details nominated by the Shareholder on the Subscription Agreement within 14 days of the date of declaration of the dividends unless the Shareholder shall have elected that dividends otherwise payable in cash be automatically re-invested in further Shares in the Fund.

The dividend distribution policy in respect of any future Funds of the ICAV, together with details of method of payment of dividends and frequency of payments, will be specified in an updated version of this Prospectus or a supplement to the Prospectus reflecting the creation of the new Fund or Funds.

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## TRANSFER OF SHARES

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All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Manager and/or the Administrator and every form of transfer will state the necessary information in relation to the transferor and the transferee which will allow the Administrator to process the request. The instrument of transfer of a Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Manager may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class and/or Fund as set out in the relevant Supplement. The registration of transfers may be suspended at such times and for such periods as the Manager may from time to time determine, provided, however, that such registration will not be suspended for more than 30 days in any calendar year. The Manager may decline to register any transfer of Shares unless the authenticated instrument of transfer, as deemed by the Administrator, and such other documents as the Manager and/or the Administrator may require, including without limitation a Subscription Agreement, are deposited at the office of the Administrator or at such other place as the Manager may reasonably require, together with such other evidence as the Manager and/or the Administrator may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration that the proposed transferee is not a U.S. Person or acting for or on behalf of a U.S. Person.

The Manager will decline to register a transfer of Shares if, in the opinion of the Manager, the transfer will be unlawful or result or be likely to result in any adverse regulatory, pecuniary, legal or taxation consequences or material administrative disadvantage to the ICAV, a Fund or its Shareholders as a whole.

The Manager will decline to register a transfer of Shares if the transferee is a U.S. Person or acting for or on behalf of a U.S. Person, unless such transferee is a Qualified U.S. Investor.

In the event that the ICAV does not receive a Declaration in respect of the transferee confirming that the transferee is not an Irish Resident or is an Exempt Investor, the ICAV will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption or other payment in respect of the Shares as described in the section headed "Taxation" below.

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## CONVERSION OF SHARES

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Shareholders may be entitled to exchange any or all of their Shares of any Class in a Fund (the “**Original Class**”) for Shares of a Class in either the same Fund or another Fund available for issue at that time (the “**New Class**”).

When requesting the conversion of Shares as an initial investment in a New Class, Shareholders should ensure that the NAV of the Shares converted is equal to or exceeds the minimum holding (if any) for the relevant New Class. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Original Class. If the number of Shares of the New Class to be issued on conversion is not an integral number of Shares, the ICAV may at its discretion issue fractional new Shares or retain the surplus arising for the benefit of the Fund in which the New Class Shares are being issued.

Shareholders should be aware that the ICAV reserves the right to accept or reject a conversion of Shares in its sole discretion.

A Shareholder should obtain and read the Prospectus and the Supplement relating to any Fund or any Class of Shares of a Fund and consider its investment objective, policies and applicable fees before requesting any exchange into that Fund or any Class of Shares of a Fund. A Shareholder must meet all the investor requirements of the new Class of Shares before requesting any exchange into that Class of Shares, as set out in the relevant Supplement.

The general provisions and procedures relating to redemptions of Shares of the Original Class and subscriptions for Shares of the New Class will apply to any conversion of Shares, including the provisions in relation to sales charges, redemption charges, and Duties and Charges. Shares may be exchanged on any Dealing Day, upon notice given not later than the earlier of the Redemption Cut-Off Time for the Original Class or the Subscription Cut-Off Time for the New Class, as set out in the relevant Supplement. Such notice must be given in writing, on a form available from the Administrator and may be sent by facsimile or electronic means as agreed with the Administrator at the number set out on the Subscription Agreement. In the event that an exchange request is received after the relevant cut-off time such request will be effected on the following Dealing Day, unless the Manager otherwise determines, in exceptional circumstances and where such exchange request is received before the relevant Valuation Point(s), to accept such exchange request on the relevant Dealing Day. The Manager will ensure that the relevant cut-off time for requests for exchange are strictly complied with and will therefore take all adequate measures to prevent practices known as “late trading”. Where the New Class and the Original Class are subject to different settlement periods due to a conversion of Shares between two different Funds, dealing in the New Class or the Original Class with the shorter settlement period may be deferred to a later Dealing Day so that the settlement date for the subscription matches the settlement date for the redemption.

The costs of any foreign exchange trade necessitated by the conversion will be borne by the converting Shareholder. Shareholders should contact the Administrator for further information.

The exchange of Shares of a Fund may be temporarily suspended by the Fund upon the occurrence of certain events described below under “Temporary Suspension of Dealings”.

An exchange of Shares may have tax consequences for a Shareholder. Shareholders should consult with their normal tax adviser if they are in any doubt as to such tax consequences.

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## TERMINATION OF THE ICAV, A FUND OR SHARE CLASS

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The ICAV and each Fund is established for an unlimited period and may have unlimited assets. However, the ICAV may redeem all of its Shares or the Shares of any tranche (representing a Fund) or Class in issue if:

- (a) the redemption of the Shares in a Class or tranche (representing a Fund) is approved by a resolution in writing signed by all of the holders of the Shares in that Class or tranche (representing a Fund), as appropriate;
- (b) the NAV of the Fund, or of a Class of Shares in a Fund, falls below USD10 million or its foreign currency equivalent (or such other amount as may be determined from time to time by the Manager);
- (c) the Manager deems it appropriate because of an adverse political, economic, fiscal environment affecting the ICAV or relevant class or tranche (representing a Fund) of Shares; or
- (d) where the Depositary has served notice of its intention to retire and an alternative depositary has not been appointed within 90 days from the date of such notice. See the section headed "Depositary" above.

In the event of termination or merger, the Shares of the ICAV or relevant tranche or Class will be redeemed after giving such prior written notice as may be required by law to all holders of such Shares. Such notice periods will be at least two weeks and may be up to three months. The Shares will be redeemed at the NAV per Share of such class on the relevant Dealing Day less their pro rata share of such sums as the ICAV in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the Fund and in relation to the redemption and cancellation of the Shares to be redeemed.

If the ICAV will be wound up or dissolved (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an Ordinary Resolution, divide among the Shareholders pro-rata to the value of their shareholdings in the ICAV (as determined in accordance with the Instrument of Incorporation) in specie the whole or any part of the assets of the ICAV, and whether or not the assets will consist of property of a single kind and may for such purposes value any class or classes of property in accordance with the valuation provisions in the Instrument of Incorporation. The liquidator may, with the authority of an Ordinary Resolution, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator will think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but not so that any Shareholder will be compelled to accept any asset in respect of which there is a liability. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the ICAV may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

Unamortised establishment and organisational expenses at the time of any such termination will be borne by the relevant Fund and will reduce the Net Asset Value per Share of Shares then outstanding pro rata in accordance with the NAV of each such Share.

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## MANAGEMENT AND ADMINISTRATION

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### ***The Board of Directors***

The Directors have overall responsibility for the management of the ICAV (and any wholly owned subsidiaries) including making general policy decisions and reviewing the actions of the Manager, the Investment Manager, the Depositary, the Administrator and any other service providers appointed by the ICAV from time to time.

The Directors are responsible for managing the business affairs of the ICAV in accordance with the Instrument of Incorporation. The Directors may have delegated certain functions to the Manager which, in turn, has delegated certain of its duties to the Administrator, the Investment Manager and other parties, subject to the supervision and direction by the Manager and subject to compliance with the requirements of the Central Bank. It is intended that the ICAV will be managed and controlled in Ireland.

The Directors are listed below with their principal occupations. All of the Directors serve in a non-executive capacity.

The Directors as of the date of this Prospectus are as follows:

### ***Directors***

#### **Chee Kiang (Francis) Tan**

Mr Tan is the Director- Operations, Finance and Risk with the Investment Manager. He has accumulated over 16 years of experience in operations, finance, compliance and risk in the asset management space. He has been involved in the launch of several funds. Mr Tan is responsible for the overall operational framework of the Investment Manager and the funds it promotes. He is also responsible for the operational aspects of the Investment Manager including trade processing and settlement, valuations, risk management, compliance and finance. Prior to this, he was the Head of Operations and Risk Management Manager at SRE Capital. Previously he was employed with APN Funds Management, HSBC and KPMG.

Mr Tan holds a Bachelor of Arts in Economics at National University of Singapore, and a Financial Industry Competence Standards Diploma on Operational Risk Management at Risk Management Institute from National University of Singapore. He has also attained a Diploma in Law at London School of Business and Finance, Singapore. He is currently also a Chartered Accountant of Singapore.

#### **Elizabeth Beazley**

Elizabeth 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.

#### **Lorcan Murphy**

Mr Murphy (Irish resident) is an independent non-executive director and marketing and distribution consultant of a number of Irish and UK companies providing 20 years knowledge of global mutual funds, spanning operational management, risk management, compliance, product development and asset gathering. He is former Head of Private



Wealth, EMEA and former Head of Pooled Funds Group with Barclays Global Investors Ltd. Mr. Murphy is a member of the Institute of Chartered Accountants in Ireland and has a Bachelor of Business Science degree (Economics major) from Trinity College Dublin.

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

The ICAV Secretary is Carne Global Financial Services Limited.

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## MANAGER

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The ICAV has appointed Carne Global Fund Managers (Ireland) Limited as manager of the ICAV pursuant to the Management Agreement.

The Manager is authorised and regulated as a management company by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and has the necessary permissions to manage an Irish domiciled UCITS. The Manager was incorporated in Ireland as a private limited company on 10 November 2003. The address of the Manager is 3rd Floor, 55 Charlemont Place Dublin 2 Ireland. The company secretary of the Manager is Carne Global Financial Services Limited.

The Manager is a subsidiary of Carne Global Financial Services Limited whose ultimate parent is Carne Global Financial Services Limited.

The Management Agreement contains provisions governing the responsibilities of the Manager in relation to the management and administration of the ICAV. The Management Agreement will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Management Agreement may be terminated by notice in writing by either party to the other. The Management Agreement contains indemnities in favour of the Manager other than matters arising by reason of its negligence, wilful misconduct or fraud.

Either party to the Management Agreement may terminate the Management Agreement at any time forthwith by notice in writing to the other party thereto if such party (the "Defaulting Party") shall at any time during the continuance of the Agreement: (i) commit any material breach of the Management Agreement or commit persistent breaches of the Management Agreement which is or are either incapable of remedy or have not been remedied within 30 days of the other party serving notice upon the Defaulting Party requiring it to remedy same; (ii) be unable to perform its duties under the Management Agreement due to any change in law or regulatory practice; (iii) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) be the subject of any 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) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) be the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vii) be the subject of a court order for its winding up or liquidation.

The directors of the Manager are as follows as well as Elizabeth Beazley (a biography for Ms Beazley is set out under the section entitled "Management and Administration"):

### **Neil Clifford**

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 (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**

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed

as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

### **Sarah Murphy**

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

### **Christophe Douche**

Christophe 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.

Christophe 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.

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

### **Jackie O'Connor**

Jackie 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. Jackie was responsible for setting up GSAMFSL in Ireland.

Prior to that, Jackie 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, Jackie 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.

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

### **Aleda Anderson**

Aleda 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, Aleda 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. Aleda 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.

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## INVESTMENT MANAGER

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The Investment Manager provides discretionary investment management, marketing and advisory services in relation to the ICAV. The Investment Manager will also act as promoter of the ICAV. The registered office of the Investment Manager is located at 3 Church Street, #22-04, Samsung Hub, Singapore 049483.

The MAS regulates the fund management industry in Singapore and no person can act as a fund manager in Singapore unless it is the holder of a capital markets services licence for fund management, registered as a fund management company, or falls within the categories of persons who are exempt from licensing. The Investment Manager is the holder of a capital markets services licence for fund management and subject to supervision in Singapore by:

Monetary Authority of Singapore  
10 Shenton Way  
MAS Building  
Singapore 079117  
Tel: (65)-6225-5577  
Fax: (65)-6229-9229  
Email: [webmaster@mas.gov.sg](mailto:webmaster@mas.gov.sg)

In Singapore, the Investment Manager is licensed to carry on business in fund management for accredited investors or institutional investors (each as defined in the SFA) only.

The Investment Manager's principal business and occupation is to provide investment management services to clients.

As at the date of this Prospectus, the Investment Manager, entities in the White Oak group and the funds managed/advised by the White Oak group have a comprehensive SGD \$40 million insurance policy which includes professional liability insurance, directors and officers liability insurance, and crime cover. The Investment Manager may from time to time if it considers appropriate in its discretion, vary or replace such professional indemnity insurance cover on such terms and conditions as the Investment Manager may deem appropriate.

Unless otherwise stated in the relevant Supplement, the Investment Manager has appointed WhiteOak Capital Asset Management Limited and White Oak Capital Management Consultants LLP to provide non-discretionary sub-investment advisory services to the Investment Manager in respect of the Funds.

The Investment Manager has established liquidity risk management policies which enable it to identify, monitor, and manage the liquidity risks of the Fund(s) and to ensure that the liquidity profile of the investments of the Fund(s) will facilitate compliance with the Fund(s)' obligation to meet redemption requests. Such policies, combined with the liquidity management tools available, seek to achieve fair treatment of Shareholders, and safeguard the interests of remaining Shareholders against the redemption behaviour of other investors and mitigate against systemic risk.

The Investment Manager's liquidity risk management policies take into account each Fund's liquidity terms, asset class, liquidity tools and regulatory requirements.

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations in accordance with the requirements of the Central Bank, provided that such delegation or sub-contract will terminate automatically on the termination of the Investment Management Agreement and provided further that the Investment Manager will remain responsible and liable for any acts or omissions of any such delegate as if such acts or omissions were those of the Investment Manager. All sub-investment managers appointed will be disclosed in the ICAV's periodic reports. Details on any sub-investment managers appointed will be disclosed to Shareholders on request. Such sub-investment managers will not be paid directly by the ICAV but instead will be paid by the Investment Manager.

The Investment Management Agreement provides that the Investment Manager (and its directors, officers, employees and agents) will not be liable for any loss or damage arising directly or indirectly out of any act or omission done or suffered by the Investment Manager in the performance of its duties unless such loss or damage arose out of or in

connection with the negligence, wilful default, bad faith or fraud of the Investment Manager (or any of its directors, officers, employees and agents) in the performance of its duties thereunder. Under the Investment Management Agreement, in no circumstances will the Investment Manager, its directors, officers, employees and agents be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers. The ICAV is obligated under the Investment Management Agreement to indemnify and keep indemnified and hold harmless the Investment Manager (and each of its directors, officers, employees and agents) against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees or expenses) suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of any such negligence, wilful default, bad faith or fraud. In carrying out its duties, the Investment Manager may with the approval of the ICAV, and at the expense of the ICAV, obtain and pay for such expert or professional advice or services as may be necessary or desirable for the performance of its duties under the Investment Management Agreement and in particular, the Investment Manager may receive investment advice from any person and may refer any legal question to the ICAV's legal advisers, and may rely and act on any expert or professional opinion or advice, including investment advice received and any legal opinion or advice given by the ICAV's legal advisers, and in the absence of negligence, wilful default, fraud or bad faith, the Investment Manager will not be responsible for any loss or damage occasioned by its so acting.

The Investment Management Agreement will continue in force until terminated by either party thereto on 90 days' notice in writing to the other party. The Investment Manager may terminate the Investment Management Agreement on 30 days' notice to the ICAV if there is a change in control of the ICAV and the majority of the Directors are not persons acceptable to the Investment Manager. Any party to the Investment Management Agreement may terminate the Investment Management Agreement immediately at any time by notice in writing to the other parties if another party ("**Defaulting Party**") will at any time during the continuance of the Agreement (i) commit any material breach of the Investment Management Agreement or commit persistent breaches of the Investment Management Agreement which either is or are incapable of remedy or has or have not been remedied within 30 days of the other party serving notice upon the Defaulting Party requiring it to remedy same; or (ii) be incapable of performing its duties or obligations under the Investment Management Agreement; or (iii) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; or (iv) be the subject of any petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; or (v) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; or (vi) be the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vii) be the subject of a court order for its winding up or liquidation.

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## DEPOSITARY

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The ICAV has appointed HSBC Continental Europe as the depositary responsible for providing depositary services to the ICAV for the purposes of and in compliance with the UCITS Regulations pursuant to the Depositary Agreement. The Depositary is a designated activity company with limited liability and was incorporated in Ireland on 29 November 1991 and is regulated by the Central Bank. The Depositary is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in England and Wales.

The principal activity of the Depositary is to act as depositary and trustee of the assets of collective investment schemes. As at 29 May 2020, the Depositary had assets under custody of \$75,489,166,875.

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

### **Duties of the Depositary**

The Depositary's key duties include the following:

- (a) safekeeping the assets of the relevant Funds which includes (i) holding in custody all financial instruments that may be held in custody in accordance with Regulations 34(4)(a) of the UCITS Regulations; and (ii) verifying the ownership of other assets and maintaining records accordingly, in each case in accordance with Regulation 34(4)(b) of the UCITS Regulations;
- (b) ensuring that the relevant Fund's cash flows are properly monitored and in particular that all payments made by or on behalf of applicants upon the subscription to shares of the Funds have been received and that all cash of the relevant Fund has been booked in cash accounts that are in accordance with Regulation 34(3) of the UCITS Regulations;
- (c) ensuring that the sale, issue, redemption, repurchase and cancellation of Shares is carried out in accordance with the UCITS Regulations and the Instrument and that the valuation of the shares of the Funds are calculated in accordance with the UCITS Regulations and the Instrument;
- (d) carrying out the instructions of the ICAV and/or the Manager unless they conflict with the UCITS Regulations or the Instrument;
- (e) ensuring that in transactions involving the relevant Fund's assets any consideration is remitted to the ICAV within the usual time limits;
- (f) ensuring that the ICAV's income is applied in accordance with the UCITS Regulations and the Instrument of Incorporation;
- (g) enquiring 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:
  - (i) in accordance with the limitations imposed on the borrowing powers of the ICAV and the Depositary by the Instrument of Incorporation and by the Central Bank under the powers granted to the Central Bank by the UCITS Regulations; and
  - (ii) otherwise in accordance with the provisions of the Instrument of Incorporation and the UCITS Regulations.

If the ICAV has not been managed in accordance with (g)(i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

## Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions 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's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary will exercise care and diligence in choosing and appointing delegates so as to ensure that each delegate has and maintains the required expertise, competence and will maintain an appropriate level of supervision over each delegate and make appropriate enquiries from time to time to confirm that the obligations of the delegate continue to be competently discharged.

### *Criteria for the appointment of a sub-depositary*

The Depositary may appoint sub-depositaries as part of market expansion or when it introduces a new market to its global custody network offering. The Depositary may also decide to replace a sub-depositary following a "best-in market" approach in terms of both financial and operational robustness or in cases where there are concerns regarding an appointed sub-depositary such as:

- the financial standing of the sub-depositary may expose the Depositary's clients' assets (such as the ICAV's assets) to risk;
- the sub-depositary is in breach of any local laws or regulatory rules, or material weaknesses have been identified, as part of the external audit or due diligence undertaken by the Depositary or its delegates, which cannot be easily or rapidly remedied;
- the sub-depositary consistently fails to perform its duties in accordance with the standard of care or diligence which can be expected from a professional in the performance of its duties or to meet the required service standards, despite being given due notice to improve, or it shows a lack of commitment to developing its overall custody service;
- where HSBC Group use more than one sub-depositary in a market and a decision is made to consolidate all HSBC Group assets with the best sub-depositary; and
- where the sub-depositary makes a decision to exit the custody business.

All new appointments of sub-depositaries go through a rigorous selection, risk assessment and approval process following HSBC Network Management and the relevant regulator's criteria. Approval will be provided by the Depositary via a specific HSBC safekeeping governance panel, which consists of representatives of various business areas.

Details of the Depositary's delegation arrangements are set out in Appendix E. Investors may request a copy of the delegation arrangements free of charge from the Investment Manager.

## Termination

The Depositary Agreement shall continue for an initial period of 6 months and thereafter may be terminated by either of the parties on giving 90 (ninety) days prior written notice to the other party, subject to the appointment of a replacement Depositary. The Depositary Agreement may be terminated immediately (subject to a replacement depositary being appointed where applicable) by either party giving notice in writing to the other party if, inter alia, at any time: (i) the party notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed pursuant to the UCITS Regulations; (ii) the party notified shall commit any material breach of the provisions of the Depositary Agreement and shall not have remedied that within 30 days after the service of written notice requiring it to be remedied; (iii) or any authorisation by the Central Bank of the ICAV is revoked.

The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new depositary in accordance with the requirements of the Central Bank or upon the revocation of authorisation of the ICAV.



## Conflicts of Interest

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

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

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

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

The ICAV may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the ICAV. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the ICAV. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the ICAV. The affiliate shall enter into such transactions on the terms and conditions agreed with the ICAV.

Where cash belonging to the ICAV is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

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## ADMINISTRATOR

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The Manager has appointed HSBC Securities Services (Ireland) DAC as the administrator, registrar and transfer agent of the ICAV under the Administration Agreement. Under the terms of the Administration Agreement the Administrator is responsible for providing registrar and transfer agent services, performing the day-to-day administration of the ICAV; for providing fund accounting for the ICAV, including the calculation of the NAV of the ICAV and the Shares.

The Administrator was incorporated as a private limited company incorporated under the laws of Ireland on 29 November 1991 and is engaged in the business of providing administration and accounting services to collective investment schemes. The Administrator is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in the UK.

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

The Administrator shall not, in the absence of fraud, negligence or wilful misconduct on the part of the Administrator or its servants, agents or delegated affiliates, be liable to the Manager, the ICAV, the Investment Manager or to any Shareholder for any act or omission in the course of or in connection with the services rendered by it under the Administration Agreement. The Manager, out of the assets of the relevant Fund, has agreed to indemnify the Administrator and its directors, officers, employees and delegated affiliates from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence or wilful misconduct on the part of the Administrator and its directors, officers, employees and delegated affiliates which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties under the Administration Agreement). The Administrator shall not be liable for any loss to the ICAV or any other person unless direct loss is sustained as a result of its fraud, negligence or wilful misconduct.

The Administrator shall be entitled to rely on pricing information in relation to specified investments held by the ICAV which is provided by price sources set out in the ICAV's pricing policy, services set out in the Administration Agreement, this Prospectus and/or the ICAV's instrument of incorporation or, in the absence of any such price sources, any reputable price sources on which the Administrator may choose to rely (where applicable). Where the Administrator chooses to rely on a price source not expressly provided for in the pricing methodology and procedures of the ICAV set out in this Prospectus or the ICAV's pricing policy, it shall exercise reasonable care expected of a professional administrator in its choice and annual review of the price source, and will provide details regarding any such price source on request.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the ICAV 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 ICAV which is processed by it or provided to it by: (i) the Manager, 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 Manager, the board of directors of the ICAV, or the Investment Manager to provide pricing or valuation information in respect of the ICAV's assets or liabilities to the Administrator.

The Administrator in no way acts as guarantor or offeror of the ICAV's Shares or any underlying investment. The Administrator is a service provider to the Manager on behalf of the ICAV and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the ICAV. The Administrator 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 Manager, the ICAV or the Investment Manager to adhere to the investment objectives, policies, investment restrictions, borrowing restrictions or operating guidelines of the ICAV.

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 Manager or Investment Manager (including any broker, market maker or intermediary), 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 Manager 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 Administrator is a service provider to the Manager on behalf of 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 in this document.

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## BROKERS

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The Investment Manager will determine which brokers will carry the ICAV trading accounts, and execute and clear investments. Such brokers will be responsible for holding and maintaining those portions of the ICAV's assets, funds, investments, and other property deposited with it, execution and/or clearance of transactions for the ICAV's accounts, record-keeping, preparation and transmittal to the ICAV of daily confirmations of transactions and monthly statements of account, calculation of the equity balances and margin requirements for the ICAV's accounts, custodial services and similar functions. Banks, brokers and dealers are selected on behalf of the ICAV on the basis of their ability to effect prompt and efficient executions at competitive rates.

The list of brokers in respect of ICAV, as appointed from time to time, may be obtained from the Investment Manager. The Investment Manager reserves the right without notice to, or receiving consent from Shareholders, from time to time to change such brokers.

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## PAYING AGENT

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

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## REMUNERATION POLICY

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The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”), as required under the UCITS Directive. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the ICAV. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the ICAV and the investors in the ICAV and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ICAV, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any) are available via [www.carnegroup.com/policies-and-procedures/](http://www.carnegroup.com/policies-and-procedures/) The Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Manager, upon request.

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## MEETINGS OF AND REPORTS TO SHAREHOLDERS

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All general meetings of the ICAV will be held in Ireland. 21 days' notice (excluding the day of posting and the day of the meeting) will be given in respect of each general meeting of the ICAV. The notice will specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. The requirements for quorum and majorities at all general meetings are set out in the Instrument of Incorporation. Two members present in person or by proxy will constitute a quorum, save in the case of a meeting of any one Fund or Class where the quorum will be at least two Shareholders who hold at least one third of the Shares of the relevant Fund or Class and in either case if a quorum is not present and the meeting is adjourned one member may constitute the quorum. Under Irish law an Ordinary Resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. Under Irish law, the Instrument of Incorporation can be amended only with the agreement of the Shareholders by special resolution.

The ICAV has determined not to convene an annual general meeting each year.

### ***Reports to Shareholders***

The annual report containing audited financial statements of the ICAV for the period ending 31 December in each year will be made available within four (4) months after the end of the relevant financial year. The annual audited financial statements will be sent to Shareholders and prospective investors on request. In addition to the annual reports, each Shareholder will be provided with monthly statements showing their holdings in a Fund and any transactions effected by such Shareholder during the relevant month.

In addition, the ICAV will prepare a half-yearly report for the period ending 30 June in each year which will include unaudited semi-annual accounts for the ICAV and each Fund. The unaudited semi-annual report will be made available within two months of the end of the relevant period. The unaudited semi-annual report will be sent to Shareholders and prospective investors on request.

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## TAXATION

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### Ireland

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

### Taxation of the ICAV

The ICAV intends to conduct its affairs so that it is Irish tax resident. On the basis that the ICAV is Irish tax resident, the ICAV qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The ICAV will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

### Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the ICAV will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the ICAV confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland.

If this declaration is not received by the ICAV, the ICAV will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The ICAV will also deduct Irish tax if the ICAV has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The ICAV must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### Taxation of exempt Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland ("TCA"), the ICAV will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the ICAV confirming the Shareholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).



3. Investment undertakings (within the meaning of section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister of Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. The Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018).
16. Qualifying companies (within the meaning of section 110 TCA).
17. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares without requiring the ICAV to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the ICAV in respect of a Shareholder, the ICAV will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of Other Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the ICAV will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the ICAV*

If the ICAV pays a distribution to a non-exempt Irish resident Shareholder, the ICAV will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The ICAV will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions and Transfers of Shares*

If the ICAV redeems Shares held by a non-exempt Irish resident Shareholder, the ICAV will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the ICAV will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The ICAV will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the ICAV may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### *'Eighth Anniversary' Events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the ICAV will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The ICAV will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the ICAV may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Fund of the ICAV are held by non-exempt Irish resident Shareholders, the ICAV may elect not to account for Irish tax on this deemed disposal. To claim this election, the ICAV must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the ICAV is electing to claim this exemption.

If the exemption is claimed by the ICAV, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the ICAV on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

### *Share Exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the ICAV or for Shares in another Fund of the ICAV and no payment is received by the Shareholder, the ICAV will not deduct Irish tax in respect of the exchange.

### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in kind* of assets from the ICAV, a charge to Irish stamp duty could potentially arise.

### **Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish ICAV. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

### **FATCA**

Ireland has an intergovernmental agreement with the United States of America (the "IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The ICAV intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the ICAV shall be required to register with the IRS as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating

financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the ICAV to the Irish Revenue Commissioners will be communicated to the IRS pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The ICAV should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the ICAV if the ICAV did not comply with its FATCA registration and reporting obligations and the IRS specifically identified the ICAV as being a 'non-participating financial institution' for FATCA purposes.

## **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "Common Reporting Standard" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the ICAV is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the OECD Common Reporting Standard.

### **Meaning of Terms**

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

A company which has its central management and control in Ireland is tax 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 tax resident in Ireland except where the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

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

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

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

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

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2024 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2027.

## Singapore

*The following is a summary of the principal tax position in Singapore relating to the ICAV based upon the proposed conduct of activities to be carried out by the ICAV and the Investment Manager as described in this Prospectus. The summary does not purport to be comprehensive and does not constitute legal or tax advice. It also does not deal with any non-Singapore withholding taxes or other taxes that may be applicable to the income and gains from investments held by the ICAV through the Fund(s). The comments summarised herein could be adversely affected if any of the material facts on which they are based should prove to be inaccurate.*

*The summary is based upon the current Singapore tax laws and regulations, and the related practice and interpretation thereof, which are subject to change at any time, possibly on a retroactive basis. Any such change could adversely affect the comments made. In addition, the comments herein are not binding on the Singapore tax authorities and there can be no assurance that the authorities will not take a position contrary to any of the comments herein. It is emphasised that neither the ICAV nor the Investment Manager nor any other persons involved in this Prospectus accepts responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of Shares. Prospective investors are urged to consult their own tax advisors concerning the tax consequences of their particular circumstances and situations.*

The Singapore income tax discussion herein is based on details of the Section 13D and Section 13U and tax incentive schemes released by the MAS in its circulars from time to time. The relevant legislative provisions applicable are contained in Section 13D of the SITA as well as the Income Tax (Exemption of Income of Prescribed Persons Arising from Funds Managed by Fund Manager in Singapore) Regulations 2010 (the “**Section 13D Regulations**”) and Section 13U of SITA as well as the Income Tax (Exemption of Income Arising from Funds Managed in Singapore by Fund Manager) Regulations 2010 (the “**Section 13U Regulations**”). It should be noted that the changes announced during the Singapore Budget 2019 on 18 February 2019, further details of which were released in the MAS circular FDD Cir 09/2019 dated 7 June 2019, have yet to be legislated.

### Income Tax

Singapore income tax is imposed on income accruing in or derived from Singapore and on foreign-sourced income received or deemed to have been received in Singapore, subject to certain exemptions. Currently, the corporate income tax rate in Singapore is 17%.

### Gains on Disposal of Investments

Singapore does not impose tax on capital gains. However, gains from the disposal of investments may be construed to be of an income nature and subject to Singapore income tax. Generally, gains on disposal of investments are considered income in nature if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Specific exemption from tax is provided under the SITA for gains derived from the disposal of ordinary shares (not preference shares, bonds, debentures or other instruments) where the divesting company has held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months immediately prior to the disposal. This is provided that the investee company, if unlisted, is not in the business of trading or holding Singapore immovable properties (other than the business of property development). This exemption (i.e. the “**Safe Harbor Rule**”) is currently applicable to disposals during the period 1 June 2012 to 31 May 2022 (both dates inclusive). The aforesaid Safe Harbor Rule has been extended by the Singapore Budget 2020 to cover the disposal of ordinary shares by companies from 1 June 2022 to 31 December 2027. However, to ensure consistency in the tax treatment for property-related businesses, with effect from 1 June 2022, the Safe Harbor Rule is not applicable to disposal of ordinary shares in an unlisted company that is engaged in the business of trading, holding or developing immovable properties in Singapore as well as abroad. The tax treatment of such share disposals by the investors is based on the facts and circumstances of the case.

As the investments and divestments of assets of the ICAV are managed by the Investment Manager, the ICAV may be construed to be carrying on activities of a trade or business in Singapore. Accordingly, income/gains on disposal of

investments derived by the ICAV may be considered as income accruing in or derived from Singapore and subject to Singapore income tax (prevailing corporate tax rate of 17% as of the date of this Prospectus), unless the income/gains on disposal are exempted from tax pursuant to the aforementioned tax incentive schemes under Section 13D read with Section 13D regulations (collectively referred to as the “**13D Tax Incentive Scheme**”) or Section 13U read with Section 13U regulations (collectively referred to as the “**Enhanced-Tier Fund Scheme**”) of the SITA, or the above exemption in relation to the disposal of ordinary shares.

### **13D Tax Incentive Scheme**

Under the 13D Tax Incentive Scheme, “specified income” derived by a “prescribed person” in respect of “designated investments” is exempt from tax in Singapore, if the funds of the “prescribed person” are managed by a “fund manager” in Singapore and the prescribed conditions are met.

The ICAV will be a “prescribed person” for the purpose of the 13D Tax Incentive Scheme if, at all times during the basis period for the year of assessment:

- (a) it is not a resident of Singapore for income tax purposes;
- (b) it does not have a permanent establishment in Singapore (other than a fund manager);
- (c) it does not carry on a business in Singapore; and
- (d) it is not a company the income of which is derived from investments which have been transferred (other than by way of a sale on market terms and conditions) from a person carrying on a business in Singapore where the income derived by that person from those investments was not, or would not have been if not for their transfer, exempt from tax.

### **Specified Income**

As per the MAS Circular dated 7 June 2019 (further updated as on 19 September 2022), any income or gains derived on or after 19 February 2019 from “Designated Investments” listed below will be regarded as “Specified Income” except for the following:

- (a) Distributions made by a trustee of a real estate investment trust<sup>1</sup> that is listed on the Singapore Exchange;
- (b) (b) Distributions made by a trustee of a trust who is a resident of Singapore or a permanent establishment in Singapore, other than a trust that enjoys tax exemption under sections 13D, 13F, 13L or 13U of SITA;
- (c) Income or gain derived or deemed to be derived from Singapore from a publicly-traded partnership, where tax is paid or payable in Singapore on such income of the partnership by deduction or otherwise; and
- (d) Income or gain derived or deemed to be derived from Singapore from a limited liability company, where tax is paid or payable in Singapore on such income of the limited liability company by deduction or otherwise.

### **Designated Investments**

As per the MAS Circular dated 7 June 2019, the list of “designated investments” on or after 19 February 2019 (further updated as on 19 September 2022) is defined to mean:

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<sup>1</sup> As defined in section 43(10) of the SITA, which is a trust constituted as a collective investment scheme authorised under section 286 of the SFA and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets.

- (a) Stocks and shares of any company, other than an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (b) Debt securities (i.e. bonds, notes, commercial papers, treasury bills and certificates of deposits), other than non-qualifying debt securities<sup>2</sup> issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (c) Units in real estate investment trusts and exchange traded funds constituted in the form of trusts and other securities (not already covered in other sub-paragraphs of the Designated Investments list) but excludes any securities issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (d) Futures contracts held in any futures exchanges;
- (e) Immovable property situated outside Singapore;
- (f) Deposits held with any financial institution;
- (g) Foreign exchange transactions;
- (h) Interest rate or currency contracts on a forward basis, interest rate or currency options, interest rate or currency swaps, and financial derivatives relating to any designated investment specified in this list or financial index;
- (i) Units in any unit trust, except:
  - i. A unit trust that invests in Singapore immovable properties;
  - ii. A unit trust that holds stock, shares, debt or any other securities, that are issued by any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development); and
  - iii. A unit trust that grant loans that are excluded under (j)
- (j) Loans<sup>3</sup>, except:
  - i. Loans granted to any unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
  - ii. Loans to finance/ re-finance the acquisition of Singapore immovable properties; or
  - iii. Loans that are used to acquire stocks, shares, debt or any other securities, that are issued by an unlisted company that is in the business of trading or holding of Singapore immovable properties (other than one that is in the business of property development);
- (k) Commodity derivatives<sup>4</sup>;
- (l) Physical commodities other than physical investment precious metals mentioned in (z), if:
  - i. The trading of those physical commodities by the prescribed person, approved company or approved person in the basis period for any year of assessment is done in connection with and is incidental to its trading of commodity derivatives (referred to in this paragraph as related commodity derivatives) in that basis period; and

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<sup>2</sup> "Non-qualifying debt securities" will refer to debt securities that do not enjoy the "Qualifying Debt Securities" tax status as defined under section 13(16) of the SITA.

<sup>3</sup> This includes secondary loans, credit facilities and advances.

<sup>4</sup> Commodity derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying commodity.

- ii. The trade volume of those physical commodities traded by the prescribed person, approved company or approved person in that basis period does not exceed 15% of the total trade volume of those physical commodities and related commodity derivatives traded in that basis period;
- (m) Units in a registered business trust;
  - (n) Emission derivatives<sup>5</sup> and emission allowances;
  - (o) Liquidation claims<sup>6</sup>;
  - (p) Structured products (as defined under Section 13(16) of SITA);
  - (q) Islamic financial products<sup>7</sup> and investments in prescribed Islamic financing arrangements under section 34B of SITA that are commercial equivalents of any of the other designated investments specified in this list<sup>8</sup>;
  - (r) Private trusts that invest wholly in "designated investments";
  - (s) Freight derivatives<sup>9</sup>;
  - (t) Publicly-traded partnerships that do not carry on a trade, business, profession or vocation in Singapore<sup>10</sup>;
  - (u) Interests in limited liability companies that do not carry on any trade, business, profession or vocation in Singapore;
  - (v) Bankers' acceptances issued by financial institutions;
  - (w) Accounts receivables and letters of credits; and
  - (x) Interests in Tokumei Kumiai (TK)<sup>11</sup> and Tokutei Mokuteki Kaisha (TMK)<sup>12</sup>;
  - (y) Non-publicly-traded partnerships that:
    - i. Do not carry on a trade, business, profession or vocation in Singapore; and
    - ii. Invest wholly in designated investments specified in this list; and
  - (z) Physical investment precious metals, if the investment in those physical investment precious metals does not exceed 5% of the total investment portfolio, calculated in accordance with the formula  $A \leq 5\% \text{ of } B$ , where –

<sup>5</sup> Emission derivatives means derivatives the payoffs of which are wholly linked to the payoffs or performance of the underlying emission allowances.

<sup>6</sup> As per the Section 13D Regulations, "liquidation claims" means claims or other causes of actions (including interests, rights and demands) of creditors or equity holders of any person against such person, however arising, on cash or other tangible or intangible assets, from a person upon and in connection with any insolvency proceeding of that person.

<sup>7</sup> Recognised by a Shariah council, whether in Singapore or overseas.

<sup>8</sup> The former is included as a designated investment with effect from 19 February 2019.

<sup>9</sup> Freight derivatives means derivatives, the payoffs of which are wholly linked to the payoffs or performance of the underlying freight rates.

<sup>10</sup> The allocation of profits from such partnerships to the fund vehicle will be considered as specified income. However, the fund vehicle would not be entitled to a refund of any taxes that was imposed on the partnership profits. This would relate to the publicly-traded partnerships' profits which are derived or deemed to be derived from Singapore, and examples of such income are payments that fall within section 12(6) and (7) of the SITA.

<sup>11</sup> A TK is a contractual arrangement under which one or more silent investors (the TK investor) makes a contribution to a Japanese operating company (the TK operator) in return for a share in the profit/ loss of a specified business conducted by the TK operator (the TK business).

<sup>12</sup> A TMK is generally a type of corporation formed under Japanese law. It is a structure/ entity used for securitisation purposes in Japan. TMK was not mentioned in Annex 2 of FDD Cir 09/2019 and is now included herein for the avoidance of doubt.



- i. A is the average month-end value of the total investment portfolio in physical IPMs over the basis period; and
- ii. B is the value of the total investment portfolio as at the last day of the basis period.

A “fund manager” for the purpose of the 13D Tax Incentive Scheme means a company holding a capital markets services licence for fund management under the SFA or one that is exempt under the SFA from holding such a licence. The Investment Manager currently holds a capital market services licence for fund management under the SFA, and it is therefore a “fund manager” for the purpose of the 13D Tax Incentive Scheme.

The Investment Manager will endeavour to conduct the affairs of the ICAV such that it will qualify for the 13D Tax Incentive Scheme. There is, however, no assurance that the Investment Manager will be able, on an ongoing basis, to ensure that the ICAV will always meet all the qualifying conditions for the 13D Tax Incentive Scheme. Upon any such disqualification, the ICAV may be exposed to Singapore tax on its income and gains, wholly or partially, as the case may be, at the prevailing corporate tax rate.

The 13D Tax Incentive Scheme is currently available up to 31 December 2024. As long as the ICAV is a “prescribed person” before 1 January 2025, the 13D Tax Incentive Scheme would continue to apply even if the scheme is not extended beyond this date provided that the ICAV continues to be a “prescribed person” and meets all the qualifying conditions for the 13D Tax Incentive Scheme beyond 31 December 2024. No application or approval from the MAS is required for the 13D Tax Incentive Scheme, which is self-administered.

### **Taxation of Shareholders**

Provided that the ICAV is a “prescribed person” which derives “specified income” in respect of “designated investments”, the Singapore income tax consequences for Shareholders will depend on whether or not the Shareholder is a “qualifying investor” (as described below), and such Shareholder’s individual circumstances.

A “qualifying investor” of a “prescribed person” will not be subject to payment of a financial penalty to the Comptroller of Income Tax (“**CIT**”) in Singapore.

A “qualifying investor” is:

- (a) an individual investor;
- (b) a bona fide entity not resident in Singapore who does not have a permanent establishment in Singapore (other than a fund manager) and does not carry on a business in Singapore;
- (c) a bona fide entity not resident in Singapore (excluding a permanent establishment in Singapore) who carries on an operation in Singapore through a permanent establishment in Singapore where the funds used by the entity to invest directly or indirectly in the “prescribed person” are not obtained from such operation;

A bona fide entity not resident in Singapore is one which carries out substantial business activities for genuine commercial reasons and has not as its sole purpose the avoidance or reduction of tax or penalty under the Income Tax Act;

- (d) a “designated person”;
- (e) an “approved company” under Section 130 of the SITA which, at all times during the basis period for the year of assessment for which the income of the “prescribed person” is exempt from tax under Section 130 of the SITA ; or

- (f) an “approved person” under Section 13U of the SITA which, at all times during the basis period for the year of assessment for which the income of the “prescribed person” is exempt from tax under Section 13U of the SITA ; and
- (g) an investor other than those listed in (a), (b), (c), (d), (e) and (f) which, alone or with its associates:
  - (i) beneficially owns not more than 30% of the total value of issued securities of the “prescribed person” if the “prescribed person” has less than 10 investors; or
  - (ii) beneficially owns not more than 50% of the total value of issued securities of the “prescribed person” if the “prescribed person” has 10 or more investors.

For the purpose of determining whether a Shareholder is an associate of another Shareholder, the two Shareholders (except where either of the Shareholders is a “designated person” or an individual) shall be deemed to be associates of each other if:

- a) at least 25% of the total value of the issued securities in one Shareholder is beneficially owned, directly or indirectly, by the other; or
- b) at least 25% of the total value of the issued securities in each of the two Shareholders is beneficially owned, directly or indirectly, by a third person.

The deemed association tests in a) and b) above do not apply where:

- (i) any of the two Shareholders is a listed entity and each does not beneficially own, directly or indirectly, at least 25% of the total value of the issued securities of the other Shareholder;
- (ii) no third person (other than an individual or a “designated person”) beneficially owns, directly or indirectly, at least 25% of the total value of issued securities of the two Shareholders and at least 25% of the total value of the issued securities in each of the two Shareholders is owned either directly by an individual or a “designated person”, or indirectly through a nominee company or a trust fund by an individual or a “designated person”; or
- (iii) one of the Shareholders is an “approved person” under Section 13UX of the SITA which, at all times during the basis period for the year of assessment for which the income of a “prescribed person” is exempt from tax under Section 13D of the SITA:
  - (1) beneficially owns directly any of the issued securities of the “prescribed person”; and
  - (2) satisfies all the conditions in Regulation 3(2) of the Section 13U Regulations.

Shareholders should take note of this aggregation rule. Shareholders should also note that for the purposes of determining whether other Shareholders who are connected with them are associates under this aggregation rule, shareholdings of non-resident non-individual Shareholders connected to them may be aggregated (notwithstanding that these persons are themselves “qualifying investors”) in assessing whether the relevant thresholds have been exceeded.

The ICAV, the Manager, the Investment Manager and the Administrator reserve the right to request such information as any of the ICAV, the Manager, the Investment Manager and the Administrator (as the case may be) in its absolute discretion may deem necessary to ascertain whether Shareholders are associated with each other for the purposes of the 13D Tax Incentive Scheme.

A “non-qualifying investor”, which is a Shareholder other than a “qualifying investor” will have to pay a financial penalty to the CIT, subject to the exception noted below. Such financial penalty is computed as follows:-

Financial penalty = A x B x C

where:

- A: is the percentage of the total value of all issued securities of the “prescribed person” which is beneficially owned by the non-qualifying investor on the relevant day;
- B: is the amount of income of the “prescribed person” as reflected in its audited accounts for the basis period relating to that year of assessment; and
- C: is the corporate tax rate applicable to that year of assessment.

The “value” in relation to issued securities of the “prescribed person” means the net asset value of those securities as at the relevant day.

The relevant day means the last day of the basis period for the year of assessment of the “prescribed person” or the last day the “prescribed person” avails of the 13D Tax Incentive Scheme.

Where the “non-qualifying investor” is a non-bona fide non-Singapore resident entity, it is not subject to the financial penalty. Instead, the CIT will “look-through” that entity. A beneficial owner of that entity (excluding a person who falls within (a), (b), (c), (d), (e) and (f) of the definition of a “qualifying investor”) which:

- (a) either alone or together with its associates, beneficially owns at least 30% (if the “prescribed person” has less than 10 investors) or 50% (if the “prescribed person” has 10 or more investors) of the total value of all equity interests of the “prescribed person” on the relevant day; and
- (b) is not itself a non-bona fide entity;

shall be liable to pay the financial penalty in proportion to its shareholding interests in the “prescribed person”. Reference to “non-qualifying investor” in the formula for computing financial penalty as discussed above would then be replaced by reference to such beneficial owner.

The status of whether a Shareholder is a “qualifying investor” will be determined on the relevant day. If a “non-qualifying investor” can prove to the CIT that the applicable investment limit is exceeded for reasons beyond his reasonable control, the CIT may allow him a three-month grace period from the relevant day to reduce its percentage of ownership in the “prescribed person” to meet the allowable investment limit.

The taxation of income derived by the Shareholders from the ICAV will depend on the particular situation of the Shareholders. This is notwithstanding that the Shareholder may have paid a financial penalty to the CIT.

### **Reporting Obligation**

To enable Shareholders to determine their investment stake in the ICAV in respect of any financial year, the Investment Manager will issue an annual statement to each Shareholder of the ICAV, showing:

- (i) the gain or profit of the ICAV for that financial year as per the audited financial statements;
- (ii) the total value of issued securities of the ICAV as at the relevant day;
- (iii) the total value of issued securities of the ICAV held by the Shareholder as at the relevant day; and
- (iv) whether the ICAV had less than 10 investors as at the relevant day.

The Investment Manager is required to submit a declaration to the CIT within one month after the date of issue of the audited accounts of the ICAV, where there are “non-qualifying investors” and furnish the CIT with the details of any

such “non-qualifying investors”.

In this regard, Shareholders should note that they are each responsible for the computation of the aggregate of the shareholdings held by them and their associates in the ICAV and may be required by the Investment Manager to disclose such computation to the Investment Manager from time to time.

Each Shareholder should also note that they will be required to acknowledge in the Subscription Agreement that the ICAV, the Investment Manager, the Administrator and the Manager may disclose to each other, to any other service provider to the ICAV or to any regulatory body in any applicable jurisdiction copies of such Shareholder’s Subscription Agreement and any information concerning such Shareholder and its associates provided by the Shareholder to the ICAV, the Investment Manager, the Administrator or the Manager and any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by law or otherwise.

### **Enhanced-Tier Fund Scheme**

Alternatively, the ICAV may apply to the MAS to be an “approved person” for the purpose of the Enhanced-Tier Fund Scheme. Similar to the 13D Tax Incentive Scheme, “specified income” derived by an “approved person” in respect of “designated investments” is exempt from tax in Singapore under the Enhanced-Tier Fund Scheme, if the funds of the “approved person” are managed by a “fund manager” in Singapore and the prescribed conditions are met.

The ICAV should qualify as an “approved person” for the purpose of the Enhanced-Tier Tax Incentive Scheme, if it is approved by the MAS for this purpose and satisfies the following conditions:

- (a) has a minimum fund size of S\$50 million in aggregate at the point of application;
- (b) is managed or advised directly throughout each basis period relating to any year of assessment by a Singapore “fund manager” who employs at least 3 investment professionals. Investment professionals refer to persons who are earning more than S\$3,500 per month and must be engaged substantially in the qualifying activities throughout the basis period relating to any year of assessment for which the tax exemption is sought. Examples include portfolio managers, research analysts and traders;
- (c) incurs at least S\$200,000 in local business spending in each basis period relating to any year of assessment for which the Enhanced-Tier Tax Incentive Scheme is sought;
- (d) does not change its investment objective/ strategy after being approved, unless the MAS is satisfied that the change is for a bona fide commercial reason and approval is obtained from the MAS before the change takes effect; and
- (e) does not concurrently enjoy other tax incentive schemes.

Except for the condition in paragraph (a) above which is required to be complied with at the time of application only, the other conditions (i.e. (b) to (e)) will have to be fulfilled throughout the life of the “approved person”. In the event that the “approved person” fails to satisfy any of the above conditions for any basis period, the “approved person” will not enjoy the tax exemption on “specified income” derived from “designated investments” for the basis period concerned. If at any time the “approved person” ceases to meet the conditions of the Enhanced-Tier Fund Scheme, the ICAV has to inform MAS in writing within 1 week of such an event. It can however continue to enjoy the tax exemption in any subsequent basis period, if it is able to satisfy the conditions in that subsequent period.

The terms “specified income”, “designated investments” and “fund manager” have the same meanings as for the 13D Tax Incentive Scheme, except that any references to “prescribed person” therein is modified to refer to “approved person”.

The Enhanced-Tier Fund Scheme is currently available up to 31 December 2024. As long as the ICAV has been approved as an “approved person” before 1 January 2025, the Enhanced-Tier Fund Scheme would continue to apply for the life of the ICAV even if it is not extended beyond this date, provided all the conditions continue to be met.

The determination of a “qualifying” versus “non-qualifying” investor, and accordingly the imposition of financial penalty is irrelevant under the Enhanced-Tier Fund Scheme.

## Reporting Obligations

Where the ICAV has been approved as an “approved person” for the purpose of the Enhanced-Tier Fund Scheme, the ICAV will be required to submit an annual income tax return to the IRAS. Additionally, the ICAV will also be required to submit an annual declaration to the MAS within 4 months of each financial year-end.

### Singapore's Common Reporting Standard regulations

Under Singapore's Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 a reporting Singaporean financial institution means — (a) any financial institution (but not in relation to any branch of the financial institution located outside Singapore) that is resident in Singapore; or (b) any financial institution (in relation to its branch located in Singapore) not resident in Singapore, but excludes any non-reporting financial institution.

A company is resident in Singapore if it is centrally managed and controlled in Singapore.

## Taxation of Shareholders

The taxation of Shareholders in their own jurisdictions may vary depending on the personal profile of each Shareholder. It is strongly advised that Shareholders consult their own tax advisors on the tax laws that would apply to their particular situations, in relation to the purchase, ownership and disposition of Shares in the ICAV.

## United States

This following summary of certain U.S. federal income tax considerations is based on the Code, administrative pronouncements, judicial decisions and existing and proposed U.S. Treasury regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein either prospectively or retroactively.

**Nothing included in this discussion was intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties. This discussion was written to support the promotion or marketing of Shares. Each potential investor should seek tax advice based on the potential investor’s particular circumstances from an independent tax advisor.**

This summary does not address all of the U.S. federal income tax considerations, or any of the U.S. federal estate tax considerations, that may be implicated by an investment in a Fund. This summary also does not consider the circumstances of any particular investor, and each prospective investor should note that the tax consequences of an investment in a Fund may not be the same for all investors.

For purposes of this summary, a “U.S. investor” is a Shareholder that is: (i) an individual U.S. citizen or U.S. resident, as determined for U.S. federal income tax purposes; (ii) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or of any U.S. state; (iii) an estate, the income of which is includible in gross income under subtitle A of the Code; or (iv) a trust which is subject to primary supervision of its administration by a court within the United States and for which one or more U.S. persons has the authority to control all substantial decisions. A “U.S. tax-exempt investor” is a U.S. investor that is an entity, organization or trust that is exempt from U.S. federal income tax under sections 501(a) or 408(e) of the Code, including a charitable organization described in section 501(c) of the Code, a tax-exempt trust described in section 401(a) of the Code and an individual retirement account described in section 408(a) of the Code. A “non-U.S. investor” is a Shareholder that is an individual, corporation, estate or trust that is not a U.S. investor. If an entity treated as a partnership (or otherwise as transparent) for U.S. federal income tax purposes is a Shareholder, the tax treatment of a member in such entity will generally depend upon the status of the member and upon the activities of the entity.

Members of a tax-transparent entity that holds Shares should consult with their own tax advisors.

In addition to the U.S. federal income tax consequences described below, prospective investors should consider potential U.S. state and local tax consequences of an investment in a Fund. U.S. state and local laws differ from U.S. federal income tax law with respect to the treatment of specific items of income, gain, loss, deduction, and credit. Each prospective investor is advised to consult his, her or its own tax counsel regarding such U.S. state and local (and non-U.S.) income and other tax considerations.

The ICAV has not sought a ruling from the IRS or any other U.S. federal, state or local agency with respect to any of the tax issues affecting the ICAV or its Funds, nor has it obtained an opinion of counsel with respect to any tax issues.

### **U.S. Federal Income Taxation of the ICAV and its Funds**

Each Fund expects to be treated as a separate association taxable as a corporation for U.S. federal income tax purposes. Each investor, by subscribing for Shares, agrees not to take any position inconsistent with this intended treatment, unless otherwise required by applicable law. Currently, there is no authority directly on point that addresses the classification of a sub-fund of an umbrella-type collective asset-management vehicle with segregated liability between sub-funds incorporated with limited liability in Ireland for U.S. federal income tax purposes. As a result, the treatment of the Funds for U.S. federal income tax purposes as separate business entities cannot be free from doubt. The ICAV, however, believes that the treatment of each Fund as a separate corporation will be respected for U.S. federal income tax purposes. Accordingly, the following discussion assumes that each Fund will be treated as a separate corporation for U.S. federal income tax purposes.

Based on the structure and operations of the ICAV, a Fund generally should not be subject to U.S. federal income tax, except as provided below.

As an association taxable as a corporation for U.S. federal income tax purposes, a Fund's income generally will attract U.S. federal income tax, if at all, only in three circumstances. First, if a Fund were deemed to be engaged in a "trade or business" in the United States, the Fund's income "effectively connected" with that trade or business (or, for tax treaty purposes, attributable to a "permanent establishment" in the United States) would be subject to U.S. federal income tax at the applicable corporate income tax rate on a net basis and, potentially, the U.S. federal "branch profits" tax. Second, in some circumstances, certain of a Fund's income from U.S. sources, such as dividend income (including "dividend equivalents") and certain interest income, may be subject to U.S. withholding tax. Third, even if otherwise exempt from U.S. withholding tax, certain of a Fund's income from U.S. sources nevertheless may be subject to U.S. withholding tax unless the Fund complies with certain requirements, as described below under "FATCA." The following paragraphs describe these rules in more detail.

### **U.S. Trade or Business**

A non-U.S. corporation (other than a dealer in securities) that engages in investing or trading securities in the United States for its own account is not deemed to be engaged in a U.S. trade or business solely on account of that activity. A Fund could be deemed to be engaged in a U.S. trade or business if any of its portfolio investments are engaged in a trade or business within the United States and are held through one or more entities, each of which is transparent for U.S. federal income tax purposes.

If a Fund were deemed to be engaged in a U.S. trade or business, then the income that is treated as "effectively connected" with such U.S. trade or business (or, if such Fund is eligible to claim the benefits of the income tax treaty between the United States and Ireland, income that is attributable to a "permanent establishment" of the Fund in the United States) would be subject to U.S. federal income tax at the tax rate applicable to U.S. domestic corporations, and the Fund may also be subject to a 30 percent U.S. federal "branch profits" tax on earnings removed, or deemed removed from the United States (which "branch profits" tax rate may be reduced by the application of the tax treaty).

### **U.S. Withholding Tax**

In general, a non-U.S. corporation will be subject to U.S. federal taxation at a flat rate of 30 percent, or lower treaty

rate, on the gross amount of certain U.S.-source income that is not “effectively connected” with a U.S. trade or business (or attributable to a “permanent establishment” in the United States, as applicable), which tax is generally payable through withholding. Income subject to such a flat tax rate is income of a fixed or determinable annual or periodic nature, including dividends and certain interest income. The taxability of interest income to non-U.S. taxpayers is subject to a number of important specific exemptions. Other sorts of investment income, including in some cases income from derivative instruments involving underlying securities of U.S. issuers, may in some cases attract such U.S. withholding taxes.

## **FATCA**

The ICAV is required to comply with certain registration, due diligence and reporting obligations in order to avoid a 30 percent U.S. withholding tax under the U.S. tax law known as “FATCA” on “withholdable payments” made or allocated to its Funds. For this purpose, the term “withholdable payments” includes payments or allocations of certain U.S.-source income, including dividends and interest income. Amounts withheld under the FATCA rules with respect to income that is also subject to the general U.S. withholding tax, discussed above, will be applied against and reduce the amount of such other U.S. withholding tax.

## **U.S. Federal Income Taxation of Non-U.S. Investors in a Fund**

A non-U.S. investor should not be subject to U.S. federal income tax on distributions made by a Fund or on gain realized upon the sale, exchange or redemption of Shares held as a capital asset, provided that the distribution or gain is not “effectively connected” with such non-U.S. investor’s conduct of a U.S. trade or business, as determined for U.S. federal income tax purposes.

Even though no U.S. federal income taxation (including withholding) would normally apply to a non-U.S. investor’s capital gain that is not “effectively connected” with a U.S. trade or business for U.S. federal income tax purposes, a non-U.S. investor would be subject to U.S. federal income taxation if the non-U.S. investor were an individual who was present in the United States for 183 days or more during the taxable year in which such gain was realized, as determined under the Code, and certain other requirements were satisfied.

This summary of certain considerations for non-U.S. investors is only a summary of certain relevant provisions of the Code and makes no attempt to describe the numerous and complex rules to which particular investors are subject. Each prospective non-U.S. investor should consult his, her or its own tax advisor with respect to the tax consequences of investing in a Fund in light of such investor’s particular situation.

## **U.S. Federal Income Taxation of U.S. Investors in a Fund**

### **Distributions**

Subject to the passive foreign investment company (“PFIC”) rules discussed below, (i) any distributions made by a Fund to its U.S. investors (other than U.S. tax-exempt investors) with respect to Shares generally will be taxable to those investors as dividend income, which generally is taxable as ordinary income, to the extent of such investor’s share of the relevant Fund’s current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), and (ii) to the extent a U.S. investor receives a distribution in excess of such investor’s share of the relevant Fund’s current and accumulated earnings and profits, such excess first will result in a tax-free reduction of the U.S. investor’s tax basis in its Shares, to the extent thereof, and then any remaining excess generally will be subject to tax as capital gain (like a taxable sale of Shares). Dividends received by corporate U.S. investors will not be eligible for the dividends-received deduction.

### **Sale of Shares**

Upon the taxable sale or other taxable disposition of Shares, and subject to the PFIC rules discussed below, a U.S. investor (other than a U.S. tax-exempt investor) generally will recognize a capital gain or loss, which generally will be long-term or short-term, depending upon the U.S. investor’s holding period for the Shares.

## U.S. Tax-Exempt Investors

Income recognized by U.S. tax-exempt investors generally is exempt from U.S. federal income tax unless it is unrelated business taxable income ("UBTI"). UBTI is income from a trade or business that is unrelated to a U.S. tax-exempt investor's exempt purpose and is regularly carried on by such U.S. tax-exempt investor.

A U.S. tax-exempt investor's income from a Fund will consist of dividends and gain from the sale or other disposition of Shares. Such income and gains derived by a U.S. tax-exempt investor from the ownership of Shares should not constitute UBTI to a U.S. tax-exempt investor, unless such investor acquired its Shares with the proceeds of borrowings ("Debt-Financed Shares") and an amount of such "acquisition indebtedness" remains unpaid at any time during the investor's tax year within which the income is received (in the case of dividends) or during the 12-month period prior to a sale or other disposition (in the case of gain from a sale or other disposition of Shares). The amount of such income or gain that would constitute UBTI would be determined by multiplying the entire amount of income or gain by a fraction, the numerator of which is (a) in the case of dividend income, the average amount of acquisition indebtedness outstanding during such tax year, or (b) in the case of gain on a sale or other disposition, the highest amount of acquisition indebtedness outstanding during the applicable 12-month period, and the denominator of which is the investor's average adjusted tax basis in the Debt-Financed Shares during the applicable period. "Acquisition indebtedness" includes not only debt incurred by a U.S. tax-exempt investor in acquiring Shares, but also debt incurred by such investor before an acquisition of Shares if such debt would not have been incurred but for such acquisition, and debt incurred by such investor after an acquisition of Shares if such debt would not have been incurred but for the acquisition and the incurrence was reasonably foreseeable at the time of the acquisition.

A U.S. tax-exempt investor with an interest in multiple unrelated trades or businesses may be required to separately compute UBTI with respect to each unrelated trade or business, and deductions or losses from one unrelated trade or business may not be used to offset UBTI from another unrelated trade or business. Accordingly, a U.S. tax-exempt investor that derives UBTI from its investment in a Fund generally will be unable to utilize deductions and losses from other unrelated trades or businesses to offset such UBTI from such Fund.

## PFIC Rules

Each Fund will be classified as a PFIC, which, subject to the discussion in "CFC Rules" below, will result in the application of unfavorable U.S. tax rules to U.S. investors. Under current law, the PFIC rules would apply to a U.S. tax-exempt investor only if a distribution from a Fund would be subject to U.S. federal income taxation in the hands of such investor (for example, if the Shares were Debt-Financed Shares in the hands of the U.S. tax-exempt investor).

Under the PFIC rules, a U.S. investor (including, as described above, in certain limited circumstances a U.S. tax-exempt investor) generally will be subject to special rules with respect to the tax treatment of any "excess distribution" by a Fund to that investor and any gain from the disposition of Shares. For this purpose, an "excess distribution" generally refers to the excess of the amount of distributions received by the U.S. investor during the taxable year in respect of the Shares over 125 percent of the average amount received by the U.S. investor in respect of those Shares during the three preceding taxable years (or the period that the U.S. investor has held the Shares, if shorter). The tax payable by a U.S. investor with respect to an excess distribution or disposition of Shares will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the U.S. investor's holding period for the Shares. The distribution or gain so allocated to any taxable year, other than the taxable year of the excess distribution or disposition, will be taxed to the U.S. investor at the highest ordinary income rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the portion of the distribution or gain allocated to those earlier taxable years. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition will be taxable as ordinary income for that year. U.S. investors generally also may have annual U.S. federal reporting requirements with respect to the ownership of Shares as a result of a Fund's classification as a PFIC.

An alternative to the default rules is available if a Fund provides its U.S. investors with certain financial information, in which case a U.S. investor may make an election (a "QEF Election") to pay U.S. federal income tax annually on its share of certain income of the Fund, regardless of whether the Fund actually makes any distributions to the U.S. investor. The ICAV expects to cause each Fund to provide U.S. investors with the information necessary to make a



QEF Election, upon reasonable request.

U.S. investors should discuss the U.S. federal income tax consequences of investing in a PFIC, like the Funds, including their U.S. federal income tax reporting obligations, with their tax advisors.

### **CFC Rules**

Certain unfavorable U.S. tax rules may apply to U.S. investors if a Fund were a controlled foreign corporation (“CFC”) for any taxable year. A Fund would be a CFC if more than 50 percent, by vote or value, of its Shares are owned by “U.S. Holders” on any day during the Fund’s taxable year. For this purpose, a “U.S. Holder” is any investor, other than a non-U.S. investor, if such investor owns, directly or pursuant to rules of attribution, Shares representing 10 percent or more of the total voting power or value of the relevant Fund.

If a Fund were a CFC at any time during the taxable year, then each U.S. Holder during such taxable year generally would include in its taxable income for such taxable year its pro rata share of the Fund’s “subpart F income” and “global intangible low-taxed income” (“GILTI”) for that year. Subpart F income of a CFC is that corporation’s undistributed taxable income, subject to adjustments, determined using U.S. tax accounting principles. GILTI of a CFC generally is the active business income of the CFC in excess of a deemed rate of return on the adjusted tax basis of the CFC’s depreciable tangible assets. If a Fund is a CFC, it is likely that a U.S. Holder’s subpart F income inclusions would be treated as dividends and a U.S. Holder’s GILTI inclusions would be treated as ordinary income. For a U.S. Holder that is a U.S. tax-exempt investor, such inclusions generally would be included in UBTI only to the extent that such investor’s Shares are Debt-Financed Shares. In addition, for the period during which a U.S. investor is a U.S. Holder and the relevant Fund is a CFC, the PFIC rules would not apply to such U.S. investor with respect to such Fund.

U.S. investors should discuss the U.S. federal income tax consequences of investing in a CFC, including any U.S. federal income tax reporting obligations, with their tax advisors.

### **Certain U.S. Reporting Requirements**

Any U.S. Investor (for this purpose, including a U.S. partnership) that owns 10 percent or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a non-U.S. corporation, such as a Fund, will likely be required to file an information return with the IRS containing certain disclosures concerning the filing U.S. person, other U.S. persons that hold equity interests in the non-U.S. corporation and the non-U.S. corporation. In addition, any U.S. person that transfers cash to a non-U.S. corporation, such as a Fund, will likely be required to report the transfer to the IRS if (i) immediately after the transfer, such U.S. person holds (directly, indirectly or by attribution) at least 10 percent of the total voting power or total value of such non-U.S. corporation, or (ii) the amount of cash transferred by such U.S. person (or any related person) to such non-U.S. corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

THE FOREGOING DESCRIPTION OF THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN, AND THE OPERATIONS OF, THE ICAV AND ITS FUNDS IS BASED ON LAWS AND REGULATIONS WHICH ARE SUBJECT TO CHANGE THROUGH LEGISLATIVE, JUDICIAL OR ADMINISTRATIVE ACTION. IN ADDITION, OTHER LEGISLATION COULD BE ENACTED THAT WOULD SUBJECT THE ICAV AND ITS FUNDS TO TAXES OR SUBJECT SHAREHOLDERS TO INCREASED TAXES.

**THE TAX AND OTHER MATTERS DESCRIBED IN THIS OFFERING DOCUMENT DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE INVESTORS.**

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## GENERAL

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### **The Share Capital**

The ICAV may issue up to 500,000,000,002 Shares of no par value. The maximum issued Share capital of the ICAV shall be 500,000,000,002 Shares of no par value and the minimum issued Share capital of the ICAV shall be €2.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV, but do not entitle the holders to participate in the dividends or net assets of any Fund.

The Manager also reserves the right to redesignate any Class of Shares from time to time, provided that Shareholders in that Class will first have been notified by the ICAV that the Shares will be redesignated and will have been given the opportunity to have their Shares redeemed by the ICAV.

Each of the Shares entitles the holder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares. The Instrument of Incorporation provides that matters may be determined at meetings of the Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Shareholder will have one vote on a show of hands. Each Shareholder will be entitled to such number of votes as will be produced by dividing the aggregate NAV of that Shareholder's shareholding (expressed or converted into the Base Currency and calculated as of the relevant record date) by one. The "relevant record date" for these purposes will be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. Where a separate written resolution or general meeting of a particular Class or tranche of Shares is held, in such circumstances, the Shareholders' votes will be calculated by reference only to the NAV of each Shareholder's shareholding in that particular Class or tranche, as appropriate. The Subscriber Shareholders will have one vote for each Subscriber Share held. In relation to a resolution which in the opinion of the Directors affects more than one Class of Shares or gives or may give rise to a conflict of interest between the Shareholders of the respective Classes, such resolution will be deemed to have been duly passed, only if, in lieu of being passed through a single meeting of the Shareholders of those Classes, such resolution will have been passed at a separate meeting of the Shareholders of each such Class.

### **Share Class Hedging**

The Investment Manager intends to employ techniques and instruments to protect against fluctuations, caused by movements in currency rates, between the Class Currency of a Hedged Class and the Base Currency of a Fund, with the goal of providing a similar return for the Hedged Class to that which would have been obtained for a Share class denominated in the Base Currency of the Fund. While the Investment Manager (or its agents) intends to hedge this currency risk for Hedged Classes, there can be no guarantee that they will be successful in doing so. In this context, foreign exchange hedging will not be used for speculative purposes.

Changes in the exchange rate between the Base Currency and the Class Currencies of the Hedged Classes may lead to a difference in the value of the Shares in the Hedged Classes as expressed in such Class Currencies. The Investment Manager will try to mitigate this risk by using techniques and instruments, including forward currency exchange contracts. Investors in the Hedged Classes should be aware that this strategy may substantially limit them from benefiting if the Class Currencies of the Hedged Classes fall against the Base Currency. In such circumstances, investors in the Hedged Classes may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains or losses on, and the costs of, the relevant financial instruments.

As the foreign exchange hedging in respect of the Hedged Classes will be utilised solely for the benefit of the Hedged Classes, its cost and related liabilities and/or benefits will be for the account of the holders of the Hedged Classes only. Accordingly, such costs and related liabilities and/or benefits from the hedging transactions will be reflected in the Net Asset Value per Share of the relevant Hedged Classes. Hedging transactions will be clearly attributable to a specific Hedged Class and the currency exposures of Hedged Classes denominated in different currencies may not be combined or offset. The currency exposures of the assets of a Fund may not be allocated to separate Hedged Classes.

The Investment Manager will limit hedging in respect of the Hedged Classes to the extent of the Hedged Classes' currency exposure and the Hedged Classes will not generally be leveraged as a result of the hedging. Although a Hedged Class may not generally be leveraged as a result of the use of such techniques and instruments, the value of such instruments may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Hedged Class, but shall also not be below 95% of the portion of the Net Asset Value attributable to the relevant Hedged Class and any under-hedged positions shall be monitored to ensure they are not carried forward from month to month. The Investment Manager will monitor hedging and will adjust the level of hedging on at least a monthly basis to ensure that any position materially in excess of 100% shall not be carried forward from month to month.

Investors should refer to the paragraph under the heading "Share Currency Designation Risk" in the "Risk Considerations" section, for a description of the risks associated with hedging the foreign currency exposure of the Hedged Classes.

### **Data Privacy**

The ICAV will control and protect personal data in accordance with the requirements of Regulation (EU) 2016/679, the General Data Protection Regulation or "GDPR", as described in greater detail in the data privacy statement adopted by the ICAV and the Manager. A copy of this data privacy statement will be appended to the Subscription Agreement.

### **Privacy Policy and Practices**

The ICAV, Funds and the Investment Manager will comply with regulations enacted by the United States Federal Trade Commission relating to the privacy of consumer financial information. In the course of managing the ICAV and the Funds, the Investment Manager collects personal information of a Shareholder or the Shareholder's individual investors. None of the ICAV, any of the Funds nor the Investment Manager will sell or distribute such personal information to third parties except as required by law, for tax reporting purposes or in order to process transactions relating to the ICAV or Fund and except to affiliated third parties such as other funds advised by the Investment Manager.

### **Additional Reporting**

The ICAV, the Investment Manager or the Manager may make certain additional reporting and information available on request to Shareholders in certain Funds.

### **Material Contracts**

The following contracts have been entered into and are, or may be, material:

- The Management Agreement;
- The Investment Management Agreement;
- The Depositary Agreement;
- The Administration Agreement; and
- The Distribution Agreement.

### **Supply and Inspection of Documents**

Copies of the following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the ICAV:

- (a) The Instrument of Incorporation of the ICAV;

(b) The certificate of incorporation; and

(c) The UCITS Regulations.

A copy of the Instrument of Incorporation of the ICAV (as amended from time to time) and the latest financial reports of the ICAV, as appropriate, may be obtained, free of charge, upon request at the registered office of the ICAV.

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**APPENDIX A – DEFINITIONS OF US PERSON AND NON-US PERSON**

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U.S. Person means (a) any person who is a “U.S. Person” as defined in Rule 902 of the 1933 Act; and (b) any person who is not a “Non-United States person” as defined in CFTC Rule 4.7 as follows:

As defined under Rule 902 of the 1933 Act:

A. Regulation S Definition of US Person

(1) **“US Person”** means:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) 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 US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

(2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States will not be deemed a “US Person.”

(3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person will not be deemed a “US Person” if:

- (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
- (b) the estate is governed by foreign law.

(4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person will not be deemed a US Person if a trustee who is not a US 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 "US Person."

- (5) Notwithstanding (1) above, 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 will not be deemed a "US Person."
- (6) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States will not be deemed a "US Person" if:
  - (a) the agency or branch operates for valid business reasons; and
  - (b) 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.
- (7) 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 organisations, their agencies, affiliates and pension plans will not be deemed "US Persons."

B. Under the Commodity Exchange Act, a "Non-United States Person" is defined as:

- (1) a natural person who is not a resident of the United States;
- (2) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organised 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 CFTC's regulations by virtue of its participants being Non-United States Persons; and
- (5) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

C. Under the Code and the Treasury Regulations promulgated thereunder, a "US Person" is defined as:

- (1) an individual who is a US citizen or a US "resident alien." Currently, the term "resident alien" is defined to generally include an individual who (i) holds an Alien Registration Card (a "**green card**") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) an individual is present in the US on at least 31 days during

such year and (ii) the sum of (A) the number of days on which such individual is present in the US during the current year, (B) 1/3 of the number of such days during the first preceding year, and (C) 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;

- (2) a corporation or partnership created or organised in the United States or under the law of the United States or any state;
- (3) a trust where (i) a US court is able to exercise primary supervision over the administration of the trust and (ii) one or more US Persons have the authority to control all substantial decisions of the trust; and
- (4) an estate that is subject to US tax on its worldwide income from all sources.

As defined in CFTC Rule 4.7, a “Non-United States Person” means:

- (i) A natural person who is not a resident of the United States;
- (ii) 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 place of business in a foreign jurisdiction;
- (iii) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (iv) 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 CFTC’s regulations by virtue of its participants being Non-United States persons; and

- (v) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As used in this definition, “United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

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## APPENDIX B – RECOGNISED MARKETS

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The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

Any stock exchange in an EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, the United Kingdom and the United States of America.

Any of the following stock exchanges:

- Argentina
  - Buenos Aires Stock Exchange
  - Cordoba Stock Exchange
  - La Plata Stock Exchange
  - Mendoza Stock Exchange
  - Rosario Stock Exchange
  - Bolsa de Comercio de Santa Fe
  - Mercado Abierto Electrónico (MAE)
  - Mercado a Termino de Rosario
  - Mercado de Valores de Rosario
  - Mercados de Futuros y Opciones SA (Merfox)
- Bahrain
  - Bahrain Stock Exchange
  - Manama Stock Exchange
- Bangladesh
  - Dhaka Stock Exchange
  - Chittagong Stock Exchange
- Botswana
  - Botswana Stock Exchange
  - Serowe Stock Exchange
- Brazil
  - Rio de Janeiro Stock Exchange
  - Sao Paulo Stock Exchange
  - Bahia-Sergipe-Alagoas Stock Exchange
  - Brasilia Stock Exchange
  - Extremo Sul Porto Alegre Stock Exchange
  - Minas Esperito Santo Stock Exchange
  - Parana Curitiba Stock Exchange
  - Pernambuco e Paraiba Recife Stock Exchange
  - Regional Fortaleza Stock Exchange
  - Santos Stock Exchange
- Chile
  - Santiago Stock Exchange
  - Valparaiso Stock Exchange
  - Bolsa Electronica de Chile
- China
  - Shanghai Securities Exchange
  - Shenzhen Stock Exchange
- Colombia
  - Colombian Stock Exchange
  - Bogota Stock Exchange
  - Medellin Stock Exchange
  - Occidente Stock Exchange
- Croatia
  - Zagreb Stock Exchange
- Egypt
  - Cairo and Alexandria Stock Exchange
- Ghana
  - Ghana Stock Exchange
- Hong Kong
  - The Stock Exchange of Hong Kong Limited



- India
  - BSE Ltd.
  - Calcutta Stock Exchange Ltd.
  - India International Exchange (India INX)
  - Indian Commodity Exchange Limited
  - Metropolitan Stock Exchange of India Ltd.
  - Multi Commodity Exchange of India Ltd.
  - National Commodity & Derivatives Exchange Ltd.
  - National Stock Exchange of India Ltd.
  - NSE IFSC Ltd
- Indonesia
  - Jakarta Stock Exchange
  - Surabaya Stock Exchange
- Israel
  - Tel Aviv Stock Exchange Limited
- Jordan
  - Amman Stock Exchange
- Kazakhstan
  - Kazakhstan Stock Exchange
- Kenya
  - Nairobi Stock Exchange
- Korea (South)
  - Korea Stock Exchange
  - KOSDAQ
  - Korea Futures Exchange
  - Korean Securities Dealers Association
- Kuwait
  - Kuwait Stock Exchange
- Lebanon
  - Beirut Stock Exchange
- Malaysia
  - Kuala Lumpur Stock Exchange
  - The Bursa Malaysia Berhad
  - Bumipatra Stock Exchange
- Mauritius
  - Stock Exchange of Mauritius
- Morocco
  - Casablanca Stock Exchange
- Mexico
  - Mexico Stock Exchange
  - Mercado Mexicana de Derivados
- Nigeria
  - Nigerian Stock Exchange
  - Lagos Stock Exchange
  - Kaduna Stock Exchange
  - Port Harcourt Stock Exchange
- Oman
  - Muscat Securities Market
- Pakistan
  - Karachi Stock Exchange
  - Lahore Stock Exchange
  - Islamabad Stock Exchange
- Palestine
  - Nablis Stock Exchange
- Peru
  - Lima Stock Exchange
- Philippines
  - Philippines Stock Exchange
- Qatar
  - Doha Securities Market
- Russia
  - Moscow Exchange
- Saudi Arabia
  - Saudi Stock Exchange (Tadawul)
  - Riyadh Stock Exchange
- Serbia
  - Belgrade Stock Exchange
- Singapore
  - Singapore Stock Exchange
  - SESDAQ
- South Africa
  - Johannesburg Stock Exchange
- Sri Lanka
  - Colombo Stock Exchange
- Taiwan
  - Taiwan Stock Exchange
- (Republic of China)
  - GreTai Securities Market (GTSM)
  - Taiwan Futures Exchange (TAIFEX)
- Thailand
  - Stock Exchange of Thailand
  - Market for Alternative Investments (MAI)

- Turkey Istanbul Stock Exchange
- Uganda Kampala Stock Exchange
- United Arab Emirates Abu Dhabi Securities Market (ADX)  
(UAE) Borse Dubai  
Dubai: Financial Market (DFM)  
Dubai: Gold and Commodities Exchange  
Dubai: International Financial Exchange (DIFX)  
Dubai: Mercantile Exchange
- Vietnam Ho Chi Min Stock Exchange (HOSE)  
Ho Chi Minh Securities Trading Center  
Hanoi Securities Trading Center
- Zambia Lusaka Stock Exchange
- Zimbabwe Zimbabwe Stock Exchange

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act 1986 (The Grey Paper)” dated June 1999 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM - the alternative investment market in the U.K. regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- Multilateral Trading Facilities which meet with applicable regulatory criteria, as same may be amended from time to time.

## **DERIVATIVES MARKETS**

In the case of an investment in FDI, in any derivative market approved in a member state of the European Economic Area and the following exchanges or markets:

American Stock Exchange, Chicago Mercantile Exchange, Chicago Board of Options Exchange, Chicago Board of Trade, Coffee, Sugar and Cocoa Exchange, Iowa Electronic Markets, Kansas City Board of Trade, Mid-American Commodity Exchange, Minneapolis Grain Exchange, New York Cotton Exchange, New York Mercantile Exchange, New York Futures Exchange, Twin Cities Board of Trade, CME Group, Montreal Derivatives Exchange, China Financial Futures Exchange, Dalian Commodity Exchange, Shanghai Futures Exchange, Zhengzhou Commodity Exchange, China Interbank Bond Market, Hong Kong Futures Exchange, Ace Derivatives & Commodity Exchange, Indonesia Commodity and Derivatives Exchange, Bursa Malaysia Derivatives Berhad, Singapore Exchange, Singapore Commodity Exchange, Tokyo Financial Exchange, Tokyo Commodity Exchange, Taiwan Futures Exchange, Thailand Futures Exchange, Agricultural Futures Exchange of Thailand, Singapore Commodity Exchange, Singapore Mercantile Exchange, New Zealand Exchange, Athens Derivative Exchange, Borsa Italiana (IDEM), EUREX Deutschland, EUREX Zurich, EUREX for Bunds, OATs, BTPs, Euronext Derivatives Amsterdam, Euronext Derivatives Brussels, Euronext Derivatives Paris, ICE Futures Europe, London Metal Exchange, Meff Renta Variable (Madrid), OMX Nordic Exchange Copenhagen, OMX Nordic Exchange Stockholm and South African Futures Exchange, participant exchanges of the Options Clearing Corporation.

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

With the exception of permitted investments in unlisted securities the ICAV will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in this Prospectus.

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## APPENDIX C – EFFICIENT PORTFOLIO MANAGEMENT

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**This section of the Prospectus clarifies the instruments and / or strategies which the ICAV engages in for efficient portfolio management purposes. Where derivative instruments are used for investment / speculative purposes details of the derivative instruments to be used will be specifically disclosed in the relevant Supplement. The Manager will, on request provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.**

The Investment Manager may, on behalf of each Fund and subject to the conditions and limits set out in the Central Bank UCITS Regulations, employ techniques and instruments relating to transferable securities for hedging purposes (to protect an asset of a Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature). Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter (“**OTC**”) FDI, such as futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies) and swaps, including credit default swaps (which may be used to manage interest rate and credit risk respectively). A Fund may also invest in the FDI as part of its investment strategy where such intention is disclosed in the Fund’s investment policy and provided that the counterparties to such transactions are institutions subject to prudential supervision and, in relation to OTC transactions, belong to categories approved by the Central Bank.

The Manager employs a risk management process in respect of the ICAV in accordance with the requirements of the Central Bank to enable it to accurately measure, monitor and manage the various risks associated with FDIs. The risk management process also allows the Manager to measure, monitor and manage the global exposure from FDIs (“**global exposure**”) which each Fund gains. Unless otherwise specified in the relevant Supplement, the Manager will use the commitment approach to calculate its global exposure. The ICAV will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The Investment Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that it has the necessary expertise to manage the risks relating to the use of FDIs.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. For Funds using the commitment approach, in no circumstances will the global exposure of a Fund exceed 100% of its Net Asset Value.
2. Position exposure to the underlying assets of FDIs, including embedded FDIs 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. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
3. A Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

#### **Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, the ICAV may (without limit) employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank, such as repurchase / reverse repurchase agreements, (“**repo contracts**”) and securities lending only for efficient portfolio management. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, will be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (a) they are economically appropriate in that they are realised in a cost-effective way;
  - (b) they are entered into for one or more of the following specific aims:
    - reduction of risk;
    - reduction of cost;
    - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Central Bank UCITS Regulations;
  - (c) their risks are adequately captured by the risk management process of the ICAV (in the case of FDIs only); and
  - (d) they cannot result in a change to the Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

Techniques and instruments (other than FDIs) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

2. The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the Central Bank and is subject to changes thereto:
  - (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.

- (b) The ICAV must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
  - (c) Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
  - (d) Where repurchase agreements are entered into on behalf of the ICAV, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
  - (e) Where reverse repurchase agreements are entered into on behalf of the ICAV, it must be 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. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the ICAV.
3. Any revenues from efficient portfolio management techniques not received directly by the ICAV, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the ICAV. To the extent the ICAV engages in securities lending it may appoint a securities lending agent, which may or may not be an affiliate of the Investment Manager, and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities will be borne by the securities lending agent out of its fee. The names of any securities lending agents appointed will be disclosed in the periodic reports of the ICAV.
  4. The counterparties to all efficient portfolio management techniques, which may or may not be related to the Investment Manager or Depositary, will be institutions subject to prudential supervision and belonging to categories approved by the Central Bank and will not have discretion over the assets of the Fund, unless otherwise specified in the relevant Supplement. Where a counterparty (which is an entity with legal personality typically located in OECD jurisdictions) 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 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 without delay.
  5. When Issued, Delayed Delivery and Forward Commitment Securities

The ICAV may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

#### **Risks and potential conflicts of interest involved in efficient portfolio management techniques.**

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled "Conflicts of Interest" and "Risk Considerations" and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk, and counterparty risk to the Depositary and other depositaries. These risks may expose investors to an increased risk of loss.

## Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

*For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.*

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("**Collateral**"), such as a repo contract or securities lending arrangement, must comply with the following criteria:
  - (i) liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which are highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should also comply with the provisions of Regulation 74 of the Regulations;
  - (ii) valuation: Collateral should be capable of being valued (marked to market) on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;
  - (iii) issuer credit quality: Collateral should be of high quality, as determined by way of a credit assessment process. Where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and where an issuer is downgraded below the two highest short-term credit ratings by such credit rating agency this shall result in a new credit assessment being conducted of the issuer without delay;
  - (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - (v) diversification:
    - (a) Subject to (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
    - (b) A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue shall not account for more than 30% of the Fund's Net Asset Value. A Fund is able to accept transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members as collateral accounting for more than 20% of that Fund's Net Asset Value.; and

- (vi) immediately available: Collateral must be capable of being fully enforced by the ICAV at any time traded without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, collateral obtained under such contracts or arrangements:
  - (i) must be marked to market daily (as valued by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk); and
  - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned.
- (c) Collateral must be held by the Depositary, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated and unconnected to the provider of the Collateral.
- (d) Non-cash Collateral:  
  
Non- cash Collateral cannot be sold, re-invested or pledged.
- (e) Cash Collateral:  
  
Cash as Collateral may only be:
  - (i) placed on deposit with Relevant Institutions;
  - (ii) invested in high quality government bonds;
  - (iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV can recall at any time the full amount of the cash on an accrued basis; and
  - (iv) invested in short term money market funds.  
Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out under "Risk Considerations" above.
- (f) In the event that the ICAV accepts collateral other than cash, it will implement a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The ICAV shall ensure that each decision to apply or refrain from applying a haircut is documented. The haircut policy may take account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with any stress testing policy. The value of any Collateral received by the ICAV, adjusted in light of the haircut policy, will equal or exceed, in value, at all times, the relevant counterparty exposure.

### **Permitted types of collateral**



In accordance with the above criteria, it is proposed that a Fund will accept the following types of Collateral:

- (a) cash;
- (b) government or other public securities;
- (c) certificates of deposit issued by Relevant Institutions;
- (d) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- (e) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions; or
- (f) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, the United Kingdom, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

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#### **APPENDIX D – INVESTMENT RESTRICTIONS**

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

<b>1</b>	<b>Permitted Investments</b>
	Investments of a UCITS are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of alternative investment funds.
<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.

- 2.2** Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;
- (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
- (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.
- 2.3** 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%.
- 2.4** Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) may be 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 across all issuers may not exceed 80% of the Net Asset Value of the UCITS.
- 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** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.
- 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.
- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net 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** 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>The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, 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>In the case of a UCITS which has invested 100% of its net assets in this manner, such UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A UCITS may not invest more than 20% of net assets in any one CIS.
<b>3.2</b>	Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
<b>3.4</b>	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another CIS, the 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, 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> </ul>

- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

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.

**5.3** 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a 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.
- (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

**5.4** 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.

**5.5** 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.

**5.6** 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.

**5.7** Neither an investment company, 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:

- transferable securities;
- money market instruments\*;
- units of CIS; or
- financial derivative instruments.

**5.8** A UCITS may hold ancillary liquid assets.

## **6 Financial Derivative Instruments ('FDIs')**

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

<b>6.1</b>	A 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. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

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

The Directors, in consultation with the Manager, may at their absolute discretion from time to time impose such further investment restrictions as shall be compatible with or in the interests of investors, in order to comply with the laws and regulations of the countries where investors are located.

The investment restrictions referred to above are deemed to apply at the time of purchase of the investments. If such limits are exceeded for reasons beyond the control of the ICAV, or as a result of the exercise of subscription rights, the ICAV must adopt, as a priority objective, the remedying of the situation, taking due account of the interests of Shareholders.

**APPENDIX E – THE DEPOSITARY’S SUB-CUSTODIANS**

<b>Country</b>	<b>Sub-custodian/Agent</b>
ARGENTINA	HSBC Bank Argentina S.A.
AUSTRALIA	HSBC Bank Australia Limited
AUSTRIA	HSBC Trinkaus & Burkhardt AG
BAHRAIN	HSBC Bank Middle East Ltd (Bahrain)
BANGLADESH	The Hongkong & Shanghai Banking Corporation Ltd (Bangladesh)
BELGIUM	BNP Paribas Securities Services, Belgium
BELGIUM	Euroclear Bank SA/NV
BENIN	Societe Generale Côte d'Ivoire
BERMUDA	HSBC Bank Bermuda Limited
BOTSWANA	Standard Chartered Bank Botswana Ltd
BRAZIL	Banco BNP Paribas Brasil S.A.
BULGARIA	UniCredit Bulbank AD
BURKINA FASO	Societe Generale Côte d'Ivoire
CANADA	Royal Bank of Canada
CHILE	Banco Santander Chile
CHINA	Citibank (China) Co Ltd
CHINA	HSBC Bank (China) Company Limited
COLOMBIA	Santander CACEIS Colombia S.A., Sociedad Fiduciaria
COSTA RICA	Banco Nacional de Costa Rica
CROATIA	Privredna Banka Zagreb d.d.
CYPRUS	HSBC Continental Europe, Greece
CZECH REPUBLIC	Ceskoslovenska Obchodni Banka, AS
DENMARK	Skandinaviska Enskilda Banken AB (publ)
EGYPT	HSBC Bank Egypt SAE
ESTONIA	AS SEB Pank
FINLAND	Skandinaviska Enskilda Banken AB (publ)
FRANCE	CACEIS Bank France
GERMANY	HSBC Trinkaus & Burkhardt AG
GHANA	Stanbic Bank Ghana Ltd
GREECE	HSBC Continental Europe, Greece
HONG KONG	The Hongkong & Shanghai Banking Corporation Ltd (Hong Kong)
HUNGARY	UniCredit Bank Hungary Zrt
ICELAND	Landsbankinn h.f.
INDIA	The Hongkong & Shanghai Banking Corporation Ltd (India)
INDONESIA	PT Bank HSBC Indonesia

IRELAND	HSBC Bank Plc, UK (HBEU)
ISRAEL	Bank Leumi le-Israel BM
ITALY	BNP Paribas Securities Services, Milan Branch
IVORY COAST	Societe Generale Côte d'Ivoire
JAPAN	The Hongkong & Shanghai Banking Corporation Limited, Japan
JORDAN	Bank of Jordan Plc (Jordan)
KENYA	Stanbic Bank Kenya Limited
KUWAIT	HSBC Bank Middle East Ltd
LATVIA	AS SEB Banka
LITHUANIA	AB SEB Bankas
LUXEMBOURG	Clearstream Banking S.A.
MALAYSIA	HSBC Bank Malaysia Berhad
MALI	Societe Generale Côte d'Ivoire
MAURITIUS	The Hongkong & Shanghai Banking Corporation Ltd (Mauritius)
MEXICO	BANCO S3 CACEIS MEXICO, S.A.
MOROCCO	Citibank Maghreb
NETHERLANDS	BNP Paribas Securities Services
NEW ZEALAND	The Hongkong and Shanghai Banking Corporation Limited, New Zealand
NIGER	Societe Generale Côte d'Ivoire
NIGERIA	Stanbic IBTC Bank Plc
NORWAY	Skandinaviska Enskilda Banken AB (publ)
OMAN	HSBC Bank Oman S.A.O.G.
PAKISTAN	Citibank N.A.
PALESTINE	Bank of Jordan Plc (Palestine)
PERU	Citibank del Peru S.A.
PHILIPPINES	The Hongkong & Shanghai Banking Corporation Ltd (Philippines)
POLAND	Bank Polska Kasa Opieki S.A.
PORTUGAL	BNP Paribas Securities Services
QATAR	HSBC Bank Middle East Ltd
ROMANIA	Citibank Europe plc, Dublin - Romania Branch
RUSSIA	AO Citibank
SAUDI ARABIA	HSBC Saudi Arabia Ltd
SENEGAL	Societe Generale Côte d'Ivoire
SERBIA	Unicredit Bank Serbia JSC
SINGAPORE	The Hongkong & 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 & Shanghai Banking Corporation Ltd (South Korea)
SPAIN	BNP Paribas Securities Services
SRI LANKA	The Hongkong & Shanghai Banking Corporation Ltd (Sri Lanka)
SWEDEN	Skandinaviska Enskilda Banken AB (publ)
SWITZERLAND	Credit Suisse (Switzerland) Ltd
TAIWAN	HSBC Bank (Taiwan) Limited
TANZANIA	Standard Chartered Bank (Mauritius) Ltd, Tanzania
THAILAND	The Hongkong & Shanghai Banking Corporation Ltd (Thailand)
TOGO	Societe Generale Côte d'Ivoire
TUNISIA	Union Internationale de Banques Tunisia
TURKEY	HSBC Bank A.S.
UGANDA	Stanbic Bank Uganda Ltd
UNITED ARAB EMIRATES	HSBC Bank Middle East Ltd
UNITED KINGDOM	HSBC Bank plc
UNITED STATES	HSBC Bank (USA) NA
VIETNAM	HSBC Bank (Vietnam) Limited
ZAMBIA	Stanbic Bank Zambia Ltd
ZIMBABWE	Standard Bank of South Africa Limited



The Directors of Ashoka WhiteOak ICAV (the “**ICAV**”) whose names appear in the “**Directory**” of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

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**Ashoka WhiteOak India Opportunities Fund**

**(A sub-fund of Ashoka WhiteOak ICAV, an Irish collective asset management vehicle constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))**

**SUPPLEMENT**

**INVESTMENT MANAGER**

**White Oak Capital Partners Pte. Ltd.**

**DATED 29 FEBRUARY 2024**

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**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 29 February 2024 (the “Prospectus”) in relation to the ICAV and contains information relating to the Ashoka WhiteOak India Opportunities Fund (the “Fund”) which is a sub-fund of the ICAV.**

## **SELLING RESTRICTIONS – NOTICE TO RESIDENTS OF THE U.S.**

THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE. THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT. SHARES MAY BE OFFERED IN THE UNITED STATES TO “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT AND “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT. NEITHER THE ICAV NOR ANY FUND IS, AND WILL NOT BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT, AND THE INVESTMENT MANAGER IS NOT REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED.

PURSUANT TO AN EXEMPTION FROM THE CFTC, AN OFFERING MEMORANDUM FOR THE ICAV OR THE FUND IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THE ICAV OR THE FUND.

EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER WHETHER ITS FINANCIAL CONDITION PERMITS IT TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, PROSPECTIVE INVESTORS SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF A MEMBER’S INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON WITHDRAWALS MAY AFFECT A MEMBER’S ABILITY TO WITHDRAW ITS PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE PARTICIPATION IN A COMMODITY POOL. THEREFORE, BEFORE DECIDING TO PARTICIPATE IN THIS COMMODITY POOL, A PROSPECTIVE INVESTOR SHOULD CAREFULLY STUDY THE PROSPECTUS AND THIS SUPPLEMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

**All prospective investors should also carefully review the Distribution and Selling Restrictions set forth in the Prospectus.**

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## DEFINITIONS

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Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (“**UCITS Regulations**”) and this Supplement will be construed accordingly and will comply with the applicable Central Bank UCITS Regulations.

“**Accumulation Class Shares**” means Class A, Class B, Class C, Class D, Class E, Class F, Class G and Class H Shares.

“**Base Currency**” means USD;

“**Business Day**” means:

- (i) a day on which stock exchanges and banks in Dublin, Singapore and Mumbai are open for business; or
- (ii) such other day or days as may be determined from time to time by the Directors;

“**Dealing Day**”, being the day upon which redemptions and subscriptions occur, means:

- (i) each Business Day; and / or
- (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight;

“**Fund**” means the Ashoka WhiteOak India Opportunities Fund;

“**Redemption Cut-Off Time**” means 10.00am (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

“**Sterling**”, “**GBP**” or “**£**” means Pound Sterling, the lawful currency of the United Kingdom;

“**Subscription Cut-Off Time**” means 10.00am (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

“**Valuation Day**” means each Dealing Day, unless otherwise determined by the Manager; and

“**Valuation Point**” means 3.00pm (Irish time) on each Valuation Day or such other time as the Manager may determine in respect of the Fund from time to time and notify to Shareholders.

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**THE FUND**

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The Ashoka WhiteOak India Opportunities Fund is a sub-fund of the Ashoka WhiteOak ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should have regard to the 'Risk Considerations' Section below.**

The ICAV offers the classes of Shares in the Fund as set out below. The ICAV may also create additional classes of Shares in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Share Class Description	Class Currency	Management Fee (per annum)	Investment Management Fee (per annum)	Sales charge
Class A Shares USD*	USD	0.05%	0.50%	Up to 5%
Class A Shares EUR*	EUR	0.05%	0.50%	Up to 5%
Class A Shares GBP*	GBP	0.05%	0.50%	Up to 5%
Class B Shares USD	USD	0.05%	0.75%	Up to 5%
Class B Shares EUR	EUR	0.05%	0.75%	Up to 5%
Class B Shares GBP	GBP	0.05%	0.75%	Up to 5%
Class C Shares USD	USD	0.05%	0.85%	Up to 5%
Class C Shares EUR	EUR	0.05%	0.85%	Up to 5%
Class D Shares USD	USD	0.05%	0.95%	Up to 5%
Class D Shares EUR	EUR	0.05%	0.95%	Up to 5%
Class D Shares GBP	GBP	0.05%	0.95%	Up to 5%
Class D Shares CHF	CHF	0.05%	0.95%	Up to 5%
Class D Shares SGD	SGD	0.05%	0.95%	Up to 5%
Class E Shares USD	USD	0.05%	1.50%	Up to 5%
Class E Shares EUR	EUR	0.05%	1.50%	Up to 5%
Class F Shares USD	USD	0.05%	1.75%	Up to 5%
Class F Shares EUR	EUR	0.05%	1.75%	Up to 5%
Class F Shares CHF	CHF	0.05%	1.75%	Up to 5%
Class F Shares SGD	SGD	0.05%	1.75%	Up to 5%

Class G Shares USD**	USD	0.05%	Up to 1.50%	Up to 5%
Class H Shares USD	USD	0.05%	2.10%	Up to 5%

\*Class A Shares are no longer open for subscription.

\*\* Class G Shares will only be available to investors at the Investment Manager's discretion pursuant to a separate agreement.

Where a class is denominated in a currency other than the Base Currency, the currency exposure of that class to the Base Currency of the Fund will not be hedged to the relevant Class Currency.

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## INVESTMENT OBJECTIVE AND POLICIES

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### Investment Objective

The investment objective of the Fund is to seek long-term capital appreciation.

### Investment Policy

The Fund will actively seek to achieve its objective by primarily investing in equity and equity-related securities of Indian companies, as described in further detail below.

The Investment Manager takes sustainability risks into account when making investment decisions in respect of the Fund. Please refer to the “Sustainable Finance” section of the Prospectus for further information on the manner in which sustainability risks are integrated into the investment decisions for the Fund, and the results of the assessment of the likely impacts of sustainability risks on the returns of the Fund.

The Fund will invest at least two thirds of its net assets in equity and equity related transferable securities listed or traded on a Recognised Market and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive a predominant proportion of their revenues or profits from India. Equity related transferable securities include common stock, preferred stock and warrants.

The Fund may also invest up to one third of its net assets in equity and/or equity related transferable securities which may generate exposure to companies that are not domiciled in India and which do not derive a predominant proportion of their revenues or profits from India where to do so is deemed appropriate by the Investment Manager to achieve the investment objective of the Fund.

The Fund may invest up to 20% of its net assets in fixed income securities listed or traded on a Recognised Market for investment purposes. These securities may be fixed or floating rate and include treasury bonds, convertible bonds/debentures, preference shares, corporate debt (bonds, notes and debentures issued by corporations), fixed income securities (fixed-interest bonds and securities) issued by governments in India and globally, certificates of deposit and commercial paper rated investment grade by any Indian based credit rating agency. Fixed income securities will be selected by the Investment Manager considering their credit risk, yield and liquidity. A fixed income security will be deemed to be investment grade if it has a rating of BBB- and/or higher by S&P for non-India issuers and CRISIL for India issuers or an equivalent rating by any of the other principal rating agencies in India or globally. The Investment Manager will employ a credit-screening strategy to assist in minimising the Sub-Fund’s exposure to fixed income securities believed to be most susceptible to excessive price deterioration. Any fixed income security that is subsequently downgraded may continue to be held by the Fund in order to avoid a distressed sale.

The Fund may invest in money market instruments such as treasury bills, municipal bonds and commercial paper for the purposes of cash management. The Fund may invest in other collective investment schemes (including money market funds, exchange traded funds, index funds real estate investment trust securities and infrastructure investment trusts). The Fund will not invest more than 10% of its net assets in other collective investment schemes.

The Fund will not be biased towards any specific industry or sector. The Investment Manager utilises a simple bottom up stock selection philosophy which aims to generate returns over time by investing in businesses at attractive values. The Investment Manager’s philosophy has two elements – business and valuation. The Investment Manager seeks to invest in companies which present the most powerful

combination of business and valuation. The Investment Manager will build a portfolio by evaluating investment opportunities on a company-by-company basis. The Investment Manager will select investment opportunities following fundamental research carried out using a rigorous and proprietary analytical framework. This approach will include fundamental analysis of a company's financial statements, management record, capital structure, operations, product development, and competitive position in its industry. The Investment Manager looks for businesses which are trading at a substantial discount to their intrinsic value (i.e. the calculated value placed upon the business by the Investment Manager having regard to the fundamental analysis which it carries out on that business as opposed to its market value), which can substantially outperform over time. The Investment Manager seeks to maintain a balanced portfolio reflecting its stock selection capabilities and views of the market rather than being driven by non-stock specific macro factors such as market timing, sector, currency or other such factor exposures. The Investment Manager also looks for newer or established businesses that are entering into a growth cycle, have the potential for accelerating earnings growth or cash flow, and possess reasonable valuations. The Investment Manager will use its proprietary cash-flow centric analytical framework for assessing valuation. This is evaluated through fundamental analysis of each company including but not limited to, identifying opportunities in new products or services, restructuring, and/or changes in strategic direction such as selling off non-core assets, re-financing operations or establishing in other markets. The Investment Manager may select the stocks of companies with all market capitalisations.

The Fund may purchase American Depository Shares ("**ADS**") as part of American Depository Receipt ("**ADR**") issuances, European Depository Receipts ("**EDRs**") and Global Depository Receipts ("**GDRs**") or their equivalent, such as structured securities, including structured participation notes ("**P-Notes**"). The Fund will not invest more than 10% of its net assets in P-Notes.

Any such structured securities may embed derivatives and generate leveraged exposure to such equities and equity related securities on behalf of the Fund. They are subject to some special considerations and risks as set out under the heading "*Depository Receipts*" in the Prospectus.

The Investment Manager may, on behalf of the Fund and subject to the conditions and limits set out in the Central Bank UCITS Regulations, in addition to warrants and other rights to acquire stock described above which may be used for investment purposes, employ techniques and instruments relating to transferable securities in which the Fund may invest for hedging purposes (to protect an asset of the Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature) only. Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter ("**OTC**") FDI (futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies) and total return swaps).

**Futures:** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

**Currency Forwards:** Currency forwards are agreements between parties to exchange fixed amounts of different currencies at an agreed exchange rate at an agreed time in the future. They are similar to currency futures, except that they are not exchange-traded, but are instead over the counter instruments. Currency forwards may be used to manage currency risk by hedging the currency exposure of the Fund.



**Total Return Swaps:** In a total return swap transaction, one party agrees to pay the other party an amount equal to the total return on a defined underlying asset or a non-asset reference during a specified period of time. The Fund's gross exposure to total return swaps is expected to be between 3% and 5% of its Net Asset Value and may not exceed 10% of its Net Asset Value. Any revenues generated from total return swaps not received directly by the Fund, net of direct and indirect operational costs and fees, will be returned to the Fund.

Further detail regarding the use of the above derivatives and their risks are set out in the sections entitled "Investment Objectives and Policies" and "Risk Considerations – Derivative Risks" in the Prospectus.

The Fund will not engage in repurchase agreements, reverse repurchase agreements or stock lending.

### **Investment in India**

It is intended that the Fund will obtain and hold all necessary licenses from local regulatory authorities for investing in India. The Fund will be classed in India as a Category I foreign portfolio investor ("FPI"). Any equities and equity-related securities of issuers based in India will be registered and held on behalf of the Fund by one of the sub-custodians listed in Schedule III of the Prospectus.

The Investment Manager is required to register the Fund as a FPI with the Securities and Exchange Board of India ("SEBI") under the SEBI (Foreign Portfolio Investors) Regulations 2019 to be eligible to invest in the Indian capital market. SEBI approved Designated Depository Participants ("DDPs") register FPIs on behalf of the SEBI subject to compliance with "Know Your Client" or "KYC" requirements.

Under the FPI regime, the Fund may not purchase more than 10% of the total paid-up equity capital on a fully diluted basis of an Indian company. This investment control is subject to change from time to time and is monitored by the DDPs and the Investment Manager.

### **Borrowing and Leverage**

The Fund may be leveraged through the use of derivatives for efficient portfolio management purposes. The Fund's resulting global exposure will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value, through the use of derivatives. The ICAV will use the commitment approach to calculate the global exposure of the Fund, as described in detail in the risk management process document of the ICAV.

The Fund will be subject to the borrowing restrictions pursuant to the UCITS Regulations, as set out in the section entitled "Borrowing Policy" in the Prospectus.

### **Taxonomy Regulation**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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## **INVESTOR PROFILE**

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The Fund is suitable for investors seeking capital growth over a medium to long-term horizon who are prepared to accept a high level of volatility from time to time. Those investors should be willing to assume the risk of short term share price fluctuations and losses that are typical for an aggressive growth fund focusing on stocks of issuers based in India. The Fund is not designed for investors needing current

income. The Fund is not a complete investment program. You should carefully consider your own investment goals and risk tolerance before investing in the Fund.

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## RISK CONSIDERATIONS

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There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the "Risk Considerations" section of the Prospectus. An investment in the Fund is suitable only for persons who are in a position to take such risks.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Share Currency Designation Risk:** Certain Share Classes (the "Euro/Sterling/Swiss Franc/Singapore Dollars Share Classes") are denominated in Euro, Sterling, Swiss Franc or Singapore Dollar, whereas the Base Currency of the Fund is USD. It is not intended to hedge the Euro/Sterling/Swiss Franc/Singapore Dollar Share Classes against any fluctuation in the value of the Base Currency relative to either EUR, GBP, CHF or SGD. Accordingly in the event that the Base Currency differs from EUR, GBP, CHF or SGD respectively, the relevant Shareholder will bear the risk of any currency fluctuation.

A currency conversion will take place in respect of the Euro/Sterling/Swiss Franc Share Classes on subscriptions, redemptions, exchanges and distributions at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the relevant Euro/Sterling/Swiss Franc Share Class.

**Risks of Growth Investing:** If a growth company's earnings or stock price fails to increase as anticipated, or if its business plans do not produce the expected results, its securities may decline sharply. Growth companies may be newer or smaller companies that may experience greater stock price fluctuations and risks of loss than larger, more established companies. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Therefore, they may not pay any dividends for some time. Growth investing has gone in and out of favour during past market cycles and is likely to continue to do so. During periods when growth investing is out of favour or when markets are unstable, it may be more difficult to sell growth company securities at an acceptable price. Growth stocks may also be more volatile than other securities because of investor speculation.

## **POLITICAL, LEGAL, SOCIAL, MARKET, AND ECONOMIC CONSIDERATIONS OF INVESTING IN INDIA**

### **Political and Social Risks**

The value of the Fund's investments may be adversely affected by potential political and social uncertainties in India. Certain developments, beyond the control of the Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the Fund's investments. Furthermore, agriculture occupies a more prominent position in the Indian economy, and the Indian economy therefore is more susceptible to adverse changes in weather. Monsoons and other natural disasters in India and surrounding regions also can affect the value of Fund investments.

The Indian government has exercised and continues to exercise significant influence over many aspects of the economy, and the number of public sector enterprises in India is substantial. As a result, actions

of the Indian government could have a significant effect on the Indian economy, and ultimately on private sector companies and the Fund.

India is a country which comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the Fund's investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past ten years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The Fund's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth and is projected to undergo significant growth in the future, there can be no assurance that such growth will continue. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Fund's investments.

### **Global Economy: Recent Global Financial Market Declines and Financial Instability**

The Indian stock market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Economic developments outside India have adversely affected the stock market in India and may affect the Fund's investments. The deterioration in the financial markets has led to a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere.

The unprecedented fluctuations and declines in the financial markets in India, the U.S. and elsewhere around the world which began in September 2008 could adversely affect the returns of the Fund. Recently, concerns over inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased volatility and diminished expectations for the U.S. and world economy and the financial markets going forward.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, and financial instability in other countries may cause increased volatility in Indian financial markets. Although economic conditions are different in each country, Investors' reactions to developments in one country may have adverse effects on the securities of companies in other countries, including India. A loss of Investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and in the Indian economy generally. Worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm investee entities' business or their future financial performance, which will in turn affect Fund's investments and returns. It is not possible to predict how long current economic conditions will continue, whether the financial markets and economic conditions will continue

to deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally, in India.

### **Market Dislocations**

During 2008, financial markets experienced losses and volatility without precedent in recent decades. Similarly, war and occupation, terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the investments of the Fund.

The markets crisis also resulted in many countries in new governmental regulation of the financial sector and securities markets, together with proposals for increased future regulation of the sector and markets. Often these new regulations were adopted on an emergency or ad hoc basis, subjecting market participants without notice to new rules that were often unclear in scope or application. Recently adopted and proposed new regulations of the financial sector and securities markets may have a material adverse impact on the Fund.

### **Ongoing Dislocations**

Global credit and equity markets have recently experienced significant market events, including decreasing liquidity and declining market values. Increasing credit and valuation problems in debt markets and the mass liquidation of investment portfolios across all markets, among other factors, have generated extreme volatility and illiquidity in worldwide capital markets. This volatility and illiquidity has extended to the global credit and equity markets generally and has been exacerbated by, among other things, growing uncertainty regarding the extent of the problems in the mortgage industry and financial institutions, decreased risk tolerance by investors, significantly tightened availability of credit and global deleveraging. The continuation of recent market conditions and uncertainty and further deterioration could result in further declines in the market value of the Fund's portfolio. The duration and ultimate effect of recent market conditions cannot be predicted, nor is it known whether or the degree to which such conditions may worsen. Such declines could prevent the Fund from successfully executing its investment strategy or may require the Fund to dispose of portfolio investments at a loss while such adverse market conditions prevail.

### **Government Approvals**

Certain governmental approvals from India have to be obtained for the Fund to make portfolio investments. These approvals are granted at the discretion of the Indian government and though the Investment Manager (on behalf of the Fund) expects the existing approvals to continue, the Investment Manager cannot be certain that these approvals will so continue. If policy announcements or regulations are made subsequent to this offering, which warrant retrospective changes in the structure or operations of the Fund, these may adversely impact the performance of the Fund.

Further, there lies the risk of loss of relevant licenses, registrations and authorisations that are required as per applicable laws granted by the relevant governmental authorities. For instance, the Fund will be unable to continue making portfolio investments if its Foreign Portfolio Investor ("FPI") registration from the Securities and Exchange Board of India ("SEBI") is revoked at a subsequent date.

### **Legal Considerations**

Many of the fundamental laws in India have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation and enforcement. This risk is additionally increased as adequate procedural safeguards have often not been developed. Due to the developing nature of the Indian legal and regulatory system, laws often refer to regulations which have not yet been introduced, leaving substantial gaps and the regulatory framework is often poorly drafted and incomprehensible. These uncertainties can lead to difficulties in obtaining or renewing necessary licenses or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Fund. Changes in laws and regulations (or in the interpretation thereof) occurring from time to time in India are possible and may worsen the legal and tax constraints within which the Fund will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and may lead to increased legal costs and reduced returns. In particular, tax laws and regulations or their interpretation may change and there can be no assurance that the structure of the Fund or its investments will be tax efficient. Further, India is subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purport to have retroactive effect, may be introduced with little or no prior consultation. As such, the Fund's ability to secure the judicial or other enforcement of its rights may be limited.

### **Risk of Sanctions**

Sanctions may be imposed by other countries on trade with India and this may have an adverse impact on the value of the Fund's investments.

### **Inflationary Pressures in India**

Although inflation in India has been relatively modest, there is no assurance that inflation rates will not increase. High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures could inhibit economic activity in India and thereby possibly adversely affect the Fund's investments.

### **Deflation**

Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last decade, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect the Fund's investments.

### **Enforcement Risk**

While Indian laws provide for specific performance of contractual obligations as well as claims for damages in the event of breach of contract, laws regarding the rights of creditors are generally significantly less developed in India than in the other developed countries and may be less protective of rights and interests. It may be difficult to obtain swift and equitable enforcement of such laws or to obtain enforcement of a judgment in a local court.

### **Market Risks**

Indian stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react

differently from large cap stocks. Political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole. Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for the Fund's investments. In addition, Indian stock exchanges have in the past experienced substantial fluctuations in the prices of their listed securities. They have also experienced problems such as temporary exchange closures, broker defaults, settlement delays, work stoppages and trading improprieties that, if they occur in the future, could have a negative impact on the liquidity and value of the Fund's portfolio. Recently, there have been delays and errors in share allotments relating to initial public offerings, which generally have a negative effect on overall market sentiment and lead to fluctuations in the market prices of the securities of those companies and others in which the Fund may invest.

### **Regulatory Risk**

The value and marketability of the Fund's investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the equity market in India and legislates from time to time on matters affecting the equity market. Securities and Exchange Board of India and/or the Government of India may make changes to regulations which could affect the ability of the Fund to make, or exit, investments.

Further, any regulatory investigations or action by the regulators against the Fund, its Investors, the Investment Manager or its principals could adversely impact the ability of the Fund to achieve its desired investment objectives and hence adversely impact the performance of the Fund. Further, any claim or substantial judgment/award against the Fund, in various litigations in the process of resolution, recovery, enforcement of security interest, etc. and any adverse change in stamp duty and registration fee rates in various states in India, may adversely affect the activities within objectives of the Fund.

### **Regulatory and Accounting Practices**

Accounting, auditing, disclosure and regulatory standards applicable to India differ from other developed countries and in some respects may be less stringent and there may be less information available to the Fund and / or Investors about the Fund's investments. The Investment Manager would generally rely on publicly available information on the Fund's investments. Subject to the provisions of relevant SEBI regulations dealing with access to information in relation to public companies including but not limited to SEBI insider trading regulations, the Investment Manager may seek information from the management of the Fund's investments from time to time, however no assurance can be given that relevant information would be made available to the Investment Manager or the Fund by such companies if at all or in a timely manner. Such lack of information could restrict the ability of the Investment Manager to adequately foresee or comprehend the risks, if any, in a Fund's investment which could have an adverse impact on the performance of that investment as well as that of the Fund.

### **Limitations of Investments**

Under the existing FPI Regulations, the Fund can acquire only up to 10% of paid-up capital or 10% of the paid-up value of each series of convertible debentures of an Indian company. Investment by the Fund in Indian companies is accordingly restricted to that extent. This restriction could impair the ability of the Fund to take higher exposure in better performing companies. The Investment Manager has factored such regulatory limitations as part of its investment strategy for the Fund.

### **Risk of not being eligible for India Ireland Tax treaty benefits**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds. While investing in India, a tax identification number (permanent account number) has been taken in the name of the ICAV and the tax residence certificate is also issued in the name of the ICAV, while the FPI registration is in the name of the Fund. There is a risk that the India Ireland Tax treaty benefits may be denied to the Fund if the sub-fund is considered to be a separate entity to that of umbrella fund and accordingly the sub-fund could be taxed as per provisions of ITA 1961.

### **Risk of permanent establishment in India**

While the Investment Manager believes that the activities of the Fund and the Investment Manager should not create a permanent establishment of the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that such a permanent establishment has been created. If for any reason such a decision was taken, then the profits of the ICAV attributable to the Fund and/or the Investment Manager to the extent attributable to the permanent establishment would be subject to taxation in India, which could have an adverse impact on the performance of the Fund.

### **Risk of tax residency in India**

The Income-tax Act 1961 ("**ITA 1961**"), as amended by the Indian Finance Act, 2015, provides that a Fund shall be a tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its "place of effective management" ("**POEM**") during the year is in India. The POEM is based on the place where key management and commercial decisions of the entity as a whole are taken. No clarity exists as to the meaning of the term "effective management". The Indian Central Board of Direct Taxes ("**CBDT**") issued a circular on 24 January 2017, 23 February 2017 and 23 October 2017 on the "Guiding Principles for determination of POEM of an Indian Fund". While the Investment Manager believes that the activities of the Fund and the Investment Manager should not create a POEM of the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that these activities have resulted in the POEM of the Fund and/or the Investment Manager being situated in India. If for any reason such a decision was taken, then the global profits of the Fund and/or the Investment Manager could be subject to taxation in India. Further, if the Fund were regarded as an Indian resident under the ITA 1961, it would not qualify as an FPI under FPI Regulations.

### **Introduction of general anti-avoidance rules in India**

Under the ITA 1961, general anti-avoidance rules ("**GAAR**") would be applicable where the main purpose of an arrangement is to obtain tax benefit. GAAR provisions empower the tax authorities to investigate any such arrangement as an "impermissible avoidance arrangement" and consequently disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa, and the like. By doing so, the tax authorities may even deny tax benefits conferred under a tax treaty.

The GAAR related provisions of the ITA 1961 came into force on 1 April 2017. If the Indian tax authorities find the Fund to have entered into an impermissible avoidance arrangement, the Fund may not be permitted to receive the tax benefits under the India-Ireland tax treaty, to the extent any treaty benefits are sought to be claimed by the Fund. An inability by the Fund, to receive the tax benefits under the India-Ireland tax treaty (to the extent any treaty benefits are sought to be claimed by the Fund) could have an adverse impact on the tax liabilities of the Fund and would likely have an impact on the returns to investors.

Recent judicial precedents have denied treaty benefits on the basis of real control of the company situated in another jurisdiction, substance over form for transaction executed, shell companies, etc.

### **Multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (the "MLI")**

Base erosion and profit shifting ("**BEPS**") refers to the tax planning strategies of multinational corporations that exploit mismatches in national tax rules to artificially shift profits to low or no-tax locations, resulting in little or no overall corporate tax being paid. The Organisation for Economic Co-operation and Development ("**OECD**") and the G20 countries have implemented the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS ("**MLI**").

The Convention between the Government of the Republic of India and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital Gains signed on 6 November 2000 (the "**Convention**"), is modified by the MLI signed by India and by Ireland on 7th June, 2017. The provisions of the MLI came into effect in India from 1 April 2020.

The Preamble to the Convention is amended by the MLI to include the following "intending to eliminate double taxation with respect to the taxes covered by this Convention without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Convention for the indirect benefit of residents of third jurisdictions)."

The Convention amended by the MLI, inter alia, includes an article on PREVENTION OF TREATY ABUSE (Principal Purposes Test provision) to provide that notwithstanding any provisions of the Convention, a benefit under the Convention shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Convention.

There is therefore a risk that the OECD's BEPS measures, including the MLI, could have an adverse effect on the value of the Fund's investments and/or the results of its operations.

### ***Risk of business connection***

The Indian Finance Act, 2018 has widened the definition of "business connection" under the ITA 1961 to align it with the definition proposed under the MLI. The Indian Finance Act, 2018 provides that an agent shall constitute a business connection in India for a non-resident if such person habitually plays a principal role leading to conclusion of contracts on behalf of the non-resident (even though such person may not have an authority to conclude contracts). While the ICAV believes that the activities of the ICAV, the Fund, the Investment Manager and their respective service providers should not create a business connection of the ICAV, the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that such a business connection has been created. If for any reason such a decision was taken, then the profits of the Fund to the extent attributable to the business connection would be subject to taxation in India under the ITA 1961, which could have an adverse impact on the performance of the ICAV.



The Indian Finance Act, 2020 has widened the scope of business connection to include significant economic presence of a non-residents in India with effect from assessment year 2022-23. The Investment Manager believes that the Fund does not constitute as a business connection in India.

### **Capital loss arising on transfer of shares of an Indian Company**

Capital gains arising on the transfer of shares of an Indian company are taxable as per ITA 1961 and Article 13(5) of the India Ireland DTAA and so the capital loss arising on the transfer of shares of an Indian company claimed are set off against taxable capital gains during the year and the balance is carried forward for set off against future taxable capital gains. Capital gains arising on derivative transactions are claimed not taxable as per Article 13(6) of the DTAA. Accordingly, there is a risk that the capital loss arising on derivative transactions should not be allowed to be set off against the taxable capital gains arising on transfer of shares of an Indian company. Further, there is a risk that the capital loss arising on sale of shares of an Indian company will be set off against the capital gains arising on derivative transactions and net capital gains should be not taxable as per the treaty.

### **Indirect transfer provisions**

As per section 9 of the ITA 1961, an asset or a capital asset being any share or interest in a company incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. The indirect transfer provisions shall not apply to an asset or a capital asset, which is held by a non-resident by way of investment, directly or indirectly, in Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). The Fund is now registered as Category I FPI under SEBI (FPI) regulations 2019 and so the indirect transfer provisions should not apply to the Fund.

### **Beneficial Ownership of income**

The Fund is the beneficial owner of dividends and other income from securities in India and so should be eligible for India Ireland Tax treaty benefits. However, if the Fund is not the beneficial owner of the income from securities in India, then the tax treaty benefits would be denied.

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## DIVIDEND POLICY

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Investors should note that Accumulation Class Shares only are available in respect of the Fund.

### *Accumulation Class Shares*

The Directors do not currently intend to declare any dividends in respect of the Accumulation Class Shares. Accordingly, net investment income on the Fund's investments attributable to the Accumulation Class Shares is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the Accumulation Class Shares.

The Directors nevertheless retain the right to declare dividends in respect of such net investment income on the Fund's investments attributable to the Accumulation Class Shares in their sole discretion. In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid) and full details will be disclosed in an updated Supplement.

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## FEES AND EXPENSES

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The following fees and expenses apply in respect of the Fund. Please see the “Fees and Expenses” section of the Prospectus for further detail in relation to the fees and expenses of the ICAV and Fund.

### **Management Fee**

The Manager will receive a management fee (the “**Management Fee**”) for the provision of management services to the Fund. The Management Fee is set out in the table above and further described below. The Manager shall be entitled to receive, out of the assets of the Fund, an annual fee which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value or €30,000 each year, whichever is higher.

For the purposes of calculating the Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

The Fund may issue Shares of a separate Class that may calculate the Management Fee differently or charge a lower Management Fee.

In addition, the Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Investment Management Fee**

The Investment Manager will receive an investment management fee (the “**Investment Management Fee**”) in respect of each Class for the provision investment management services to the Fund. The Investment Management Fee will be up to an annualized rate set out in the table above. The Management Fee is accrued daily and paid monthly, in arrears.

For the purposes of calculating the Investment Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to the entire Fund or any Class without notice to Shareholders. In addition, the Fund may issue Shares of a separate Class that may calculate the Investment Management Fee differently or charge a lower Investment Management Fee.

In addition, the Investment Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Administration Fee**

The Administrator shall be entitled to receive, out of the assets of the sub-fund, an annual fee for fund accounting services which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value, subject to a minimum of \$4,500 per month. Separately, the Administrator is also entitled to receive transfer agency fees covering class charges, account opening, maintenance charges and transaction charges. Further, and separate to the fees outlined above, the Administrator shall be entitled to receive fees in relation to tax classification services and financial

statement preparation. Such fees will be payable out of the assets of the Fund and will be at normal commercial rates.

In addition, the Administrator shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

The fees set out above are exclusive of VAT (if any), which is payable out of the assets of the Fund.

### **Depositary Fee**

The Depositary will be entitled to a monthly fee out of the assets held on behalf of the sub-fund in an amount which will not exceed 0.025% of the Net Asset Value (plus value added tax, if any, thereon) subject to a minimum of USD2,500 per month. The Depositary fees shall accrue daily and be payable monthly in arrears. The Depositary shall also be entitled to payment out of the assets of the Fund of transaction charges, safekeeping fees and sub-custodian fees which shall be charged at normal commercial rates. The Depositary shall also be entitled to be reimbursed out of the assets held of the Fund for all reasonable out-of-pocket expenses incurred by it on behalf of the Fund and all reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary.

### **Sales Charge**

Shares in the Fund may be subject to an up-front sales charge of up to 5% of the net subscription amount for such Shares. This sales charge will be payable directly to such distributor or distributors as may be appointed by the Manager from time to time to assist with the marketing, distribution and sale of Shares in the Fund. Investors should note that such charges may also be payable on an exchange of Shares in any other fund of the ICAV for Shares in the Fund.

### **Duties and Charges**

At the discretion of the Directors, and in respect of any subscription, redemption or exchange of Shares requested by Shareholders or potential Shareholders, an applicant or Shareholder may be required to pay to the Fund any Duties and Charges in addition to the subscription or redemption amount on the relevant Dealing Day in order to cover dealing costs such as bid-offer spreads and / or tax provisions for unrealised gains and to preserve the value of the underlying assets of the Fund for existing Shareholders.

### **Other Substantial Fees and Charges**

Other than the fees and charges outlined above, the Fund is also subject to other expenses as more particularly set out in the Prospectus, which may include ancillary fees and charges which may amount to or exceed 0.10% of the Fund's Net Asset Value, depending on the proportion each fee or charge bears to the Fund's Net Asset Value.

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## **SUBSCRIPTION AND REDEMPTION OF SHARES**

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### **Eligible Investors**

Subject to the section "Transfer of Shares" in the Prospectus, applicants will be obliged to certify that they are not U.S. Persons. If an applicant is a U.S. Person, such person must also be a Qualified U.S. Investor in order to be an Eligible Investor. Shares are not allowed to be offered to the retail public in Singapore. Shares may be offered and sold in Singapore, directly or indirectly, only to "accredited investors" and "institutional investors" (as defined in the SFA).

The ICAV and the Administrator reserve the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies will be returned to the applicant at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

### **Initial Offer Price**

Shares in the Share Classes for which no Shares have yet been issued (the "**Unlaunched Share Classes**") will be available at the initial offer price plus any applicable sales charge, and subject to applicable Duties and Charges, as set out below during the initial offer period which commenced at 9.00 am (Irish time) on 1 March 2024 and will end at 5.00 pm (Irish time) on 30 August 2024 or such other date and/or time as the Manager may determine and notify to the Central Bank (the "**Initial Offer Period**"). Thereafter those Share Classes will be issued at the relevant Net Asset Value per Share, subject to applicable Duties and Charges.

The initial offer price per Share for each Unlaunched Share Class will be in its respective Class currency: \$100, €100, £100, CHF100 or SGD100. Details of which Share Classes are available for subscription as Unlaunched Share Classes are available from the Investment Manager.

Subscription monies plus the sales charge (if any) must be paid in the Class Currency and must be paid by wire transfer to the bank account of the Administrator. After the initial issue of Shares in any Class, the Shares in such Class will be issued on the relevant Dealing Day at the relevant Net Asset Value per Share for the applicable Class on the terms and in accordance with the procedures described herein.

### **Applications for Shares**

Applications for Shares in the Fund should be made by written application using the Subscription Agreement available from the Administrator. Subscription Agreements, duly completed together with all supporting documentation in relation to money laundering prevention checks, should be sent to the Administrator, in accordance with the instructions contained in the Subscription Agreement, prior to the Subscription Cut-Off Time. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent to the Administrator by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator.

During the Initial Offer Period, cleared funds representing the initial offer price plus any applicable sales charge must be received by the ICAV by the final Business Day of the Initial Offer Period. After the Initial Offer Period, cleared funds representing the subscription monies must be received by the ICAV by the third Business Day following the relevant Dealing Day (or such other period as the Manager may determine). If cleared funds representing the subscription monies are not received by the ICAV by the third Business Day following the relevant Dealing Day, or such other day as is determined by the

Manager from time to time, the Manager reserve the right to reject the subscription and/or cancel the provisional allotment of Shares, as appropriate. In such an event the investor will indemnify the ICAV, the Management Company, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Manager decides not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the ICAV after the relevant cut-off time, the Manager reserves the right to charge interest on such subscription monies at prevailing interest rates commencing on the fourth Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Manager may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV, the Management Company, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

The ICAV or the Administrator may, in its sole discretion, reject any subscription in whole or in part without reason.

Shares in the Fund will be issued on the terms and in accordance with the procedures described in the Prospectus.

### **Redemption Applications**

If Redemption Applications on any Dealing Day exceed 10% of the NAV of the Fund, or such higher percentage as the Manager may determine in their sole discretion in respect of any Dealing Day (the "**Gate Amount**"), the ICAV may (i) reduce all such Redemption Applications pro rata (in accordance with the size of the Redemption Applications so that Shares redeemed on such Dealing Day, in aggregate, represent only the Gate Amount) and (ii) defer Redemption Applications in excess of the Gate Amount to subsequent Dealing Days, subject to any Gate Amount applicable on any such Dealing Day. Any deferred Redemption Applications will rank *pari passu* on any subsequent Dealing Day with other Redemption Applications received on subsequent Dealing Days from Shareholders. Except at the sole discretion of the ICAV, any such deferred Redemption Application may not be revoked.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Redemption Cut-Off Time. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Manager determines in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the earliest relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to applicable Duties and Charges. Subject to any provisions contained herein, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed normally within three Business Days after the relevant Dealing Day and in any event will not exceed ten (10) business days. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.

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## APPENDIX 1 – INDIAN TAX DISCLOSURES

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The following is a summary of certain relevant provisions of the Income-Tax Act, 1961 (“**ITA 1961**”), the Income tax Rules, 1962 (“the Rules”), various circulars and notifications issued thereunder from time to time and the provisions of the Tax Treaty. This summary is not intended to constitute a complete analysis of the Indian income-tax implications as applicable and does not constitute legal, professional or tax advice. The relevant tax provisions are subject to change. This section has been prepared to give an overview of the expected Indian income-tax implications in connection with the income accruing to the Fund (as Category I Foreign Portfolio Investor registered in India). This summary is prepared on the basis that the Fund will not qualify as being a separate taxable person from the ICAV under the ITA 1961 and will be regarded as a company for the purposes of the ITA 1961. However, there is a risk that the Indian tax authorities may not allow treaty benefits considering the Fund as a separate entity to that

of ICAV and accordingly may apply tax as per provisions of ITA 1961.

The ITA 1961 is amended every year by the Finance Act of the relevant year and this summary reflects the amendments made up to Finance Act, 2020. The rates specified in this section are as applicable for the Financial Year 2020-21 under the ITA 1961 and are exclusive of surcharge and education cess, if any, as currently leviable<sup>13</sup>. The tax rates applicable pursuant to the Tax Treaty will generally not be subject to surcharge or education cess.

## General

The basis of charge of Indian income-tax depends upon:

- (1) The residential status of the taxpayer during a tax year; and
- (2) The nature of the income earned.

The Indian tax year runs from April 1 until March 31.

A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions, which are afforded under the provisions of the ITA 1961. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's Indian-sourced income or income received in India.

The Fund will be subject to taxation in India only if: (1) it is regarded as a tax resident of India; or (2) being a non-resident, has an Indian source of income, including income arising through a permanent establishment or a business connection in India; or has received or deemed to have received income or earned income (whether accrued or otherwise) in India.

The income earned by the Fund from investments in India should generally be regarded as Indian sourced income. Such income should be taxable in India as per provisions of the ITA 1961.

As per provisions of the ITA 1961, a foreign company is regarded as a tax resident in India if its place of effective management ("POEM") is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT has vide its circular No 6, 8 and 25 of 2017 dated 24 January 2017, 23 February 2017 and 23 October 2017 issued guiding principles for determination of POEM. The POEM guidelines emphasise the principle of 'substance over form' while determining POEM. As per the said guidelines, the POEM in case of foreign company engaged in active business outside India shall be presumed to be outside India, if the majority of the meetings of the board of directors (with de facto power of control and management with the board of directors) of such company are held outside India. For foreign companies

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<sup>13</sup> Surcharge – Nil, where taxable income does not exceed INR 10 million; 2% (two percent) where taxable income exceeds INR 10 million but does not exceed INR 100 million and 5% (five percent) where taxable income exceeds INR 100 million. Education cess – 4% (four percent) of the income tax plus applicable surcharge.



not engaged in active business outside India, determination of POEM would be two stage process, i.e. (1) First stage would be identification or ascertaining the person or persons who actually make the key management and commercial decisions for the conduct of the company's business as a whole and (2) Second stage would be determination of place where these decisions are in fact made (rather than implemented). The POEM of the foreign company is to be determined on a year on year basis and is based on all relevant facts related to the management and control of the foreign company and is not to be determined on the basis of isolated facts.

Further, the CBDT clarified that the POEM provisions to determine the tax residency of a company would not be applicable to companies having turnover or gross receipts of INR 500 million or less in a financial year.

If the key management and commercial decisions that are necessary for the conduct of the activities of the Fund as a whole are, in substance made outside India, the Fund should qualify as a non-resident as per the ITA 1961. However, considering that POEM guidelines are subjective in nature, the possibility of Indian tax authorities challenging the POEM and treating the Fund to have a POEM in India and consequently being regarded as a tax resident of India under the ITA 1961 cannot be completely ruled out. In case the POEM of the Fund is in India, global income of the Fund would become subject to tax in India as per the provisions of the ITA 1961. The CBDT has issued a notification dated 22 June 2018 prescribing special provisions with respect to certain computational and procedural aspects of foreign companies which are regarded as residents in India on account of its POEM being in India.

The taxation of a non-resident is governed by the provisions of the ITA 1961, read with the provisions of the Double-taxation Avoidance Agreement entered into between India and the country of residence of such non-resident. As per Section 90(2) of the ITA 1961, a non-resident would be taxable in accordance with the provisions of the ITA 1961 or the applicable Tax Treaty (if any), whichever is more beneficial to such non-residents. This would be subject to GAAR which is effective from 1 April 2017. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the Tax Treaty (for detail GAAR provisions refer discussion in paragraphs below).

In the present case, subject to the risks highlighted above the Fund is a company in Ireland for Indian income-tax purposes and therefore, the applicable Tax Treaty would be the Tax Treaty entered into between India and Ireland ("Tax Treaty").

If the Fund is able to obtain tax residency certificate from the Office of Revenue Commissioners, Ireland in its own name, furnish a declaration in Form No.10F along with supporting documents and if its place of effective management is in Ireland, then the benefit of the Tax Treaty should be available to the Fund in respect of its Indian investments. While it is assumed that the Fund would be entitled to the benefits accorded by the Tax Treaty, no assurance can be provided that the Indian tax authorities will not challenge the eligibility of the Fund for benefits of the Tax Treaty.

It is currently envisaged that the Fund could earn the following streams of income from its investment in Indian investments:

- (1) Gains arising on transfer of Indian investments viz. equity shares and derivative contracts;
- (2) Dividend income; and
- (3) Interest income

Details of taxation relating to the Fund’s investments are set out below.

**(A) Gains arising on transfer of Indian investments:**

Under the ITA 1961:

The definition of “capital asset” includes any security held by an FPI<sup>14</sup>, which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992.

Accordingly, in the current case, as the Fund is registered as an FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, the Fund’s income on transfer of its Indian investments (acquired in accordance with the FPI regulations) should be regarded as capital gains.

Further, to mitigate tax disputes and litigation, the CBDT has vide its circular dated February 29, 2016 clarified that in respect of listed shares and securities held for a period of more than 12 months immediately preceding its date of transfer, if the taxpayer desires to treat the income arising from transfer thereof as capital gains, the same shall not be put to dispute by the tax officer. However, this stand, once taken by the tax payer in a particular year, shall remain applicable in subsequent years also and the taxpayer shall not be allowed to adopt a different / contrary stand in this regard in subsequent years. The CBDT also clarified that the same shall not apply in respect of the transactions where the genuineness of the transaction itself is questionable.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA.II dated 02 May, 2016 stating that income arising from transfer of unlisted shares should be considered under the head “capital gains” irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

The transfer of unlisted shares is made along with the control and management of underlying business and the Indian tax authorities should take appropriate view in such situations.

Depending upon the period of holding of assets, capital gains arising on transfer of securities should be taxable either as short-term or long-term capital gains.

<b>Nature of Asset</b>	<b>Short-term capital asset</b>	<b>Long-term capital asset</b>
Securities listed in a Recognised Market in India (other than a unit), unit of a Unit Trust of India, units of an equity oriented fund or zero coupon bond	Held for not more than 12 (twelve) months immediately preceding the date of	Held for more than 12 (twelve) months immediately preceding the date of

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Vide Notification No. 9/2014 dated January 22, 2014, the Indian Government has extended the benefits available to Foreign Institutional Investors under section 115AD of the ITA to FPIs in India.

	its transfer	its transfer
Unlisted shares (including those offered through offer for sale as part of an initial public offer)	Held for not more than 24 (twenty four) months immediately preceding the date of its transfer	Held for more than 24 (twenty four) months immediately preceding the date of its transfer
For securities other than those specified above	Held for not more than 36 (thirty six) months immediately preceding the date of its transfer	Held for more than 36 (thirty six) months immediately preceding the date of its transfer

The capital gains tax rates under the ITA 1961 are as under:

Sr. No.	Nature of Income	Tax rate in case of foreign companies (tax rates to be increased by applicable surcharge and education cess)
1.	Short-term capital gains earned from following transactions on which Securities Transactions Tax (“STT”) has been paid: (a) sale of listed equity shares through the Recognised Market in India; or (b) sale of to be listed equity shares through offer for sale as part of an initial public offer; or (c) sale of units of equity oriented mutual fund or a unit of a business trust	15%

2.	Other short-term capital gains	30% (in case of FPI) / 40% (for investment other than under the FPI route)
3.	Long-term capital gains earned from following transactions on which STT has been paid– (a) sale of listed equity shares through the Recognised Market in India; or  (b) sale of to be listed equity shares through offer for sale as part of an initial public offer; or  (c) sale of units of equity oriented mutual fund or a unit of a business trust  (Refer Note 2)	10%
4.	Long-term capital gains on transfer of listed securities (other than units) on which STT has not been paid (Note 3)	10%
5.	Long-term capital gains on transfer of unlisted securities (Refer Note 4)	10%

**Notes:**

1. As per Section 48 of the IT Act, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. However, as per section 115AD, an FPI shall not be entitled to take the benefit first proviso (foreign currency computation) and second proviso (indexation) to section 48 of the IT Act while computing capital gains arising from the transfer of securities.

2. The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from 1 April 2018. As per section 112A of the IT Act, the LTCG above INR 0.1 million on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition\* and transfer); and
- units of equity oriented mutual fund or a unit of a business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

\*The CBDT has issued a notification on 1 October 2018 clarifying that condition of paying STT at the time of acquisition shall not apply for all transactions of acquisition of equity shares other than the following negative list:

- a) *where the acquisition of existing listed equity shares in a company whose equity shares are not frequently traded on a Recognised Market in India is made through a preferential issue, other than specified preferential issues;*
- b) *where transactions for acquisition of existing listed equity shares in a company is not entered through a Recognised Market in India, except in specified circumstances; and*
- c) *acquisition of equity share during the period beginning from the date on which the company is delisted from a Recognised Market in India and ending on the date immediately preceding the date on which the company is again listed on a Recognised Market in India, in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder.*

*Further, the CBDT has clarified by way of FAQs (F. No. 370149/20/2018-TPL dated 4 February 2018 ) that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.*

*3. Based on judicial precedents, any non-resident, including the Fund investing under other than the FPI route, may avail the concessional tax rate of 10% with respect to gains arising from transfer of listed securities (other than units) and zero coupon bonds. However, the possibility of Indian tax authorities disregarding the said position and applying a tax rate of 20% cannot be ruled out.*

*4. As per Section 48 of the ITA, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. As per the amendment in the Finance Act, 2017, in case of transfer of unlisted shares, if the consideration received is less than the fair market value ("FMV"), the fair market value shall be deemed as the full value of consideration. FMV shall be determined in accordance with the rules prescribed by the Indian tax authorities.*

*6. Capital gains arising to a non-resident from trading in derivatives, foreign currency bonds, GDRs, rupee denominated bonds of Indian companies on a stock exchange located in the International Financial Services Centre ("IFSC") is exempt from tax in India.*

In case the gains of the Fund from sale of the securities (invested under FDI route) held in the Indian portfolio entities is characterized as business income, such income shall be taxed at the rate of 40% on a net-income basis (subject to Tax Treaty benefits discussed below).

The Finance Act, 2018 has widened the definition of business connection under the ITA. As per the amended provisions of the ITA, an agent shall constitute a business connection in India for a non-resident even if such person habitually plays a principal role leading to conclusion of contracts on behalf of the non-resident or habitually concludes contracts on behalf of non-resident.

*Under Tax Treaty:*

***If the gains are characterized as capital gains***

As per the Tax Treaty, capital gains arising in the hands of the Fund on account of alienation of shares of Indian portfolio companies will be chargeable to tax in India as per the tax rates prescribed under the ITA.

However, capital gains arising on account of investments in other securities including derivative contracts shall continue to remain not taxable under the Tax Treaty (subject to other aspects discussed in this section).

***If the gains are characterized as business income***

In case the gains of the Fund from sale of the securities (other than investment made under the FPI route) held in the Indian portfolio entities are characterized as business income, then such income should not be taxable in India if the Fund does not have a Permanent Establishment (“PE”) in India. If a PE were created in India, then the Fund should be taxed at the rate of 40% on its income on net basis that is attributable to such PE in India.

**(B) Dividend**

*Position under the ITA 1961*

As per the ITA 1961, any dividends declared by the Indian companies on or before 31 March 2020 but paid after 1 April 2020 should be exempt from tax in the hands of the non-resident shareholders. However, the Indian companies at the time of declaring, distributing or paying the dividend should be liable to pay Dividend Distribution Tax (“DDT”) at the effective rate of 15%<sup>15</sup> on the amount of dividends. With effect from 1 April 2020 the Indian Finance Act 2020 has abolished the levy of the DDT and consequently the exemption of dividend income earned by the Fund has been withdrawn with effect from 1 April 2020. The dividends declared, distributed and paid on or after 1 April 2020 should be chargeable to tax at the Fund level with respect to shares it holds in an Indian company.

The rate of tax on such dividend income should be at the rate of 20% plus surcharge and education cess as per ITA 1961. The withholding tax on such dividend income should be at the rate of 20% plus applicable surcharge and education cess as per ITA 1961.

*Position under the Tax Treaty*

As per Article 10 of the Tax Treaty, any dividend income earned by the Fund from its investment in the shares of the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such dividend income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India in respect of which the dividend is paid is effectively connected with such PE or fixed base.

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<sup>15</sup> The amount of dividend distributed by the domestic company to its shareholders shall be increased to such an amount as would after reduction of tax on such increased amount be equal to net distributed profits. Thus, dividend paid or distributed shall be grossed up for the purposes of computing DDT. The rate of dividend under section 115-O of the ITA is 15%, which needs to be grossed up for tax and hence, the effective DDT rate after grossing up is 20.555% (including surcharge and health and education cess).

## **(C) Interest income**

### *Position under the ITA 1961*

As per the ITA 1961, interest payable to the Fund, being an FPI, on rupee denominated bonds of Indian companies, and government securities if the interest is payable on or after 1 June 2013 but before 1 July 2023 and on municipal debt securities if the interest is payable on or after 1 April 2020 but before 1 July 2023 should be subject to tax at the rate of 5% plus applicable surcharge and education cess, provided in respect of rupee denominated bonds, the rate of interest does not exceed 500 basis points over the applicable base rate of State Bank of India as on the date of issue of bonds.

As per ITA 1961, any interest arising to the Fund out of borrowings in foreign currency under loan agreements or on long-term bonds issued by Indian companies before July 1, 2023 as approved by Central Government of India and subject to certain conditions should be subject to tax at the rate of 5%.

Further, the concessional tax rate of 5% is also extended to interest in respect of monies borrowed from a source outside India by way of rupee denominated bonds issued by an Indian company before July 1, 2023. Further concessional tax rate of 4% in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or rupee denominated bond on or after the 1st day of April, 2020 but before the 1st day of July, 2023, which is listed only on a Recognised Market located in any International Financial Services Centre subject to certain conditions.

In case the benefit of the concessional tax rate is not available, then the interest income on securities should be subject to tax at the rate of 20% in the hands of the Fund, being an FPI. However, if the investment is made under other than FPI route the interest income in Indian rupee may be taxed at the rate of 40%.

### *Position under the Tax Treaty*

As per Article 11 of the Tax Treaty, any interest income earned by the Fund from its investment in the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such interest income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India and the debt-claim in respect of which the interest is paid is effectively connected with such PE or fixed base.

The tax rate of 10% under the Tax Treaty should be relevant only if the tax rate under the ITA 1961 on such interest income is higher than 10%.

## **Other relevant tax considerations**

### ***Deemed income on investment in any shares / securities of an Indian portfolio entity***

#### *Position under the ITA 1961*

As per provisions of the ITA 1961, where any person receives any shares and securities from any person for a consideration which is lower than the fair market value by more INR 0.05 million, then difference between the fair market value and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("**Other Income**"). Further as per provisions of the ITA 1961, where the consideration received or accruing by the Fund as a result of the transfer of unquoted shares is less than the fair market value of such shares, the value so determined as per prescribed methods in the ITA 1961 shall be deemed to be the full value of consideration received or accruing as a result of such transfer and gains calculated in the hands of the transferor shall be as capital gains. The rules for determining the fair market value of shares and securities have been prescribed in under the Rules.

As per the provisions of the Rules, the fair market value of quoted shares and securities received by way of transaction carried out through any Recognised Market in India should be transaction value as recorded in such stock exchange whereas, the fair market value of quoted shares and securities received by way of transaction other than through Recognised Market in India should be based on: (a) the lowest price of such shares and securities quoted on any Recognised Market in India on the valuation date (date of receipt of shares), and (b) the lowest price of such shares and securities on any Recognised Market in India on a date immediately preceding the valuation date when such shares and securities were traded on such stock exchange, in cases where on the valuation date there is no trading in such shares and securities on any Recognised Market in India.

Further, the fair market value of unquoted equity shares at the option of the Fund should be based on the book values of assets and liabilities subject to certain adjustments or as determined by a merchant banker as per the discounted free cash Flow method. The fair market value of unquoted shares and securities other than equity shares in a company which are not listed on any Recognised Market in India shall be estimated to be the price the shares should obtain if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of such valuation.

The application of the above wording is solely for the purposes of calculating Indian income tax liability (if any). The provisions of the valuation wording referred to in the "Administration of the ICAV" section of the Prospectus applies for the purposes of valuing the assets held by the Fund.

Accordingly, if it is held that the Fund has earned Other Income, such other income should be chargeable to tax at the rate of 20% for investment under FPI route and 40% for investment under FDI route.

Further income in the hands of the transferor shall be taxable as per capital gains as per table above.

#### *Provisions under the Tax Treaty*

Any income earned by the Fund which is not dealt with in any other Articles of the Tax Treaty should not be taxable in India in the hands of the Fund under the Tax Treaty, unless the Fund is carrying on a



business through a PE or fixed base in India.

### **Provisions related to overseas transfer**

As per provisions of the ITA 1961, capital gains arising from the transfer of shares or interest in a foreign company or entity registered outside India shall be taxable in India (subject to availability of benefits Tax Treaty benefit, if available), if the shares or interest, directly or indirectly, derive their value substantially from assets located in India. The shares or interest shall be deemed to derive substantial value from the assets located in India, if on the specified date, the value of Indian assets—

- (i) exceeds INR 100 million; and
- (ii) represents at least 50% of the value of all the assets owned by the foreign company.

The capital gains will be taxable in India only to the extent that they are attributable to the Indian assets. The valuation rules have been prescribed in this regard.

Exemption to small shareholders - there should be no levy of Indian tax if the transferor, along with its related parties at any time in the twelve months preceding the date of transfer: (a) does not hold the right of management or control in the direct ordinary shareholder or indirect ordinary shareholder; and (b) holds less than or equal to 5% of the voting power or the share capital or interest, directly or indirectly, in the company/entity organised outside India which holds the Indian assets directly.

The ITA 1961, as amended by Finance Act 2020, clarifies that the scope of the overseas transfer tax provisions shall not cover within their ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category I FPI or Category II FPI with SEBI (FPI) Regulations 2014 prior to its repeal and FPIs that are registered as Category I FPI with SEBI (FPI) Regulations 2019. Thus, transfer or redemption of shares held by the investors directly or indirectly in such FPIs will not be subject to any tax/ withholding tax in India.

### **Minimum Alternate Tax**

The provisions of the ITA 1961 provides for levy of MAT on all companies. Under these provisions, where income-tax payable by a company on its total income as computed under the ITA is less than 15% (fifteen percent) of its book profits (computed in a prescribed manner), then the book profit is deemed to be total income and the tax is computed at 15% (fifteen percent) of its book profits.

Further, as per the ITA 1961 amended by the Finance Act 2016, MAT provisions should not be applicable to a foreign company, if:

- (1) it is resident of a country with which India has a tax treaty, and it does not have a permanent establishment in India, in accordance with the provisions of the relevant tax treaty; or
- (2) it is resident of a country with which India does not have a tax treaty, and it is not required to seek registration under Indian corporate laws.

In the current case, as the Fund is expected to be resident in Ireland, with which India has a Tax Treaty, and it does not form permanent establishment in India, MAT should not be applicable to the Fund.

## **General Anti-avoidance Rule (“GAAR”)**

The GAAR provisions are effective from 1 April 2017. GAAR may be invoked by the Indian tax authorities in case arrangements are found to be impermissible tax avoidance arrangements. A transaction can be declared as an impermissible tax avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which also satisfies at least one of the four tests mentioned below:

- (a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- (b) It results in directly / indirectly misuse or abuse of the ITA;
- (c) It lacks commercial substance or is deemed to lack commercial substance as per the provisions of ITA 1961 in whole or in part; or
- (d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

In such cases, the Indian tax authorities are empowered to deny the benefits under a tax treaty, re-allocate the income from such arrangement, or re-characterize or disregard the arrangement. Some of the illustrative powers are:

- (a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- (b) Ignoring the arrangement for the purpose of taxation law;
- (c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- (d) Looking through the arrangement by disregarding any corporate structure; or
- (e) Re-characterizing equity into debt, capital into revenue, etc.

The above terms should be read in context of the definitions provided under the ITA 1961. Further, the onus to prove that the main purpose of an arrangement was not to obtain any tax benefit is on the taxpayer. Also, any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the Tax Treaty.

The Rules have come out with few exceptions where the provisions of GAAR shall not apply. A summary of the key exceptions for application of GAAR provisions as provided under the Rules, are set out below:

- A. *Monetary Threshold Exemption:* The GAAR provisions should apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30 million.
- B. *Exemption to FPIs and P-Note holders:* SEBI registered FPIs are excluded from applicability of GAAR provisions if they do not avail benefits under a tax treaty entered into by India. Hence, if an FPI proposes to avail the benefits of a tax treaty, the GAAR provisions may apply in case of an impermissible avoidance arrangement. Investments in FPIs made by non-resident investors by way of offshore derivative instruments, directly or indirectly, are excluded from the ambit of the GAAR provisions.

Further, on January 27, 2017, the CBDT has issued clarifications<sup>16</sup> on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Amongst others, the following is clarified:

- For GAAR application, the issue, which may arise regarding the choice of entity, location etc. has to be resolved on the basis of the main purpose and other conditions provided under ITA 1961. GAAR shall not be invoked merely on the ground that the entity is located in tax efficient jurisdiction. GAAR will not apply if the jurisdiction of FPI is finalised based on non-tax commercial considerations and the main purpose of the arrangement is not to obtain tax benefit;
- Specific Anti-Avoidance Rules (SAAR) and GAAR can co-exist and may be applied depending on facts and circumstances of the case;
- GAAR shall not be invoked in cases where the tax avoidance strategy is sufficiently addressed by the LOB clause in the tax treaty;
- GAAR provisions shall not apply if the arrangement is held as permissible by the Authority for Advance Ruling or where the Court has explicitly and adequately considered the tax implication while sanctioning an arrangement;
- Two stage approval process will be followed for invoking GAAR.

#### **Multilateral Convention to implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ('MLI')**

The Organisation of Economic Co-operation and Development ("OECD") released the MLI. Once adopted, MLI will supplement the existing tax treaties that India has with several countries and incorporate anti-avoidance rules/ limitation of benefit conditions. At the time of signing the MLI, countries are required to submit a list of their existing tax treaties, which they should like to designate as Covered Tax Agreements ("CTA") i.e., agreements to be amended through the MLI. Together with the list of CTAs, the countries are also required to submit a preliminary list of their reservations and notifications in respect of the various provisions of the MLI.

Ireland and India have signed the MLI and, have been designated as a CTA. The MLI, amongst others, includes a "principal purpose test", wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit unless it is established that granting that benefit should be in accordance with the object and purpose of the relevant tax treaty.

#### **Capital losses**

As per the provisions of the ITA 1961, short term capital loss can be set-off against both short term capital gains and long term capital gains but long term capital loss can be set-off only against long term capital gains. The unabsorbed short term and long term capital loss can be carried forward for 8 years and set off against capital gains.

Subject to the risks highlighted above, the Fund is a company for Indian income-tax purposes. As per

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<sup>16</sup> Circular no 7 of 2017

provisions of the ITA 1961, in the case of a company which is not a company in which the public are substantially interested, the capital losses can be carried forward and set-off only if on the last day of financial year, shares of the company carrying at least 51% of voting power are beneficially held by persons who beneficially held shares carrying at least 51% of the voting power of the said company on the last day of the financial year or years in which the said losses have arisen.

## **STT**

The Fund will be liable to pay STT in respect of dealings in Indian securities purchased or sold on the Indian stock exchanges. The applicable rates of STT are as follows:

- (1) 0.1% (zero point one percent) payable by purchaser on purchase of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit.
- (2) 0.1% (zero point one percent) payable by seller on sale of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit.
- (3) 0.001 (zero point zero zero one percent) payable by seller on sale of a unit of an equity oriented fund in a Recognised Market in India and the contract for the sale of such unit is settled by the actual delivery or transfer of such unit.
- (4) 0.025% (zero point zero two five percent) payable by seller on sale of equity shares in a company or units of equity oriented mutual funds or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India where the contract for sale is settled otherwise than by the actual delivery or transfer of share or unit.
- (5) 0.05% (zero point zero five percent) payable by seller on sale of an option in securities.
- (6) 0.125% (zero point one two five percent) payable by purchaser on sale of option in securities, where option is exercised.
- (7) 0.01% (zero point zero one percent) payable by seller on sale of futures in securities.
- (8) 0.001% (zero point zero zero one percent) payable by seller on sale of units of an equity oriented fund to a mutual fund.
- (9) 0.2% (zero point two percent) payable by seller on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a Recognised Market in India.
- (10) 0.2% (zero point two percent) payable by seller on sale of unlisted units of a business trust under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a Recognised Market in India.

The Directors of Ashoka WhiteOak ICAV (the “**ICAV**”) whose names appear in the “**Directory**” of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

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**Ashoka WhiteOak India Leaders Fund**

**(A sub-fund of Ashoka WhiteOak ICAV, an Irish collective asset management vehicle constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))**

**SUPPLEMENT**

**INVESTMENT MANAGER**

**White Oak Capital Partners Pte. Ltd.**

**DATED 19 FEBRUARY 2025**

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**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 29 February 2024 (the “Prospectus”) in relation to the ICAV and contains information relating to the Ashoka WhiteOak India Leaders Fund (the “Fund”) which is a sub-fund of the ICAV.**

## **SELLING RESTRICTIONS – NOTICE TO RESIDENTS OF THE U.S.**

THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE. THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT. SHARES MAY BE OFFERED IN THE UNITED STATES TO “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT AND “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT. NEITHER THE ICAV NOR ANY FUND IS, AND WILL NOT BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT, AND THE INVESTMENT MANAGER IS NOT REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED.

PURSUANT TO AN EXEMPTION FROM THE CFTC, AN OFFERING MEMORANDUM FOR THE ICAV OR THE FUND IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THE ICAV OR THE FUND.

EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER WHETHER ITS FINANCIAL CONDITION PERMITS IT TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, PROSPECTIVE INVESTORS SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF A MEMBER’S INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON WITHDRAWALS MAY AFFECT A MEMBER’S ABILITY TO WITHDRAW ITS PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE PARTICIPATION IN A COMMODITY POOL. THEREFORE, BEFORE DECIDING TO PARTICIPATE IN THIS COMMODITY POOL, A PROSPECTIVE INVESTOR SHOULD CAREFULLY STUDY THE PROSPECTUS AND THIS SUPPLEMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

**All prospective investors should also carefully review the Distribution and Selling Restrictions set forth in the Prospectus.**

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## DEFINITIONS

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Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("**UCITS Regulations**") and this Supplement will be construed accordingly and will comply with the applicable Central Bank UCITS Regulations.

**"Accumulation Class Shares"** means Class A, Class B, Class C, Class D, Class E, Class F and Class G Shares;

**"Base Currency"** means USD;

**"Business Day"** means:

- (i) a day on which stock exchanges and banks in Dublin, Singapore and Mumbai are open for business; or
- (ii) such other day or days as may be determined from time to time by the Directors;

**"Dealing Day"**, being the day upon which redemptions and subscriptions occur, means:

- (i) each Business Day; and / or
- (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight;

**"Fund"** means the Ashoka WhiteOak India Leaders Fund;

**"Redemption Cut-Off Time"** means 10.00am (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

**"Sterling"**, **"GBP"** or **"£"** means Pound Sterling, the lawful currency of the United Kingdom;

**"Subscription Cut-Off Time"** means 10.00am (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

**"Valuation Day"** means each Dealing Day, unless otherwise determined by the Manager; and

**"Valuation Point"** means 3.00pm (Irish time) on each Valuation Day or such other time as the Manager may determine in respect of the Fund from time to time and notify to Shareholders.



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**THE FUND**

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The Ashoka WhiteOak India Leaders Fund is a sub-fund of the Ashoka WhiteOak ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should have regard to the 'Risk Considerations' Section below.**

The ICAV offers the classes of Shares in the Fund as set out below. The ICAV may also create additional classes of Shares in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Share Class Description	Class Currency	Management Fee (per annum)	Investment Management Fee (per annum)	Sales charge
Class A Shares USD	USD	0.05%	0.50%	Up to 5%
Class A Shares EUR	EUR	0.05%	0.50%	Up to 5%
Class A Shares GBP	GBP	0.05%	0.50%	Up to 5%
Class A Shares CHF	CHF	0.05%	0.50%	Up to 5%
Class B Shares USD	USD	0.05%	0.75%	Up to 5%
Class B Shares EUR	EUR	0.05%	0.75%	Up to 5%
Class B Shares GBP	GBP	0.05%	0.75%	Up to 5%
Class B Shares CHF	CHF	0.05%	0.75%	Up to 5%
Class C Shares USD	USD	0.05%	0.85%	Up to 5%
Class C Shares EUR	EUR	0.05%	0.85%	Up to 5%
Class C Shares CHF	CHF	0.05%	0.85%	Up to 5%
Class D Shares USD	USD	0.05%	0.95%	Up to 5%
Class D Shares EUR	EUR	0.05%	0.95%	Up to 5%
Class D Shares GBP	GBP	0.05%	0.95%	Up to 5%
Class D Shares CHF	CHF	0.05%	0.95%	Up to 5%
Class E Shares USD	USD	0.05%	1.50%	Up to 5%
Class E Shares EUR	EUR	0.05%	1.50%	Up to 5%

Class E Shares CHF	CHF	0.05%	1.50%	Up to 5%
Class F Shares USD	USD	0.05%	1.75%	Up to 5%
Class F Shares EUR	EUR	0.05%	1.75%	Up to 5%
Class F Shares CHF	CHF	0.05%	1.75%	Up to 5%
Class G Shares EUR*	EUR	0.05%	0.50%	Up to 5%

\* Class G Shares will only be available to investors at the Investment Manager's discretion pursuant to a separate agreement. In the event that a Shareholder no longer meets the conditions outlined in the separate agreement, the ICAV and/or the Investment Manager reserve the right to transfer the Shareholder to another share class at their discretion.

Where a class is denominated in a currency other than the Base Currency, the currency exposure of that class to the Base Currency of the Fund will not be hedged to the relevant Class Currency.

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## INVESTMENT OBJECTIVE AND POLICIES

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### Investment Objective

The investment objective of the Fund is to seek long-term capital appreciation.

### Investment Policy

The Fund will actively seek to achieve its objective by primarily investing in equity and equity-related securities of Indian companies, as described in further detail below.

The Fund will invest at least two thirds of its net assets in equity and equity related transferable securities listed or traded on a Recognised Market and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive a predominant proportion of their revenues or profits from India. Equity related transferable securities include common stock, preferred stock and up to 10% in warrants.

The Fund may also invest up to one third of its net assets in equity and/or equity related transferable securities which may generate exposure to companies that are not domiciled in India and which do not derive a predominant proportion of their revenues or profits from India where to do so is deemed appropriate by the Investment Manager to achieve the investment objective of the Fund.

The Fund may invest up to 20% of its net assets in fixed income securities listed or traded on a Recognised Market for investment purposes. These securities may be fixed or floating rate and include treasury bonds, convertible bonds/debentures, preference shares, corporate debt (bonds, notes and debentures issued by corporations), fixed income securities (fixed-interest bonds and securities) issued by governments in India and globally, certificates of deposit and commercial paper rated investment grade by any Indian based credit rating agency. Fixed income securities will be selected by the Investment Manager considering their credit risk, yield and liquidity. A fixed income security will be deemed to be investment grade if it has a rating of BBB- and/or higher by S&P for non-India issuers and CRISIL (formerly Credit Rating Information of India Limited) for India issuers or an equivalent rating by any of the other principal rating agencies in India or globally. The Investment Manager will employ a credit-screening strategy to assist in minimising the Sub-Fund's exposure to fixed income securities believed to be most susceptible to excessive price deterioration. Any fixed income security that is subsequently downgraded may continue to be held by the Fund in order to avoid a distressed sale.

The Fund may invest in money market instruments such as treasury bills, municipal bonds and commercial paper for the purposes of cash management. The Fund may invest in other collective investment schemes (including money market funds, exchange traded funds, index funds real estate investment trust securities and infrastructure investment trusts). The Fund will not invest more than 10% of its net assets in other collective investment schemes.

The Fund may purchase American Depository Shares ("**ADS**") as part of American Depository Receipt ("**ADR**") issuances, European Depository Receipts ("**EDRs**") and Global Depository Receipts ("**GDRs**") or their equivalent, such as structured securities, including structured participation notes ("**P-Notes**"). The Fund will not invest more than 10% of its net assets in P-Notes.

Any such structured securities may embed derivatives and generate leveraged exposure to such equities and equity related securities on behalf of the Fund. They are subject to some special considerations and risks as set out under the heading “*Depository Receipts*” in the Prospectus.

The Investment Manager may, on behalf of the Fund and subject to the conditions and limits set out in the Central Bank UCITS Regulations, in addition to warrants and other rights to acquire stock described above which may be used for investment purposes, employ techniques and instruments relating to transferable securities in which the Fund may invest for hedging purposes (to protect an asset of the Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature) only. Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter (“**OTC**”) FDI (futures and currency forwards (which may be used to manage market and currency risk respectively) and options (including call and put options which may be used to achieve cost efficiencies)).

**Futures:** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

**Currency Forwards:** Currency forwards are agreements between parties to exchange fixed amounts of different currencies at an agreed exchange rate at an agreed time in the future. They are similar to currency futures, except that they are not exchange-traded, but are instead over the counter instruments. Currency forwards may be used to manage currency risk by hedging the currency exposure of the Fund.

Further detail regarding the use of the above derivatives and their risks are set out in the sections entitled “Investment Objectives and Policies” and “Risk Considerations – Derivative Risks” in the Prospectus.

The Fund will not use swaps, or engage in repurchase agreements, reverse repurchase agreements or stock lending.

## **Investment Strategy**

The investment strategy primarily focuses on investing in equity and equity-related securities of Indian and global companies. The Fund will invest in equity and equity related transferable securities listed or traded on a Recognised Market and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive a predominant proportion of their revenues or profits from India. The Fund also invests in equity and/or equity related transferable securities which may generate exposure to companies that are not domiciled in India and which do not derive a predominant proportion of their revenues or profits from India where to do so is deemed appropriate by the Investment Manager to achieve the investment objective of the Fund.

The Fund seeks to build a long-only portfolio of 75-150 businesses at attractive values through a bottom-up selection process. The Fund has a simple yet powerful investment philosophy of investing in businesses based on stock selection, rather than betting on macro. The Investment Manager believes outsized returns can be earned over time by investing in great businesses at attractive values; and that a great business is one that is well managed, scalable, and generates superior returns on incremental capital.

The Fund will not be biased towards any specific industry or sector. The Investment Manager utilises a bottom-up stock selection philosophy which aims to generate returns over time by investing in businesses at attractive values. The Investment Manager's philosophy has two elements – business and valuation. The Investment Manager seeks to invest in companies that present the most powerful combination of business and valuation. The Investment Manager will build a portfolio by evaluating investment opportunities on a company-by-company basis. The Investment Manager will select investment opportunities following fundamental research carried out using a rigorous and proprietary analytical framework. This approach will include fundamental analysis of a company's financial statements, management track record, capital structure, operations, product development and competitive position in its industry. The Investment Manager looks to acquire securities of businesses that rate well on the ESG parameters outlined above and are trading at a substantial discount to their intrinsic value (i.e. the calculated value placed upon the business by the Investment Manager having regard to the fundamental analysis which it carries out on that business as opposed to its market value).

The Investment Manager seeks to maintain a balanced portfolio reflecting its stock selection capabilities rather than being driven by non-stock specific macro factors such as market timing, sector, currency or other such factor exposures. The Investment Manager will use its proprietary cash-flow centric analytical framework for assessing valuation. This is evaluated through fundamental analysis of each company including but not limited to, identifying opportunities in new products or services, restructuring, and/or changes in strategic direction. The Investment Manager may select the stocks of companies with all market capitalisations.

### **Sustainability Disclosure**

The Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of the SFDR and only invests in companies that apply good corporate governance practices. In identifying investments which allow the Fund to promote environmental, social and governance (“**ESG**”) characteristics, the Investment Manager considers material ESG factors. Please refer to Appendix 2 to this Supplement for further information in respect of the Fund's promotion of ESG characteristics.

The Fund pursues the following approach in the investment process via exclusions, ESG integration, and active ownership.

### **Exclusions**

The Investment Manager has determined that certain companies will be excluded from the Fund's investment universe where any one or more factors mentioned below are applicable to the relevant company:

- companies engaged in fossil fuel production
- companies engaged in tobacco production,
- companies engaged in banned weapons (according to Geneva Protocol),
- companies engaged in alcohol production
- companies engaged in gambling
- companies deriving revenue from pornography, and
- companies involved in environmental damage relating to production of asbestos fibres and radioactive materials.

This is based on the principle of materiality and may be amended at the discretion of the Investment Manager from time to time.

## **ESG Integration**

In line with Article 8 of the SFDR, the Investment Manager integrates responsible investment into its investment process as applicable. The Investment Manager believes that material ESG factors should be incorporated into investment decision-making, and therefore incorporates ESG analysis when evaluating potential investment opportunities for the Fund. While doing so, the Fund deploys a proprietary bottom-up framework called ABLEx (Assessment of Business Longevity and Excellence) for ESG risk assessment. The framework consists of sector-specific key ESG factors.

The investment approach will include research on environmental, social, and governance factors impacting prospective businesses to gauge the sustainability of the relevant business and evaluate business risks emanating from ESG factors.

The environmental characteristics considered and promoted by the Fund include (a) GHG emissions, (b) Effective waste management and (c) Efficient resource utilization.

For assessment of a company's practices on GHG emissions some of the factors that are evaluated include greenhouse gas emissions intensity, targets set for reducing emissions, the share of renewable energy in total energy consumption. For assessment of a company's practices on efficient resource utilization, some of the factors that are evaluated include trend of water consumption intensity, the existence of wastewater recycling facilities, and operations in water-starved areas. For assessment of a company's practices on waste management some of the factors that are evaluated include waste disposal quantity, method of waste disposal and existence of a waste treatment plant or zero liquid discharge facility.

The social characteristics considered and promoted by the Fund include (a) human rights compliance, (b) product safety and, (c) employee welfare.

For assessment of a company's practices on human rights compliance, factors such as labour disputes, pending litigations by regulators and history of violations are considered amongst other such factors. For assessing product safety, factors such as product recalls, regulatory observations, customer complaints among other such factors are considered. For assessing employee welfare, employee-related policies, attrition trends, percentage of employees trained, training hours are the factors that are taken into consideration.

The governance factors considered by the Fund include anti-corruption and bribery, board independence, anti-money laundering, regulatory and tax compliance, facilitation of whistle-blowing, alignment of interests with minority shareholders, appropriate accounting practices, ethical business conduct, fair dealing with investors and other stakeholders, transparency with investment community, among others.

The data sources used to ascertain the environmental and social characteristics as set out above are taken directly from the investee companies into which the Fund invests as well as sourced from third-party data providers such as MSCI. Besides these, insights from management interactions, channel checks, and factory visits are also taken into consideration. To ensure data quality is adhered to, the Fund deploys standardised data templates to process data, including excel spreadsheet, and calculation methodologies

that are consistently followed. The proportion of estimated data is highly dependent on disclosures provided by investee companies.

The Investment Manager monitors compliance with the ESG characteristics outlined above on a regular basis through the use of sustainability indicators covering environmental footprint and compliance, social and employee matters, board and senior management governance, respect for human rights, among others. The Investment Manager ensures that at least 80% of equities held in the Fund's portfolio are rated against the sustainability criteria using the proprietary ESG framework.

### **Active ownership**

The Investment Manager follows a positive engagement approach whereby it interacts with management of underlying businesses on behalf of the Fund in order to gain additional understanding and encourage them to take necessary steps that would impact the business positively and enhance the value of the Fund's investments. It allows the Fund to seek engagement with companies on ESG issues where it is believed that there is a reasonable chance of positively influencing their behaviour and positioning.

The Investment Manager has devised an engagement plan based on the Fund's proprietary framework for assessing ESG risk. The common engagement agenda and desired outcome include but are not limited to (a) driving awareness and understanding of key ESG issues; (b) encouraging better, relevant disclosures; (c) understanding the company's ESG roadmap; (d) corroborating independent findings; and (e) follow-up on the status of any ongoing controversies. The engagement plan includes management meetings, company and factory visits, and voting in company resolutions.

### **Investment in India**

It is intended that the Fund will obtain and hold all necessary licenses from local regulatory authorities for investing in India. The Fund will be classed in India as a Category I foreign portfolio investor ("FPI"). Any equities and equity-related securities of issuers based in India will be registered and held on behalf of the Fund by one of the sub-custodians listed in Schedule III of the Prospectus.

The Investment Manager is required to register the Fund as a FPI with the Securities and Exchange Board of India ("SEBI") under the SEBI (Foreign Portfolio Investors) Regulations 2019 to be eligible to invest in the Indian capital market. SEBI approved Designated Depository Participants ("DDPs") register FPIs on behalf of the SEBI subject to compliance with "Know Your Client" or "KYC" requirements.

Under the FPI regime, the Fund may not purchase more than 10% of the total paid-up equity capital on a fully diluted basis of an Indian company. This investment control is subject to change from time to time and is monitored by the DDPs and the Investment Manager.

### **Borrowing and Leverage**

The Fund may be leveraged through the use of derivatives for efficient portfolio management purposes. The Fund's resulting global exposure will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value, through the use of derivatives. The ICAV will use the commitment approach to calculate the global exposure of the Fund, as described in detail in the risk management process document of the ICAV.

The Fund will be subject to the borrowing restrictions pursuant to the UCITS Regulations, as set out in the section entitled “Borrowing Policy” in the Prospectus.

### **Taxonomy Regulation**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation and as such, 0% of the Net Asset Value of the Fund shall be invested in such investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.



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## INVESTOR PROFILE

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The Fund is suitable for investors seeking capital growth over a medium to long-term horizon who are prepared to accept a high level of volatility from time to time. Those investors should be willing to assume the risk of short term share price fluctuations and losses that are typical for an aggressive growth fund focusing on stocks of issuers based in India. The Fund is not designed for investors needing current income. The Fund is not a complete investment program. You should carefully consider your own investment goals and risk tolerance before investing in the Fund.

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## RISK CONSIDERATIONS

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There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the "Risk Considerations" section of the Prospectus. An investment in the Fund is suitable only for persons who are in a position to take such risks.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Sustainability Risk:** The management of Sustainability Risk forms an important part of the due diligence process implemented by the Investment Manager. When assessing the Sustainability Risk associated with the Fund's underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition. Using both quantitative and qualitative processes, Sustainability Risk is identified, monitored and managed by the Investment Manager in the following manner:

Prior to acquiring investments on behalf of the Fund, the Investment Manager conducts fundamental analysis on a selection of potential investee companies in order to allow it to assess the adequacy of ESG programmes and practices of an issuer to manage the Sustainability Risk it faces. This process incorporates applying an exclusionary screening (whereby potential investments are removed from the investment universe on the basis that they pose too great a Sustainability Risk to the Fund) in the investment universe. The Investment Manager also uses ESG metrics of third-party data providers such as MSCI in order to receive independent input to supplement its ESG assessment of the investee companies within the Fund's universe. The standardised ratings issued by the data providers provide further information and perspective on evolving ESG issues to the Investment Manager's analysts. The Investment Manager may acquire a holding in an issuer which has a lower ESG rating as per third-party rating agency where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

During the life of the investment, Sustainability Risk is monitored through review of ESG data published by the issuer (where relevant) or selected data providers to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted. The Investment Manager actively engages with a selection of investee companies (determined by the size of the Fund's investment and exposure to the relevant issuer) to improve ESG disclosures and engages with companies to drive positive change where required. Where the Sustainability Risk associated with a particular investment has increased beyond the ESG risk appetite for the Fund, the Investment Manager will consider selling or reducing the

Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that Sustainability Risks have an impact on the performance of the Fund. It should be noted that the Fund invests in emerging markets where ESG is at a nascent stage and hence there is limited awareness of ESG related themes. The investee companies may not provide adequate disclosures to assess its ESG impact and veracity of those disclosures also pose a limitation on reliability of the data. Additionally, investee companies may use different methods to compute the same data making it difficult to compare with peers.

**Share Currency Designation Risk:** Certain Share Classes (the “**Non-Base Currency Share Classes**”) are denominated in currencies other than the Base Currency of the Fund. It is not intended to hedge the Non-Base Currency Share Classes against any fluctuation in the value of the Base Currency relative to the currency of the Non-Base Currency Share Class. Accordingly, in the event that the Base Currency differs from the currency of the Non-Base Currency Share Class, the relevant Shareholder will bear the risk of any currency fluctuation.

A currency conversion will take place in respect of the Non-Base Currency Share Classes on subscriptions, redemptions, exchanges and distributions at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the relevant Non-Base Currency Share Class.

**Risks of Growth Investing:** If a growth company's earnings or stock price fails to increase as anticipated, or if its business plans do not produce the expected results, its securities may decline sharply. Growth companies may be newer or smaller companies that may experience greater stock price fluctuations and risks of loss than larger, more established companies. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Therefore, they may not pay any dividends for some time. Growth investing has gone in and out of favour during past market cycles and is likely to continue to do so. During periods when growth investing is out of favour or when markets are unstable, it may be more difficult to sell growth company securities at an acceptable price. Growth stocks may also be more volatile than other securities because of investor speculation.

## **POLITICAL, LEGAL, SOCIAL, MARKET, AND ECONOMIC CONSIDERATIONS OF INVESTING IN INDIA**

### **Political and Social Risks**

The value of the Fund's investments may be adversely affected by potential political and social uncertainties in India. Certain developments, beyond the control of the Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the Fund's investments. Furthermore, agriculture occupies a more prominent position in the Indian economy, and the Indian economy therefore is more susceptible to adverse changes in weather. Monsoons and other natural disasters in India and surrounding regions also can affect the value of Fund investments.

The Indian government has exercised and continues to exercise significant influence over many aspects of the economy, and the number of public sector enterprises in India is substantial. As a result, actions of the

Indian government could have a significant effect on the Indian economy, and ultimately on private sector companies and the Fund.

India is a country which comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the Fund's investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past ten years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The Fund's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth and is projected to undergo significant growth in the future, there can be no assurance that such growth will continue. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Fund's investments.

### **Global Economy: Recent Global Financial Market Declines and Financial Instability**

The Indian stock market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Economic developments outside India have adversely affected the stock market in India and may affect the Fund's investments. The deterioration in the financial markets has led to a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere.

The unprecedented fluctuations and declines in the financial markets in India, the U.S. and elsewhere around the world which began in September 2008 could adversely affect the returns of the Fund. Recently, concerns over inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased volatility and diminished expectations for the U.S. and world economy and the financial markets going forward.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, and financial instability in other countries may cause increased volatility in Indian financial markets. Although economic conditions are different in each country, Investors' reactions to developments in one country may have adverse effects on the securities of companies in other countries, including India. A loss of Investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and in the Indian economy generally. Worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm investee entities' business or their future financial performance, which will in turn affect Fund's investments and returns. It is not possible to predict how long current economic conditions will continue, whether the

financial markets and economic conditions will continue to deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally, in India.

### **Market Dislocations**

During 2008, financial markets experienced losses and volatility without precedent in recent decades. Similarly, war and occupation, terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the investments of the Fund.

The markets crisis also resulted in many countries in new governmental regulation of the financial sector and securities markets, together with proposals for increased future regulation of the sector and markets. Often these new regulations were adopted on an emergency or ad hoc basis, subjecting market participants without notice to new rules that were often unclear in scope or application. Recently adopted and proposed new regulations of the financial sector and securities markets may have a material adverse impact on the Fund.

### **Ongoing Dislocations**

Global credit and equity markets have recently experienced significant market events, including decreasing liquidity and declining market values. Increasing credit and valuation problems in debt markets and the mass liquidation of investment portfolios across all markets, among other factors, have generated extreme volatility and illiquidity in worldwide capital markets. This volatility and illiquidity has extended to the global credit and equity markets generally and has been exacerbated by, among other things, growing uncertainty regarding the extent of the problems in the mortgage industry and financial institutions, decreased risk tolerance by Investors, significantly tightened availability of credit and global deleveraging. The continuation of recent market conditions and uncertainty and further deterioration could result in further declines in the market value of the Fund's portfolio. The duration and ultimate effect of recent market conditions cannot be predicted, nor is it known whether or the degree to which such conditions may worsen. Such declines could prevent the Fund from successfully executing its investment strategy or may require the Fund to dispose of portfolio investments at a loss while such adverse market conditions prevail.

### **Government Approvals**

Certain governmental approvals from India have to be obtained for the Fund to make portfolio investments. These approvals are granted at the discretion of the Indian government and though the Investment Manager (on behalf of the Fund) expects the existing approvals to continue, the Investment Manager cannot be certain that these approvals will so continue. If policy announcements or regulations are made subsequent to this offering, which warrant retrospective changes in the structure or operations of the Fund, these may adversely impact the performance of the Fund.

Further, there lies the risk of loss of relevant licenses, registrations and authorisations that are required as per applicable laws granted by the relevant governmental authorities. For instance, the Fund will be unable to continue making portfolio investments if its Foreign Portfolio Investor ("FPI") registration from the Securities and Exchange Board of India ("SEBI") is revoked at a subsequent date.

## **Legal Considerations**

Many of the fundamental laws in India have only recently come into force, which increases the risk of ambiguity and inconsistency in their application, interpretation and enforcement. This risk is additionally increased as adequate procedural safeguards have often not been developed. Due to the developing nature of the Indian legal and regulatory system, laws often refer to regulations which have not yet been introduced, leaving substantial gaps and the regulatory framework is often poorly drafted and incomprehensible. These uncertainties can lead to difficulties in obtaining or renewing necessary licenses or permissions and can lead to substantial delays and costs for the companies subject to them, all of which can ultimately adversely affect the performance of the Fund. Changes in laws and regulations (or in the interpretation thereof) occurring from time to time in India are possible and may worsen the legal and tax constraints within which the Fund will operate and, as a result, may require structuring and financing alternatives to be identified and implemented and may lead to increased legal costs and reduced returns. In particular, tax laws and regulations or their interpretation may change and there can be no assurance that the structure of the Fund or its investments will be tax efficient. Further, India is subject to rapid changes in legislation, many of which are extremely difficult to predict. Existing laws are often applied inconsistently and new laws and regulations, including those which purport to have retroactive effect, may be introduced with little or no prior consultation. As such, the Fund's ability to secure the judicial or other enforcement of its rights may be limited.

## **Risk of Sanctions**

Sanctions may be imposed by other countries on trade with India and this may have an adverse impact on the value of the Fund's investments.

## **Inflationary Pressures in India**

Although inflation in India has been relatively modest, there is no assurance that inflation rates will not increase. High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation, and such measures could inhibit economic activity in India and thereby possibly adversely affect the Fund's investments.

## **Deflation**

Although neither India nor the global economy as a whole has experienced excessively low relative inflation over the last decade, there is no assurance that inflation rates in India or globally will not decrease below zero percent annually. Negative inflation, or deflation, in India or globally, could inhibit economic activity and thereby possibly adversely affect the Fund's investments.

## **Enforcement Risk**

While Indian laws provide for specific performance of contractual obligations as well as claims for damages in the event of breach of contract, laws regarding the rights of creditors are generally significantly less developed in India than in the other developed countries and may be less protective of rights and interests. It may be difficult to obtain swift and equitable enforcement of such laws or to obtain enforcement of a judgment in a local court.

## **Market Risks**

Indian stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently from large cap stocks. Political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole. Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for the Fund's investments. In addition, Indian stock exchanges have in the past experienced substantial fluctuations in the prices of their listed securities. They have also experienced problems such as temporary exchange closures, broker defaults, settlement delays, work stoppages and trading improprieties that, if they occur in the future, could have a negative impact on the liquidity and value of the Fund's portfolio. Recently, there have been delays and errors in share allotments relating to initial public offerings, which generally have a negative effect on overall market sentiment and lead to fluctuations in the market prices of the securities of those companies and others in which the Fund may invest.

### **Regulatory Risk**

The value and marketability of the Fund's investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI regulates the equity market in India and legislates from time to time on matters affecting the equity market. Securities and Exchange Board of India and/or the Government of India may make changes to regulations which could affect the ability of the Fund to make, or exit, investments.

Further, any regulatory investigations or action by the regulators against the Fund, its Investors, the Investment Manager or its principals could adversely impact the ability of the Fund to achieve its desired investment objectives and hence adversely impact the performance of the Fund. Further, any claim or substantial judgment/award against the Fund, in various litigations in the process of resolution, recovery, enforcement of security interest, etc. and any adverse change in stamp duty and registration fee rates in various states in India, may adversely affect the activities within objectives of the Fund.

### **Regulatory and Accounting Practices**

Accounting, auditing, disclosure and regulatory standards applicable to India differ from other developed countries and in some respects may be less stringent and there may be less information available to the Fund and / or Investors about the Fund's investments. The Investment Manager would generally rely on publicly available information on the Fund's investments. Subject to the provisions of relevant SEBI regulations dealing with access to information in relation to public companies including but not limited to SEBI insider trading regulations, the Investment Manager may seek information from the management of the Fund's investments from time to time, however no assurance can be given that relevant information would be made available to the Investment Manager or the Fund by such companies if at all or in a timely manner. Such lack of information could restrict the ability of the Investment Manager to adequately foresee or comprehend the risks, if any, in a Fund's investment which could have an adverse impact on the performance of that investment as well as that of the Fund.

### **Limitations of Investments**

Under the existing FPI Regulations, the Fund can acquire only up to 10% of paid-up capital or 10% of the paid-up value of each series of convertible debentures of an Indian company. Investment by the Fund in

Indian companies is accordingly restricted to that extent. This restriction could impair the ability of the Fund to take higher exposure in better performing companies. The Investment Manager has factored such regulatory limitations as part of its investment strategy for the Fund.

### **Risk of not being eligible for India Ireland Tax treaty benefits**

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds. While investing in India, a tax identification number (permanent account number) has been taken in the name of the ICAV and the tax residence certificate is also issued in the name of the ICAV, while the FPI registration is in the name of the Fund. There is a risk that the India Ireland Tax treaty benefits may be denied to the Fund if the sub-fund is considered to be a separate entity to that of umbrella fund and accordingly the sub-fund could be taxed as per provisions of ITA 1961.

### **Risk of permanent establishment in India**

While the Investment Manager believes that the activities of the Fund and the Investment Manager should not create a permanent establishment of the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that such a permanent establishment has been created. If for any reason such a decision was taken, then the profits of the ICAV attributable to the Fund and/or the Investment Manager to the extent attributable to the permanent establishment would be subject to taxation in India, which could have an adverse impact on the performance of the Fund.

### **Risk of tax residency in India**

The Income-tax Act 1961 ("ITA 1961"), as amended by the Indian Finance Act, 2015, provides that a Fund shall be a tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its "place of effective management" ("POEM") during the year is in India. The POEM is based on the place where key management and commercial decisions of the entity as a whole are taken. No clarity exists as to the meaning of the term "effective management". The Indian Central Board of Direct Taxes ("CBDT") issued a circular on 24 January 2017, 23 February 2017 and 23 October 2017 on the "Guiding Principles for determination of POEM of an Indian Fund". While the Investment Manager believes that the activities of the Fund and the Investment Manager should not create a POEM of the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that these activities have resulted in the POEM of the Fund and/or the Investment Manager being situated in India. If for any reason such a decision was taken, then the global profits of the Fund and/or the Investment Manager could be subject to taxation in India. Further, if the Fund were regarded as an Indian resident under the ITA 1961, it would not qualify as an FPI under FPI Regulations.

### **Introduction of general anti-avoidance rules in India**

Under the ITA 1961, general anti-avoidance rules ("GAAR") would be applicable where the main purpose of an arrangement is to obtain tax benefit. GAAR provisions empower the tax authorities to investigate any such arrangement as an "impermissible avoidance arrangement" and consequently disregard entities in a structure, reallocate income and expenditure between parties to the arrangement, alter the tax residence of such entities and the legal situs of assets involved, treat debt as equity and vice versa, and the like. By doing so, the tax authorities may even deny tax benefits conferred under a tax treaty.

The GAAR related provisions of the ITA 1961 came into force on 1 April 2017. If the Indian tax authorities find the Fund to have entered into an impermissible avoidance arrangement, the Fund may not be permitted to receive the tax benefits under the India-Ireland tax treaty, to the extent any treaty benefits are sought to be claimed by the Fund. An inability by the Fund, to receive the tax benefits under the India-Ireland tax treaty (to the extent any treaty benefits are sought to be claimed by the Fund) could have an adverse impact on the tax liabilities of the Fund and would likely have an impact on the returns to investors.

Recent judicial precedents have denied treaty benefits on the basis of real control of the company situated in another jurisdiction, substance over form for transaction executed, shell companies, etc.

### **Multilateral convention to implement tax treaty related measures to prevent base erosion and profit shifting (the "MLI")**

Base erosion and profit shifting ("**BEPS**") refers to the tax planning strategies of multinational corporations that exploit mismatches in national tax rules to artificially shift profits to low or no-tax locations, resulting in little or no overall corporate tax being paid. The Organisation for Economic Co-operation and Development ("**OECD**") and the G20 countries have implemented the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS ("**MLI**").

The Convention between the Government of the Republic of India and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital Gains signed on 6 November 2000 (the "**Convention**"), is modified by the MLI signed by India and by Ireland on 7th June, 2017. The provisions of the MLI came into effect in India from 1 April 2020.

The Preamble to the Convention is amended by the MLI to include the following "intending to eliminate double taxation with respect to the taxes covered by this Convention without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Convention for the indirect benefit of residents of third jurisdictions)."

The Convention amended by the MLI, inter alia, includes an article on PREVENTION OF TREATY ABUSE (Principal Purposes Test provision) to provide that notwithstanding any provisions of the Convention, a benefit under the Convention shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the Convention.

There is therefore a risk that the OECD's BEPS measures, including the MLI, could have an adverse effect on the value of the Fund's investments and/or the results of its operations.

### ***Risk of business connection***

The Indian Finance Act, 2018 has widened the definition of "business connection" under the ITA 1961 to align it with the definition proposed under the MLI. The Indian Finance Act, 2018 provides that an agent shall constitute a business connection in India for a non-resident if such person habitually plays a principal role leading to conclusion of contracts on behalf of the non-resident (even though such person may not



have an authority to conclude contracts). While the ICAV believes that the activities of the ICAV, the Fund, the Investment Manager and their respective service providers should not create a business connection of the ICAV, the Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that such a business connection has been created. If for any reason such a decision was taken, then the profits of the Fund to the extent attributable to the business connection would be subject to taxation in India under the ITA 1961, which could have an adverse impact on the performance of the ICAV.

The Indian Finance Act, 2020 has widened the scope of business connection to include significant economic presence of a non-residents in India with effect from assessment year 2022-23. The Investment Manager believes that the Fund does not constitute as a business connection in India.

### **Capital loss arising on transfer of shares of an Indian Company**

Capital gains arising on the transfer of shares of an Indian company are taxable as per ITA 1961 and Article 13(5) of the India Ireland DTAA and so the capital loss arising on the transfer of shares of an Indian company claimed are set off against taxable capital gains during the year and the balance is carried forward for set off against future taxable capital gains. Capital gains arising on derivative transactions are claimed not taxable as per Article 13(6) of the DTAA. Accordingly, there is a risk that the capital loss arising on derivative transactions should not be allowed to be set off against the taxable capital gains arising on transfer of shares of an Indian company. Further, there is a risk that the capital loss arising on sale of shares of an Indian company will be set off against the capital gains arising on derivative transactions and net capital gains should be not taxable as per the treaty.

### **Indirect transfer provisions**

As per section 9 of the ITA 1961, an asset or a capital asset being any share or interest in a company incorporated outside India shall be deemed to be and shall always be deemed to have been situated in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India. The indirect transfer provisions shall not apply to an asset or a capital asset, which is held by a non-resident by way of investment, directly or indirectly, in Category-I foreign portfolio investor under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). The Fund is now registered as Category I FPI under SEBI (FPI) regulations 2019 and so the indirect transfer provisions should not apply to the Fund.

### **Beneficial Ownership of income**

The Fund is the beneficial owner of dividends and other income from securities in India and so should be eligible for India Ireland Tax treaty benefits. However, if the Fund is not the beneficial owner of the income from securities in India, then the tax treaty benefits would be denied.

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## DIVIDEND POLICY

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Investors should note that Accumulation Class Shares only are available in respect of the Fund.

### *Accumulation Class Shares*

The Directors do not currently intend to declare any dividends in respect of the Accumulation Class Shares. Accordingly, net investment income on the Fund's investments attributable to the Accumulation Class Shares is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the Accumulation Class Shares.

The Directors nevertheless retain the right to declare dividends in respect of such net investment income on the Fund's investments attributable to the Accumulation Class Shares in their sole discretion. In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid) and full details will be disclosed in an updated Supplement.

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## FEES AND EXPENSES

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The following fees and expenses apply in respect of the Fund. Please see the “Fees and Expenses” section of the Prospectus for further detail in relation to the fees and expenses of the ICAV and Fund.

### **Management Fee**

The Manager will receive a management fee (the “**Management Fee**”) for the provision of management services to the Fund. The Management Fee is set out in the table above and further described below. The Manager shall be entitled to receive, out of the assets of the Fund, an annual fee which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value or €45,000 each year, whichever is higher.

For the purposes of calculating the Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

The Fund may issue Shares of a separate Class that may calculate the Management Fee differently or charge a lower Management Fee.

In addition, the Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Investment Management Fee**

The Investment Manager will receive an investment management fee (the “**Investment Management Fee**”) in respect of each Class for the provision investment management services to the Fund. The Investment Management Fee will be up to an annualized rate set out in the table above. The Investment Management Fee is accrued daily and paid monthly, in arrears.

For the purposes of calculating the Investment Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to the entire Fund or any Class without notice to Shareholders. In addition, the Fund may issue Shares of a separate Class that may calculate the Investment Management Fee differently or charge a lower Investment Management Fee.

In addition, the Investment Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Administration Fee**

The Administrator shall be entitled to receive, out of the assets of the sub-fund, an annual fee for fund accounting services which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value, subject to a minimum of \$4,500 per month. Separately, the

Administrator is also entitled to receive transfer agency fees covering class charges, account opening, maintenance charges and transaction charges. Further, and separate to the fees outlined above, the Administrator shall be entitled to receive fees in relation to tax classification services and financial statement preparation. Such fees will be payable out of the assets of the Fund and will be at normal commercial rates.

In addition, the Administrator shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

The fees set out above are exclusive of VAT (if any), which is payable out of the assets of the Fund.

### **Depository Fee**

The Depository will be entitled to a monthly fee out of the assets held on behalf of the sub-fund in an amount which will not exceed 0.025% of the Net Asset Value (plus value added tax, if any, thereon) subject to a minimum of USD2,500 per month. The Depository fees shall accrue daily and be payable monthly in arrears. The Depository shall also be entitled to payment out of the assets of the Fund of transaction charges, safekeeping fees and sub-custodian fees which shall be charged at normal commercial rates. The Depository shall also be entitled to be reimbursed out of the assets held of the Fund for all reasonable out-of-pocket expenses incurred by it on behalf of the Fund and all reasonable out-of-pocket expenses of any sub-custodian appointed by the Depository.

### **Sales Charge**

Shares in the Fund may be subject to an up-front sales charge of up to 5% of the net subscription amount for such Shares. This sales charge will be payable directly to such distributor or distributors as may be appointed by the Manager from time to time to assist with the marketing, distribution and sale of Shares in the Fund. Investors should note that such charges may also be payable on an exchange of Shares in any other fund of the ICAV for Shares in the Fund.

The Fund is also subject to other expenses as more particularly set out in the Prospectus.

### **Duties and Charges**

At the discretion of the Directors, and in respect of any subscription, redemption or exchange of Shares requested by Shareholders or potential Shareholders, an applicant or Shareholder may be required to pay to the Fund any Duties and Charges in addition to the subscription or redemption amount on the relevant Dealing Day in order to cover dealing costs such as bid-offer spreads and / or tax provisions for unrealised gains and to preserve the value of the underlying assets of the Fund for existing Shareholders.

### **Establishment expenses**

The Fund's formation expenses, which are not expected to exceed USD 50,000, will be paid out of the assets of the Fund and will be amortised over the first five accounting periods of the Fund.

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## SUBSCRIPTION AND REDEMPTION OF SHARES

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### Eligible Investors

Subject to the section “Transfer of Shares” in the Prospectus, applicants will be obliged to certify that they are not U.S. Persons. If an applicant is a U.S. Person, such person must also be a Qualified U.S. Investor in order to be an Eligible Investor. Shares are not allowed to be offered to the retail public in Singapore. Shares may be offered and sold in Singapore, directly or indirectly, only to “accredited investors” and “institutional investors” (as defined in the SFA).

The ICAV and the Administrator reserve the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies will be returned to the applicant at the applicant’s cost and risk and no interest or other compensation will be payable in respect of such returned monies.

### Initial Offer Price

Shares in the Share Classes for which no Shares have yet been issued (the “**Unlaunched Share Classes**”) will be available at the initial offer price plus any applicable sales charge, and subject to applicable Duties and Charges, as set out below during the initial offer period which commenced at 9.00 am (Irish time) on 25 June 2024 and will end at 5.00 pm (Irish time) on 23 December 2024 or such other date and/or time as the Manager may determine and notify to the Central Bank (the “**Initial Offer Period**”). Thereafter those Share Classes will be issued at the relevant Net Asset Value per Share, subject to applicable Duties and Charges.

The initial offer price per Share for each Unlaunched Share Class will be in its respective Class currency: \$100, €100, £100 or CHF100. Details of which Share Classes are available for subscription as Unlaunched Share Classes are available from the Investment Manager.

Subscription monies plus the sales charge (if any) must be paid in the Class Currency and must be paid by wire transfer to the bank account of the Administrator. After the initial issue of Shares in any Class, the Shares in such Class will be issued on the relevant Dealing Day at the relevant Net Asset Value per Share for the applicable Class on the terms and in accordance with the procedures described herein.

### Applications for Shares

Applications for Shares in the Fund should be made by written application using the Subscription Agreement available from the Administrator. Subscription Agreements, duly completed together with all supporting documentation in relation to money laundering prevention checks, should be sent to the Administrator, in accordance with the instructions contained in the Subscription Agreement, prior to the Subscription Cut-Off Time. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent to the Administrator by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator.

During the Initial Offer Period, cleared funds representing the initial offer price plus any applicable sales charge must be received by the ICAV by the final Business Day of the Initial Offer Period. After the Initial Offer Period, cleared funds representing the subscription monies must be received by the ICAV by the third Business Day following the relevant Dealing Day (or such other period as the Manager may determine). If cleared funds representing the subscription monies are not received by the ICAV by the third Business Day following the relevant Dealing Day, or such other day as is determined by the Manager from time to time, the Manager reserve the right to reject the subscription and/or cancel the provisional allotment of Shares, as appropriate. In such an event the investor will indemnify the ICAV, the Management Company, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Manager decides not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the ICAV after the relevant cut-off time, the Manager reserves the right to charge interest on such subscription monies at prevailing interest rates commencing on the fourth Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Manager may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV, the Management Company, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

The ICAV or the Administrator may, in its sole discretion, reject any subscription in whole or in part without reason.

Shares in the Fund will be issued on the terms and in accordance with the procedures described in the Prospectus.

### **Redemption Applications**

If Redemption Applications on any Dealing Day exceed 10% of the NAV of the Fund, or such higher percentage as the Manager may determine in their sole discretion in respect of any Dealing Day (the "**Gate Amount**"), the ICAV may (i) reduce all such Redemption Applications pro rata (in accordance with the size of the Redemption Applications so that Shares redeemed on such Dealing Day, in aggregate, represent only the Gate Amount) and (ii) defer Redemption Applications in excess of the Gate Amount to subsequent Dealing Days, subject to any Gate Amount applicable on any such Dealing Day. Any deferred Redemption Applications will rank pari passu on any subsequent Dealing Day with other Redemption Applications received on subsequent Dealing Days from Shareholders. Except at the sole discretion of the ICAV, any such deferred Redemption Application may not be revoked.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Redemption Cut-Off Time. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Manager determines in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the earliest relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to applicable Duties and Charges. Subject to any provisions contained herein, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed normally within three Business Days after the relevant Dealing Day and in any event will not exceed ten (10) business days. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.

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## APPENDIX 1 – INDIAN TAX DISCLOSURES

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The following is a summary of certain relevant provisions of the Income-Tax Act, 1961 (“ITA 1961”), the Income tax Rules, 1962 (“the Rules”), various circulars and notifications issued thereunder from time to time and the provisions of the Tax Treaty. This summary is not intended to constitute a complete analysis of the Indian income-tax implications as applicable and does not constitute legal, professional or tax advice. The relevant tax provisions are subject to change. This section has been prepared to give an overview of the expected Indian income-tax implications in connection with the income accruing to the Fund (as Category I Foreign Portfolio Investor registered in India). This summary is prepared on the basis that the Fund will not qualify as being a separate taxable person from the ICAV under the ITA 1961 and will be regarded as a company for the purposes of the ITA 1961. However, there is a risk that the Indian tax authorities may not allow treaty benefits considering the Fund as a separate entity to that of ICAV and accordingly may apply tax as per provisions of ITA 1961.

The ITA 1961 is amended every year by the Finance Act of the relevant year and this summary reflects the amendments made up to Finance Act, 2020. The rates specified in this section are as applicable for the Financial Year 2020-21 under the ITA 1961 and are exclusive of surcharge and education cess, if any, as currently leviable<sup>17</sup>. The tax rates applicable pursuant to the Tax Treaty will generally not be subject to surcharge or education cess.

### General

The basis of charge of Indian income-tax depends upon:

- (3) The residential status of the taxpayer during a tax year; and
- (4) The nature of the income earned.

The Indian tax year runs from April 1 until March 31.

A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions, which are afforded under the provisions of the ITA 1961. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s Indian-sourced income or income received in India.

The Fund will be subject to taxation in India only if: (1) it is regarded as a tax resident of India; or (2) being a non-resident, has an Indian source of income, including income arising through a permanent establishment or a business connection in India; or has received or deemed to have received income or

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<sup>17</sup> Surcharge – Nil, where taxable income does not exceed INR 10 million; 2% (two percent) where taxable income exceeds INR 10 million but does not exceed INR 100 million and 5% (five percent) where taxable income exceeds INR 100 million. Education cess – 4% (four percent) of the income tax plus applicable surcharge.



earned income (whether accrued or otherwise) in India.

The income earned by the Fund from investments in India should generally be regarded as Indian sourced income. Such income should be taxable in India as per provisions of the ITA 1961.

As per provisions of the ITA 1961, a foreign company is regarded as a tax resident in India if its place of effective management ("POEM") is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT has vide its circular No 6, 8 and 25 of 2017 dated 24 January 2017, 23 February 2017 and 23 October 2017 issued guiding principles for determination of POEM. The POEM guidelines emphasise the principle of 'substance over form' while determining POEM. As per the said guidelines, the POEM in case of foreign company engaged in active business outside India shall be presumed to be outside India, if the majority of the meetings of the board of directors (with de facto power of control and management with the board of directors) of such company are held outside India. For foreign companies not engaged in active business outside India, determination of POEM would be two stage process, i.e. (1) First stage would be identification or ascertaining the person or persons who actually make the key management and commercial decisions for the conduct of the company's business as a whole and (2) Second stage would be determination of place where these decisions are in fact made (rather than implemented). The POEM of the foreign company is to be determined on a year on year basis and is based on all relevant facts related to the management and control of the foreign company and is not to be determined on the basis of isolated facts.

Further, the CBDT clarified that the POEM provisions to determine the tax residency of a company would not be applicable to companies having turnover or gross receipts of INR 500 million or less in a financial year.

If the key management and commercial decisions that are necessary for the conduct of the activities of the Fund as a whole are, in substance made outside India, the Fund should qualify as a non-resident as per the ITA 1961. However, considering that POEM guidelines are subjective in nature, the possibility of Indian tax authorities challenging the POEM and treating the Fund to have a POEM in India and consequently being regarded as a tax resident of India under the ITA 1961 cannot be completely ruled out. In case the POEM of the Fund is in India, global income of the Fund would become subject to tax in India as per the provisions of the ITA 1961. The CBDT has issued a notification dated 22 June 2018 prescribing special provisions with respect to certain computational and procedural aspects of foreign companies which are regarded as residents in India on account of its POEM being in India.

The taxation of a non-resident is governed by the provisions of the ITA 1961, read with the provisions of the Double-taxation Avoidance Agreement entered into between India and the country of residence of such non-resident. As per Section 90(2) of the ITA 1961, a non-resident would be taxable in accordance with the provisions of the ITA 1961 or the applicable Tax Treaty (if any), whichever is more beneficial to such non-residents. This would be subject to GAAR which is effective from 1 April 2017. The GAAR provisions, if

invoked, could result in denial of the beneficial provisions of the Tax Treaty (for detail GAAR provisions refer discussion in paragraphs below).

In the present case, subject to the risks highlighted above the Fund is a company in Ireland for Indian income-tax purposes and therefore, the applicable Tax Treaty would be the Tax Treaty entered into between India and Ireland ("Tax Treaty").

If the Fund is able to obtain tax residency certificate from the Office of Revenue Commissioners, Ireland in its own name, furnish a declaration in Form No.10F along with supporting documents and if its place of effective management is in Ireland, then the benefit of the Tax Treaty should be available to the Fund in respect of its Indian investments. While it is assumed that the Fund would be entitled to the benefits accorded by the Tax Treaty, no assurance can be provided that the Indian tax authorities will not challenge the eligibility of the Fund for benefits of the Tax Treaty.

It is currently envisaged that the Fund could earn the following streams of income from its investment in Indian investments:

- (4) Gains arising on transfer of Indian investments viz. equity shares and derivative contracts;
- (5) Dividend income; and
- (6) Interest income

Details of taxation relating to the Fund's investments are set out below.

**(A) Gains arising on transfer of Indian investments:**

Under the ITA 1961:

The definition of "capital asset" includes any security held by an FPI<sup>18</sup>, which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992. Accordingly, in the current case, as the Fund is registered as an FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, the Fund's income on transfer of its Indian investments (acquired in accordance with the FPI regulations) should be regarded as capital gains.

Further, to mitigate tax disputes and litigation, the CBDT has vide its circular dated February 29, 2016 clarified that in respect of listed shares and securities held for a period of more than 12 months immediately preceding its date of transfer, if the taxpayer desires to treat the income arising from transfer thereof as capital gains, the same shall not be put to dispute by the tax officer. However, this stand, once taken by the tax payer in a particular year, shall remain applicable in subsequent years also and the taxpayer shall not be allowed to adopt a different / contrary stand in this regard in subsequent years. The CBDT also clarified that the same shall not apply in respect of the transactions where the genuineness of the transaction itself

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Vide Notification No. 9/2014 dated January 22, 2014, the Indian Government has extended the benefits available to Foreign Institutional Investors under section 115AD of the ITA to FPIs in India.

is questionable.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA.II dated 02 May, 2016 stating that income arising from transfer of unlisted shares should be considered under the head “capital gains” irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil; or

The transfer of unlisted shares is made along with the control and management of underlying business and the Indian tax authorities should take appropriate view in such situations.

Depending upon the period of holding of assets, capital gains arising on transfer of securities should be taxable either as short-term or long-term capital gains.

Nature of Asset	Short-term capital asset	Long-term capital asset
Securities listed in a Recognised Market in India (other than a unit), unit of a Unit Trust of India, units of an equity oriented fund or zero coupon bond	Held for not more than 12 (twelve) months immediately preceding the date of its transfer	Held for more than 12 (twelve) months immediately preceding the date of its transfer
Unlisted shares (including those offered through offer for sale as part of an initial public offer)	Held for not more than 24 (twenty four) months immediately preceding the date of its transfer	Held for more than 24 (twenty four) months immediately preceding the date of its transfer
For securities other than those specified above	Held for not more than 36 (thirty six) months immediately preceding the date of its transfer	Held for more than 36 (thirty six) months immediately preceding the date of its transfer

The capital gains tax rates under the ITA 1961 are as under:

Sr. No.	Nature of Income	Tax rate in case of foreign companies (tax rates to be increased by applicable surcharge and education cess)
6.	Short-term capital gains earned from following transactions on which Securities Transactions Tax (“ <b>STT</b> ”) has been paid: (d) sale of listed equity shares through the Recognised Market in India; or  (e) sale of to be listed equity shares through offer for sale as part of an initial public offer; or  (f) sale of units of equity oriented mutual fund or a unit of a business trust	15%
7.	Other short-term capital gains	30% (in case of FPI) / 40% (for investment other than under the FPI route)
8.	Long-term capital gains earned from following transactions on which STT has been paid– (d) sale of listed equity shares through the Recognised Market in India; or  (e) sale of to be listed equity shares through offer for sale as part of an initial public offer; or  (f) sale of units of equity oriented mutual fund or a unit of a business trust  (Refer Note 2)	10%
9.	Long-term capital gains on transfer of listed securities (other than units) on which STT has not been paid (Note 3)	10%

10.	Long-term capital gains on transfer of unlisted securities (Refer Note 4)	10%
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**Notes:**

1. As per Section 48 of the IT Act, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. However, as per section 115AD, an FPI shall not be entitled to take the benefit first proviso (foreign currency computation) and second proviso (indexation) to section 48 of the IT Act while computing capital gains arising from the transfer of securities.

2. The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from 1 April 2018. As per section 112A of the IT Act, the LTCG above INR 0.1 million on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition\* and transfer); and
- units of equity oriented mutual fund or a unit of a business trust (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

\*The CBDT has issued a notification on 1 October 2018 clarifying that condition of paying STT at the time of acquisition shall not apply for all transactions of acquisition of equity shares other than the following negative list:

- d) where the acquisition of existing listed equity shares in a company whose equity shares are not frequently traded on a Recognised Market in India is made through a preferential issue, other than specified preferential issues;
- e) where transactions for acquisition of existing listed equity shares in a company is not entered through a Recognised Market in India, except in specified circumstances; and
- f) acquisition of equity share during the period beginning from the date on which the company is delisted from a Recognised Market in India and ending on the date immediately preceding the date on which the company is again listed on a Recognised Market in India, in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder.

*Further, the CBDT has clarified by way of FAQs (F. No. 370149/20/2018-TPL dated 4 February 2018 ) that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.*

*3. Based on judicial precedents, any non-resident, including the Fund investing under other than the FPI route, may avail the concessional tax rate of 10% with respect to gains arising from transfer of listed securities (other than units) and zero coupon bonds. However, the possibility of Indian tax authorities disregarding the said position and applying a tax rate of 20% cannot be ruled out.*

*4. As per Section 48 of the ITA, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. As per the amendment in the Finance Act, 2017, in case of transfer of unlisted shares, if the consideration received is less than the fair market value (“FMV”), the fair market value shall be deemed as the full value of consideration. FMV shall be determined in accordance with the rules prescribed by the Indian tax authorities.*

*6. Capital gains arising to a non-resident from trading in derivatives, foreign currency bonds, GDRs, rupee denominated bonds of Indian companies on a stock exchange located in the International Financial Services Centre (“IFSC”) is exempt from tax in India.*

In case the gains of the Fund from sale of the securities (invested under FDI route) held in the Indian portfolio entities is characterized as business income, such income shall be taxed at the rate of 40% on a net-income basis (subject to Tax Treaty benefits discussed below).

The Finance Act, 2018 has widened the definition of business connection under the ITA. As per the amended provisions of the ITA, an agent shall constitute a business connection in India for a non-resident even if such person habitually plays a principal role leading to conclusion of contracts on behalf of the non-resident or habitually concludes contracts on behalf of non-resident.

Under Tax Treaty:

***If the gains are characterized as capital gains***

As per the Tax Treaty, capital gains arising in the hands of the Fund on account of alienation of shares of Indian portfolio companies will be chargeable to tax in India as per the tax rates prescribed under the ITA.

However, capital gains arising on account of investments in other securities including derivative contracts shall continue to remain not taxable under the Tax Treaty (subject to other aspects discussed in this section).

***If the gains are characterized as business income***

In case the gains of the Fund from sale of the securities (other than investment made under the FPI route) held in the Indian portfolio entities are characterized as business income, then such income should not be

taxable in India if the Fund does not have a Permanent Establishment (“PE”) in India. If a PE were created in India, then the Fund should be taxed at the rate of 40% on its income on net basis that is attributable to such PE in India.

## **(B) Dividend**

### *Position under the ITA 1961*

As per the ITA 1961, any dividends declared by the Indian companies on or before 31 March 2020 but paid after 1 April 2020 should be exempt from tax in the hands of the non-resident shareholders. However, the Indian companies at the time of declaring, distributing or paying the dividend should be liable to pay Dividend Distribution Tax (“**DDT**”) at the effective rate of 15%<sup>19</sup> on the amount of dividends. With effect from 1 April 2020 the Indian Finance Act 2020 has abolished the levy of the DDT and consequently the exemption of dividend income earned by the Fund has been withdrawn with effect from 1 April 2020. The dividends declared, distributed and paid on or after 1 April 2020 should be chargeable to tax at the Fund level with respect to shares it holds in an Indian company.

The rate of tax on such dividend income should be at the rate of 20% plus surcharge and education cess as per ITA 1961. The withholding tax on such dividend income should be at the rate of 20% plus applicable surcharge and education cess as per ITA 1961.

### *Position under the Tax Treaty*

As per Article 10 of the Tax Treaty, any dividend income earned by the Fund from its investment in the shares of the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such dividend income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India in respect of which the dividend is paid is effectively connected with such PE or fixed base.

## **(C) Interest income**

### *Position under the ITA 1961*

As per the ITA 1961, interest payable to the Fund, being an FPI, on rupee denominated bonds of Indian companies, and government securities if the interest is payable on or after 1 June 2013 but before 1 July 2023 and on municipal debt securities if the interest is payable on or after 1 April 2020 but before 1 July 2023 should be subject to tax at the rate of 5% plus applicable surcharge and education cess, provided in

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<sup>19</sup> The amount of dividend distributed by the domestic company to its shareholders shall be increased to such an amount as would after reduction of tax on such increased amount be equal to net distributed profits. Thus, dividend paid or distributed shall be grossed up for the purposes of computing DDT. The rate of dividend under section 115-O of the ITA is 15%, which needs to be grossed up for tax and hence, the effective DDT rate after grossing up is 20.555% (including surcharge and health and education cess).

respect of rupee denominated bonds, the rate of interest does not exceed 500 basis points over the applicable base rate of State Bank of India as on the date of issue of bonds.

As per ITA 1961, any interest arising to the Fund out of borrowings in foreign currency under loan agreements or on long-term bonds issued by Indian companies before July 1, 2023 as approved by Central Government of India and subject to certain conditions should be subject to tax at the rate of 5%.

Further, the concessional tax rate of 5% is also extended to interest in respect of monies borrowed from a source outside India by way of rupee denominated bonds issued by an Indian company before July 1, 2023. Further concessional tax rate of 4% in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or rupee denominated bond on or after the 1st day of April, 2020 but before the 1st day of July, 2023, which is listed only on a Recognised Market located in any International Financial Services Centre subject to certain conditions.

In case the benefit of the concessional tax rate is not available, then the interest income on securities should be subject to tax at the rate of 20% in the hands of the Fund, being an FPI. However, if the investment is made under other than FPI route the interest income in Indian rupee may be taxed at the rate of 40%.

#### *Position under the Tax Treaty*

As per Article 11 of the Tax Treaty, any interest income earned by the Fund from its investment in the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such interest income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India and the debt-claim in respect of which the interest is paid is effectively connected with such PE or fixed base.

The tax rate of 10% under the Tax Treaty should be relevant only if the tax rate under the ITA 1961 on such interest income is higher than 10%.



## **Other relevant tax considerations**

### ***Deemed income on investment in any shares / securities of an Indian portfolio entity***

#### *Position under the ITA 1961*

As per provisions of the ITA 1961, where any person receives any shares and securities from any person for a consideration which is lower than the fair market value by more INR 0.05 million, then difference between the fair market value and consideration shall be taxable in the hands of acquirer as 'Income from other sources' ("**Other Income**"). Further as per provisions of the ITA 1961, where the consideration received or accruing by the Fund as a result of the transfer of unquoted shares is less than the fair market value of such shares, the value so determined as per prescribed methods in the ITA 1961 shall be deemed to be the full value of consideration received or accruing as a result of such transfer and gains calculated in the hands of the transferor shall be as capital gains. The rules for determining the fair market value of shares and securities have been prescribed in under the Rules.

As per the provisions of the Rules, the fair market value of quoted shares and securities received by way of transaction carried out through any Recognised Market in India should be transaction value as recorded in such stock exchange whereas, the fair market value of quoted shares and securities received by way of transaction other than through Recognised Market in India should be based on: (a) the lowest price of such shares and securities quoted on any Recognised Market in India on the valuation date (date of receipt of shares), and (b) the lowest price of such shares and securities on any Recognised Market in India on a date immediately preceding the valuation date when such shares and securities were traded on such stock exchange, in cases where on the valuation date there is no trading in such shares and securities on any Recognised Market in India.

Further, the fair market value of unquoted equity shares at the option of the Fund should be based on the book values of assets and liabilities subject to certain adjustments or as determined by a merchant banker as per the discounted free cash Flow method. The fair market value of unquoted shares and securities other than equity shares in a company which are not listed on any Recognised Market in India shall be estimated to be the price the shares should obtain if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of such valuation.

The application of the above wording is solely for the purposes of calculating Indian income tax liability (if any). The provisions of the valuation wording referred to in the "Administration of the ICAV" section of the Prospectus applies for the purposes of valuing the assets held by the Fund.

Accordingly, if it is held that the Fund has earned Other Income, such other income should be chargeable to tax at the rate of 20% for investment under FPI route and 40% for investment under FDI route.

Further income in the hands of the transferor shall be taxable as per capital gains as per table above.

#### *Provisions under the Tax Treaty*

Any income earned by the Fund which is not dealt with in any other Articles of the Tax Treaty should not be taxable in India in the hands of the Fund under the Tax Treaty, unless the Fund is carrying on a business through a PE or fixed base in India.

### **Provisions related to overseas transfer**

As per provisions of the ITA 1961, capital gains arising from the transfer of shares or interest in a foreign company or entity registered outside India shall be taxable in India (subject to availability of benefits Tax Treaty benefit, if available), if the shares or interest, directly or indirectly, derive their value substantially from assets located in India. The shares or interest shall be deemed to derive substantial value from the assets located in India, if on the specified date, the value of Indian assets—

- (iii) exceeds INR 100 million; and
- (iv) represents at least 50% of the value of all the assets owned by the foreign company.

The capital gains will be taxable in India only to the extent that they are attributable to the Indian assets. The valuation rules have been prescribed in this regard.

Exemption to small shareholders - there should be no levy of Indian tax if the transferor, along with its related parties at any time in the twelve months preceding the date of transfer: (a) does not hold the right of management or control in the direct ordinary shareholder or indirect ordinary shareholder; and (b) holds less than or equal to 5% of the voting power or the share capital or interest, directly or indirectly, in the company/entity organised outside India which holds the Indian assets directly.

The ITA 1961, as amended by Finance Act 2020, clarifies that the scope of the overseas transfer tax provisions shall not cover within their ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category I FPI or Category II FPI with SEBI (FPI) Regulations 2014 prior to its repeal and FPIs that are registered as Category I FPI with SEBI (FPI) Regulations 2019. Thus, transfer or redemption of shares held by the investors directly or indirectly in such FPIs will not be subject to any tax/withholding tax in India.

### **Minimum Alternate Tax**

The provisions of the ITA 1961 provides for levy of MAT on all companies. Under these provisions, where income-tax payable by a company on its total income as computed under the ITA is less than 15% (fifteen percent) of its book profits (computed in a prescribed manner), then the book profit is deemed to be total income and the tax is computed at 15% (fifteen percent) of its book profits.

Further, as per the ITA 1961 amended by the Finance Act 2016, MAT provisions should not be applicable to a foreign company, if:

- (3) it is resident of a country with which India has a tax treaty, and it does not have a permanent establishment in India, in accordance with the provisions of the relevant tax treaty; or

- (4) it is resident of a country with which India does not have a tax treaty, and it is not required to seek registration under Indian corporate laws.

In the current case, as the Fund is expected to be resident in Ireland, with which India has a Tax Treaty, and it does not form permanent establishment in India, MAT should not be applicable to the Fund.

### **General Anti-avoidance Rule (“GAAR”)**

The GAAR provisions are effective from 1 April 2017. GAAR may be invoked by the Indian tax authorities in case arrangements are found to be impermissible tax avoidance arrangements. A transaction can be declared as an impermissible tax avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which also satisfies at least one of the four tests mentioned below:

- (e) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- (f) It results in directly / indirectly misuse or abuse of the ITA;
- (g) It lacks commercial substance or is deemed to lack commercial substance as per the provisions of ITA 1961 in whole or in part; or
- (h) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

In such cases, the Indian tax authorities are empowered to deny the benefits under a tax treaty, re-allocate the income from such arrangement, or re-characterize or disregard the arrangement. Some of the illustrative powers are:

- (f) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- (g) Ignoring the arrangement for the purpose of taxation law;
- (h) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- (i) Looking through the arrangement by disregarding any corporate structure; or
- (j) Re-characterizing equity into debt, capital into revenue, etc.

The above terms should be read in context of the definitions provided under the ITA 1961. Further, the onus to prove that the main purpose of an arrangement was not to obtain any tax benefit is on the taxpayer. Also, any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the Tax Treaty.

The Rules have come out with few exceptions where the provisions of GAAR shall not apply. A summary of the key exceptions for application of GAAR provisions as provided under the Rules, are set out below:

- A. *Monetary Threshold Exemption:* The GAAR provisions should apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30 million.
- B. *Exemption to FPIs and P-Note holders:* SEBI registered FPIs are excluded from applicability of GAAR provisions if they do not avail benefits under a tax treaty entered into by India. Hence, if an FPI proposes to avail the benefits of a tax treaty, the GAAR provisions may apply in case of an impermissible avoidance arrangement. Investments in FPIs made by non-resident investors by way of offshore derivative instruments, directly or indirectly, are excluded from the ambit of the GAAR provisions.

Further, on January 27, 2017, the CBDT has issued clarifications<sup>20</sup> on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Amongst others, the following is clarified:

- For GAAR application, the issue, which may arise regarding the choice of entity, location etc. has to be resolved on the basis of the main purpose and other conditions provided under ITA 1961. GAAR shall not be invoked merely on the ground that the entity is located in tax efficient jurisdiction. GAAR will not apply if the jurisdiction of FPI is finalised based on non-tax commercial considerations and the main purpose of the arrangement is not to obtain tax benefit;
- Specific Anti-Avoidance Rules (SAAR) and GAAR can co-exist and may be applied depending on facts and circumstances of the case;
- GAAR shall not be invoked in cases where the tax avoidance strategy is sufficiently addressed by the LOB clause in the tax treaty;
- GAAR provisions shall not apply if the arrangement is held as permissible by the Authority for Advance Ruling or where the Court has explicitly and adequately considered the tax implication while sanctioning an arrangement;
- Two stage approval process will be followed for invoking GAAR.

### **Multilateral Convention to implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ('MLI')**

The Organisation of Economic Co-operation and Development ("OECD") released the MLI. Once adopted, MLI will supplement the existing tax treaties that India has with several countries and incorporate anti-avoidance rules/ limitation of benefit conditions. At the time of signing the MLI, countries are required to submit a list of their existing tax treaties, which they should like to designate as Covered Tax Agreements ("CTA") i.e., agreements to be amended through the MLI. Together with the list of CTAs, the countries are also required to submit a preliminary list of their reservations and notifications in respect of the various provisions of the MLI.

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<sup>20</sup> Circular no 7 of 2017

Ireland and India have signed the MLI and, have been designated as a CTA. The MLI, amongst others, includes a “principal purpose test”, wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit unless it is established that granting that benefit should be in accordance with the object and purpose of the relevant tax treaty.

### **Capital losses**

As per the provisions of the ITA 1961, short term capital loss can be set-off against both short term capital gains and long term capital gains but long term capital loss can be set-off only against long term capital gains. The unabsorbed short term and long term capital loss can be carried forward for 8 years and set off against capital gains.

Subject to the risks highlighted above, the Fund is a company for Indian income-tax purposes. As per provisions of the ITA 1961, in the case of a company which is not a company in which the public are substantially interested, the capital losses can be carried forward and set-off only if on the last day of financial year, shares of the company carrying at least 51% of voting power are beneficially held by persons who beneficially held shares carrying at least 51% of the voting power of the said company on the last day of the financial year or years in which the said losses have arisen.

### **STT**

The Fund will be liable to pay STT in respect of dealings in Indian securities purchased or sold on the Indian stock exchanges. The applicable rates of STT are as follows:

1. 0.1% (zero point one percent) payable by purchaser on purchase of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit.
2. 0.1% (zero point one percent) payable by seller on sale of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit.
3. (zero point zero zero one percent) payable by seller on sale of a unit of an equity oriented fund in a Recognised Market in India and the contract for the sale of such unit is settled by the actual delivery or transfer of such unit.
4. 0.025% (zero point zero two five percent) payable by seller on sale of equity shares in a company or units of equity oriented mutual funds or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India where the contract for sale is settled otherwise than by the actual delivery or transfer of share or unit.
5. 0.05% (zero point zero five percent) payable by seller on sale of an option in securities.
6. 0.125% (zero point one two five percent) payable by purchaser on sale of option in securities, where option is exercised.
7. 0.01% (zero point zero one percent) payable by seller on sale of futures in securities.
8. 0.001% (zero point zero zero one percent) payable by seller on sale of units of an equity oriented

fund to a mutual fund.

9. 0.2% (zero point two percent) payable by seller on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a Recognised Market in India.
10. 0.2% (zero point two percent) payable by seller on sale of unlisted units of a business trust under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a Recognised Market in India.

## APPENDIX 2

### ANNEX II

#### Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

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

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

**Product name:** Ashoka WhiteOak India Leaders Fund

**Legal entity identifier:** 6354001BKLTBBHKNGB73

### Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

**Yes**

**No**

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

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

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

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

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

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

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

with a social objective

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

**What environmental and/or social characteristics are promoted by this financial product?**



The product primarily promotes the following environmental and social characteristics, among others, depending on its materiality for the investee companies in emerging markets.

<b>Environmental</b>	<b>Characteristics</b>
GHG emissions	Promote reduction in CO2 emissions intensity and efficient use of energy consumption
Waste management	Promote efficient waste management
Resource utilization	Promote efficient management of water and other natural resources

<b>Social</b>	<b>Characteristics</b>
Human rights compliance	Promote safe and healthy working conditions at investee companies and to ensure human rights and labour standards are met, in line with local laws and regulations of each country of operation
Product Safety	Promote responsible marketing and effective quality management
Employee welfare	Promote healthy working environment for employees

The fund is actively managed and is not tracking any index that has been designed as a reference benchmark to meet the environmental or social characteristic promoted by the fund.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product are as below:

<b>Environmental</b>	<b>Characteristics</b>	<b>Indicators (wherever available)</b>
GHG emissions	Promote reduction in CO2 emissions intensity and efficient use of energy consumption	<ul style="list-style-type: none"> <li>Green-house gas emissions intensity</li> <li>Targets set for reducing emissions</li> </ul>

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



Waste management	Promote efficient waste management	<ul style="list-style-type: none"> <li>• Share of renewable energy in total energy consumption</li> <li>• Waste disposal quantity (toxic and non-toxic)</li> <li>• Method of waste disposal, the existence of a waste treatment plant/ Zero liquid discharge facility</li> </ul>
Resource utilization	Promote efficient management of water and other natural resources	<ul style="list-style-type: none"> <li>• Water consumption intensity</li> <li>• Existence of wastewater recycling facilities</li> <li>• Operations in water-starved areas</li> </ul>

Social	Characteristics	Indicators (wherever available)
Human rights compliance	Promote safe and healthy working conditions at investee companies and to ensure human rights and labor standards are met, in line with local laws and regulations of each country of operation	<ul style="list-style-type: none"> <li>• Any labor disputes</li> <li>• Pending litigations by regulators</li> <li>• History of human rights violations</li> </ul>
Product Safety	Promote responsible marketing and effective quality management	<ul style="list-style-type: none"> <li>• Product recalls</li> <li>• Regulatory observations</li> <li>• Customer complaints</li> </ul>
Employee welfare	Promote healthy working environment for employees	<ul style="list-style-type: none"> <li>• Employee-related policies</li> <li>• Attrition trends</li> <li>• Percentage of employees trained</li> <li>• Training hours</li> </ul>

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable.

- How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**Does this financial product consider principal adverse impacts on sustainability factors?**

**Yes**, the Fund considers principal adverse impacts on sustainability factors. The factors are part of the in-house ESG framework called ABLEx (Assessment of Business Longevity and Excellence), which takes into account some of the principal adverse impact indicators in Table 1 of Annex I of the SFDR Regulatory Technical Standards. Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting template to be appended to the annual report.

**No**



**What investment strategy does this financial product follow?**

The investment strategy primarily focuses on investing in equity and equity-related securities of Indian and global companies. The fund would tend to invest in equity and equity related transferable

securities listed or traded on a Recognised Market and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive a predominant proportion of their revenues or profits from India. The Fund would also invest in equity and/or equity related transferable securities which may generate exposure to companies that are not domiciled in India and which do not derive a predominant proportion of their revenues or profits from India where to do so is deemed appropriate by the Investment Manager to achieve the investment objective of the Fund.

The Fund seeks to build a long-only portfolio of 75 - 150 businesses at attractive values through a bottom-up selection process. The Fund has a simple yet powerful investment philosophy of investing in businesses based on stock selection, rather than betting on macro. The fund believes outsized returns can be earned over time by investing in great businesses at attractive values. A great business is one that is well managed, scalable, and generates superior returns on incremental capital.

The Fund will not be biased towards any specific industry or sector. The Investment Manager utilises a bottom-up stock selection philosophy which aims to generate returns over time by investing in businesses at attractive values. The Investment Manager's philosophy has two elements – business and valuation. The Investment Manager seeks to invest in companies that present the most powerful combination of business and valuation. The Investment Manager will build a portfolio by evaluating investment opportunities on a company-by-company basis. The Investment Manager will select investment opportunities following fundamental research carried out using a rigorous and proprietary analytical framework. This approach will include fundamental analysis of a company's financial statements, management track record, capital structure, operations, product development and competitive position in its industry. The Investment Manager looks to acquire securities of businesses that rate well on the ESG parameters outlined above and are trading at a substantial discount to their intrinsic value (i.e. the calculated value placed upon the business by the Investment Manager having regard to the fundamental analysis which it carries out on that business as opposed to its market value).

The Investment Manager seeks to maintain a balanced portfolio reflecting its stock selection capabilities rather than being driven by non-stock specific macro factors such as market timing, sector, currency or other such factor exposures. The Investment Manager will use its proprietary cash-flow centric analytical framework for assessing valuation. This is evaluated through fundamental analysis of each company including but not limited to, identifying opportunities in new products or services, restructuring, and/or changes in strategic direction. The Investment Manager may select the stocks of companies with all market capitalisations.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager has determined that certain companies will be excluded from the Fund's investment universe where any one or more factors mentioned below are applicable to the relevant company:

- companies engaged in fossil fuel production
- companies engaged in tobacco production,
- companies engaged in banned weapons (according to Geneva Protocol),
- companies engaged in alcohol production
- companies engaged in gambling
- companies deriving revenue from pornography, and
- companies involved in environmental damage relating to production of asbestos fibres and radioactive materials.

This is based on the principle of materiality and may be amended at the discretion of the Investment Manager from time to time.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager assesses the good governance practices of companies as part of its overall approach to ESG Integration and looks to ensure that investee companies follow good governance practices, through methods including the review of company research reports, participation in company meetings and dedicated ESG engagements.

Good Governance is an integral part of the fund's investment philosophy. Any proposed investment would undergo checks for governance practices, which include but are not limited to anti-corruption and bribery, board independence, anti-money laundering, regulatory and tax compliance, facilitation of whistle-blowing, alignment of interests with minority shareholders, appropriate accounting practices, ethical business conduct, fair dealing with investors and other stakeholders, transparency with investment community, among others.

The Investment Manager has adopted guidelines for exercising voting rights in accordance with its fiduciary duties and Shareholders' best interests. The voting guidelines reflect what the Investment Manager believes to be good corporate governance and behavior on several issues pertaining to boards of directors, the ratification of auditors, management and director compensation, anti-takeover mechanisms and related issues, changes to capital structure, mergers and corporate restructuring, environmental and social issues, governance matters, proxy access and global corporate governance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

***What is the asset allocation planned for this financial product?***



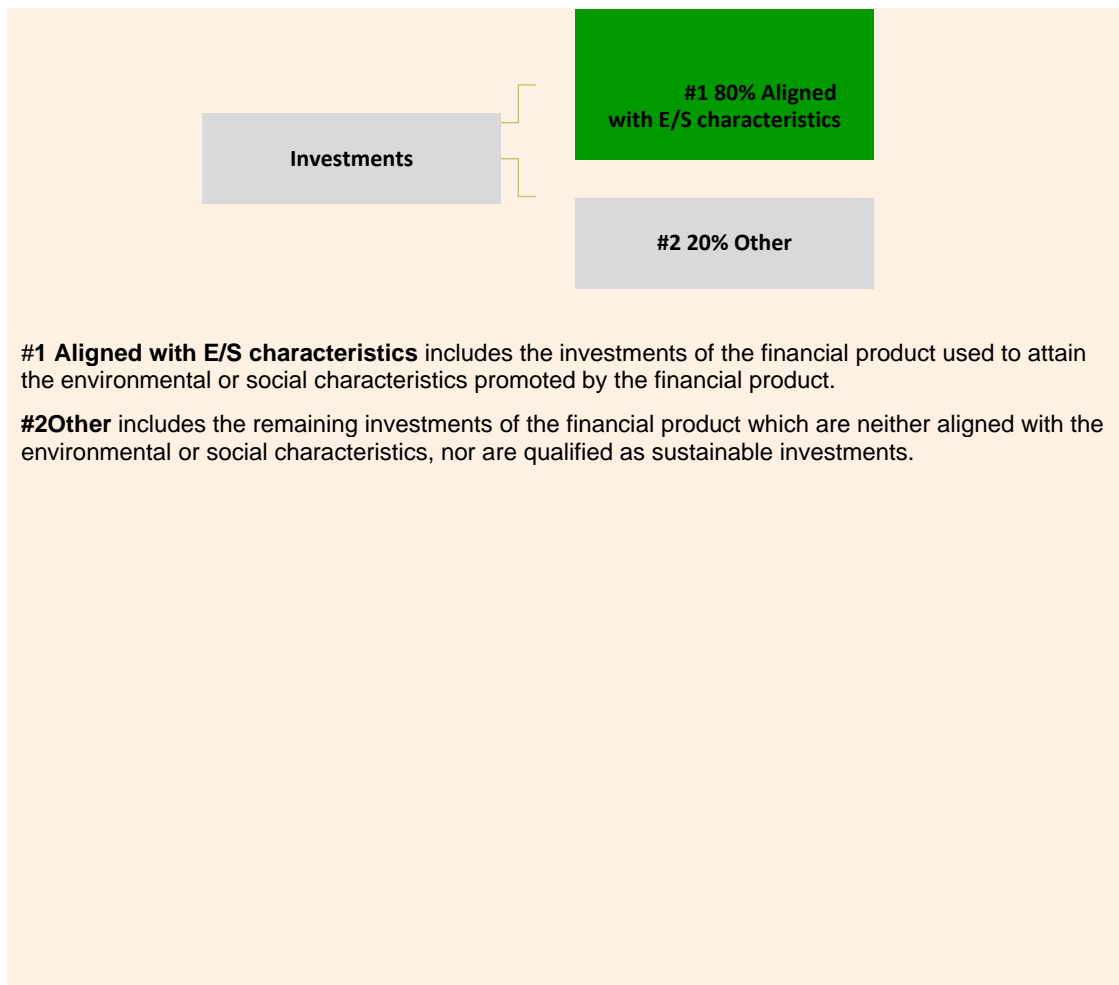
**Asset allocation** describes the share of investments in specific assets.

The Investment Manager ensures that at least 80% of equities held in the Fund's portfolio are rated against the sustainability criteria using our ESG proprietary framework.

With respect to investments for certain specific purposes such as hedging or liquidity, the product anticipates that these will be negligible. The product will not make use of derivatives to attain the environmental or social characteristics it promotes.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The Fund will not make use of derivatives to attain the environmental or social characteristics it promotes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to invest in Taxonomy aligned investments, however among the Fund's holdings there may be certain investments that may be Taxonomy aligned.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>21</sup>?**

<sup>21</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

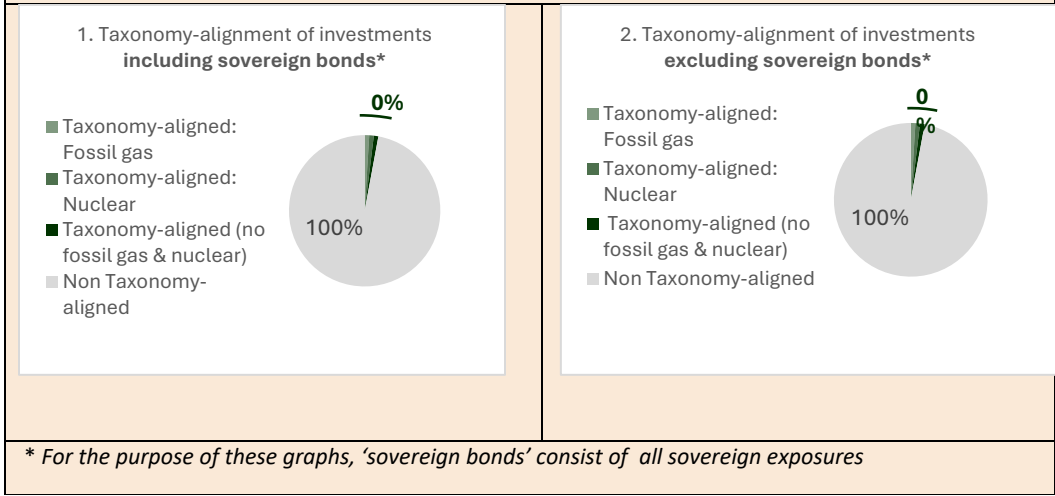
**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**Yes:**

In fossil gas     In nuclear energy

**No**

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities

**What is the minimum share of investments in transitional and enabling activities?**

None.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

under the EU Taxonomy.

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Investment Manager ensures that at least 80% of equities held in the Fund’s portfolio are rated against the sustainability criteria using our ESG proprietary framework. The remaining 20% may not meet the necessary rating and may also include cash, cash equivalents and hedging instruments. Cash and cash equivalents do not affect the promoted environmental and / or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

*( How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable.

*( How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

Not applicable.

*( How does the designated index differ from a relevant broad market index?*

Not applicable.

*( Where can the methodology used for the calculation of the designated index be found?*

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://funds.carnegroup.com/ashoka-whiteoak-icav>



The Directors of Ashoka WhiteOak ICAV (the “**ICAV**”) whose names appear in the “**Directory**” of the Prospectus accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement and the Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information.

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**Ashoka WhiteOak Emerging Markets Equity Fund**

**(A sub-fund of Ashoka WhiteOak ICAV, an Irish collective asset management vehicle constituted as an umbrella fund with segregated liability between sub-funds and authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))**

**SUPPLEMENT**

**INVESTMENT MANAGER**

**White Oak Capital Partners Pte. Ltd.**

**DATED 29 FEBRUARY 2024**

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**This Supplement forms part of, and should be read in the context of and together with, the Prospectus dated 29 February 2024 (the “Prospectus”) in relation to the ICAV and contains information relating to the Ashoka WhiteOak Emerging Markets Equity Fund (the “Fund”) which is a sub-fund of the ICAV.**

## **SELLING RESTRICTIONS – NOTICE TO RESIDENTS OF THE U.S.**

THE SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY U.S. STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY U.S. STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE. THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT. SHARES MAY BE OFFERED IN THE UNITED STATES TO “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT AND “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT. NEITHER THE ICAV NOR ANY FUND IS, AND WILL NOT BE, REGISTERED UNDER THE INVESTMENT COMPANY ACT, AND THE INVESTMENT MANAGER IS NOT REGISTERED UNDER THE U.S. INVESTMENT ADVISERS ACT OF 1940, AS AMENDED.

PURSUANT TO AN EXEMPTION FROM THE CFTC, AN OFFERING MEMORANDUM FOR THE ICAV OR THE FUND IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A POOL OR UPON THE ADEQUACY OR ACCURACY OF AN OFFERING MEMORANDUM. CONSEQUENTLY, THE CFTC HAS NOT REVIEWED OR APPROVED THIS OFFERING OR ANY OFFERING MEMORANDUM FOR THE ICAV OR THE FUND.

EACH PROSPECTIVE INVESTOR SHOULD CAREFULLY CONSIDER WHETHER ITS FINANCIAL CONDITION PERMITS IT TO PARTICIPATE IN A COMMODITY POOL. IN SO DOING, PROSPECTIVE INVESTORS SHOULD BE AWARE THAT FUTURES AND OPTIONS TRADING CAN QUICKLY LEAD TO LARGE LOSSES AS WELL AS GAINS. SUCH TRADING LOSSES CAN SHARPLY REDUCE THE NET ASSET VALUE OF THE POOL AND CONSEQUENTLY THE VALUE OF A MEMBER’S INTEREST IN THE POOL. IN ADDITION, RESTRICTIONS ON WITHDRAWALS MAY AFFECT A MEMBER’S ABILITY TO WITHDRAW ITS PARTICIPATION IN THE POOL.

FURTHER, COMMODITY POOLS MAY BE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY AND BROKERAGE FEES. IT MAY BE NECESSARY FOR THOSE POOLS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE PARTICIPATION IN A COMMODITY POOL. THEREFORE, BEFORE DECIDING TO PARTICIPATE IN THIS COMMODITY POOL, A PROSPECTIVE INVESTOR SHOULD CAREFULLY STUDY THE PROSPECTUS AND THIS SUPPLEMENT, INCLUDING A DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT.

**All prospective investors should also carefully review the Distribution and Selling Restrictions set forth in the Prospectus.**

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## DEFINITIONS

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Any words or terms not defined in this Supplement have the same meaning given to them in the Prospectus. The Fund is established pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("**UCITS Regulations**") and this Supplement will be construed accordingly and will comply with the applicable Central Bank UCITS Regulations.

"**Accumulation Class Shares**" means Class A, Class B, Class C and Class D Shares;

"**Base Currency**" means USD;

"**Business Day**" means:

- (i) a day on which stock exchanges and banks in Dublin and Singapore are open for business; or
- (ii) such other day or days as may be determined from time to time by the Directors;

"**China A Shares**" means mainland PRC's domestic shares listed on the PRC Stock Exchanges, which are available to mainland PRC's domestic investors, QFII and RQFII, and quoted in RMB;

"**China H Shares**" means shares of companies incorporated in the mainland of the PRC and listed on the Hong Kong Stock Exchange, where they are traded in Hong Kong Dollars;

"**Dealing Day**", being the day upon which redemptions and subscriptions occur, means:

- (i) each Business Day; and / or
- (ii) any other day which the Directors have determined, subject to advance notice to all Shareholders in the Fund and provided there is at least one Dealing Day per fortnight;

"**Fund**" means the Ashoka WhiteOak Emerging Markets Equity Fund;

"**PRC**" means the People's Republic of China;

"**QFII/RQFII**" means a qualified foreign institutional investor or a Renminbi qualified foreign institutional investor, as applicable, approved pursuant to the relevant PRC laws and regulations, as may be promulgated and/or amended from time to time;

"**Redemption Cut-Off Time**" means 2.00pm (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

"**RMB**" or "**Renminbi**" means the lawful currency of the PRC;

"**Sterling**", "**GBP**" or "**£**" means Pound Sterling, the lawful currency of the United Kingdom;

"**Stock Connect**" means the securities trading and clearing links program developed by the Hong Kong Exchanges and Clearing Limited, the Shanghai Stock Exchange ("**SSE**") and the Shenzhen Stock Exchange ("**SZSE**");

"**Stock Connect Securities**" means the China A Shares listed on the SSE or SZSE that are eligible for trading through Stock Connect;

**“Subscription Cut-Off Time”** means 2.00pm (Irish time) on the relevant Dealing Day or such point as the Manager may determine in exceptional circumstances;

**“Valuation Day”** means each Dealing Day, unless otherwise determined by the Manager; and

**“Valuation Point”** means 11.00pm (Irish time) on each Valuation Day or such other time as the Manager may determine in respect of the Fund from time to time and notify to Shareholders.

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**THE FUND**

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The Ashoka WhiteOak Emerging Markets Equity Fund is a sub-fund of the Ashoka WhiteOak ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should have regard to the 'Risk Considerations' Section below.**

The ICAV offers the classes of Shares in the Fund as set out below. The ICAV may also create additional classes of Shares in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Share Class Description	Class Currency	Management Fee (per annum)	Investment Management Fee (per annum)	Sales charge
Class A Shares USD	USD	0.05%	0.35%	Up to 5%
Class A Shares EUR	EUR	0.05%	0.35%	Up to 5%
Class A Shares GBP	GBP	0.05%	0.35%	Up to 5%
Class A Shares CHF	CHF	0.05%	0.35%	Up to 5%
Class B Shares USD	USD	0.05%	0.75%	Up to 5%
Class B Shares EUR	EUR	0.05%	0.75%	Up to 5%
Class B Shares GBP	GBP	0.05%	0.75%	Up to 5%
Class B Shares CHF	CHF	0.05%	0.75%	Up to 5%
Class C Shares USD	USD	0.05%	1.25%	Up to 5%
Class C Shares EUR	EUR	0.05%	1.25%	Up to 5%
Class C Shares GBP	GBP	0.05%	1.25%	Up to 5%
Class C Shares CHF	CHF	0.05%	1.25%	Up to 5%
Class D Shares USD	USD	0.05%	0.85%	Up to 5%
Class D Shares EUR	EUR	0.05%	0.85%	Up to 5%
Class D Shares GBP	GBP	0.05%	0.85%	Up to 5%
Class D Shares CHF	CHF	0.05%	0.85%	Up to 5%
Class E Shares USD	USD	0.05%	1.50%	Up to 5%
Class E Shares EUR	EUR	0.05%	1.50%	Up to 5%
Class E Shares GBP	GBP	0.05%	1.50%	Up to 5%
Class E Shares CHF	CHF	0.05%	1.50%	Up to 5%

CHF				
Class F Shares USD	USD	0.05%	1.75%	Up to 5%
Class F Shares EUR	EUR	0.05%	1.75%	Up to 5%
Class F Shares GBP	GBP	0.05%	1.75%	Up to 5%
Class F Shares CHF	CHF	0.05%	1.75%	Up to 5%

Where a class is denominated in a currency other than the Base Currency, the currency exposure of that class to the Base Currency of the Fund will not be hedged to the relevant Class Currency.

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## INVESTMENT OBJECTIVE AND POLICIES

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### Investment Objective

The investment objective of the Fund is to seek long-term capital appreciation.

### Investment Policy

The Fund will actively seek to achieve its objective by primarily investing in equity and equity-related securities of global emerging market companies, as described in further detail below.

The Investment Manager takes Sustainability Risks into account when making investment decisions in respect of the Fund. Please refer to the “Sustainable Finance” section of the Prospectus for further information on the manner in which Sustainability Risks are integrated into the investment decisions for the Fund, and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Fund.

The Fund’s benchmark is the MSCI Emerging Markets Index – Total Return Net (the “**Benchmark**”). The Fund is actively managed and is not designed to track the Benchmark so its performance may deviate materially from the Benchmark. The Investment Manager has complete discretion in making investments and is not constrained by the Benchmark although the Investment Manager may take into consideration the country weights in the Benchmark when determining the relevant country weights in the Fund’s portfolio. The exposure to Chinese securities and Indian securities are expected to be up to 40% and 30% respectively, but may be higher in certain circumstances, such as where the weights of these countries in the Benchmark increase materially. The exposure to locally traded Russian securities is expected to be 0% at the date of this Supplement, but may be up to 15% or higher in future in circumstances where Russia is re-introduced into the Benchmark.

The Fund may invest significantly in instruments which are not included in the Benchmark. The Benchmark is used only for performance comparison purposes.

The Benchmark captures large and midcap representation across 27 emerging market countries with approximately 1,400 constituents. The emerging market countries in the Benchmark include Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Qatar, Russia, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The Fund will invest at least two thirds of its net assets in equity and equity related transferable securities listed or traded on a Recognised Market and/or other collective investment schemes (subject to the 10% limit on investment in collective investment schemes outlined below) which provide exposure to companies that are domiciled in, or which derive a majority of their economic value, revenues, profits, assets or employee base from global emerging markets or Hong Kong or Singapore. This also includes companies in developed markets that derive a majority of their economic value, revenues, profits, assets or employee base from emerging markets. Equity related transferable securities include common stock, preferred stock and warrants.

The Fund may invest up to one third of its net assets in securities other than those described in the preceding paragraph. This may include any developed market equities or frontier market equities or fixed income securities listed or traded on a Recognised Market for investment purposes. The exposure to frontier markets securities is expected to be less than 10% of net assets. These securities may be fixed or floating rate and include treasury bonds, convertible bonds/debentures, preference shares, corporate debt (bonds, notes and debentures issued by corporations), fixed income securities (fixed-



interest bonds and securities) issued by governments globally, certificates of deposit and commercial paper rated investment grade by any credit rating agency. Fixed income securities will be selected by the Investment Manager considering their credit risk, yield and liquidity. A fixed income security will be deemed to be investment grade if it has a rating of BBB- and/or higher by S&P or an equivalent rating by any of the other principal rating agencies globally. Any fixed income security that is subsequently downgraded from the investment grade ratings set out above may continue to be held by the Fund in order to avoid a distressed sale.

The Fund may invest in money market instruments such as treasury bills, municipal bonds and commercial paper for the purposes of cash management. The Fund may invest in other collective investment schemes (including money market funds, exchange traded funds, index funds real estate investment trust securities and infrastructure investment trusts). The Fund will not invest more than 10% of its net assets in other collective investment schemes.

The Fund may purchase American Depository Shares ("**ADS**") as part of American Depository Receipt issuances, European Depository Receipts and Global Depository Receipts ("**GDRs**") or their equivalent, such as structured securities, including structured participation notes ("**P-Notes**"). The Fund will not invest more than 10% of its net assets in P-Notes.

Any such structured securities may embed derivatives and generate leveraged exposure to such equities and equity related securities on behalf of the Fund. They are subject to some special considerations and risks as set out under the heading "*Depository Receipts*" in the Prospectus.

The Investment Manager may, on behalf of the Fund and subject to the conditions and limits set out in the Central Bank UCITS Regulations, in addition to warrants and other rights to acquire stock described above which may be used for investment purposes, employ techniques and instruments relating to transferable securities in which the Fund may invest for hedging purposes (to protect an asset of the Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature) only. Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter ("**OTC**") FDI (futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies) and total return swaps).

**Futures:** Futures contracts are agreements to buy or sell a fixed amount of an index, equity, bond or currency at a fixed date in the future. Futures contracts are exchange-traded instruments and their dealing is subject to the rules of the exchanges on which they are dealt.

**Currency Forwards:** Currency forwards are agreements between parties to exchange fixed amounts of different currencies at an agreed exchange rate at an agreed time in the future. They are similar to currency futures, except that they are not exchange-traded, but are instead over the counter instruments. Currency forwards may be used to manage currency risk by hedging the currency exposure of the Fund.

**Total Return Swaps:** In a total return swap transaction, one party agrees to pay the other party an amount equal to the total return on a defined underlying asset or a non-asset reference during a specified period of time. The Fund's gross exposure to total return swaps is expected to be between 3% and 5% of its Net Asset Value and may not exceed 10% of its Net Asset Value. Any revenues generated from total return swaps not received directly by the Fund, net of direct and indirect operational costs and fees, will be returned to the Fund.

Further detail regarding the use of the above derivatives and their risks are set out in the sections entitled “Investment Objectives and Policies” and “Risk Considerations – Derivative Risks” in the Prospectus.

The Fund will not engage in repurchase agreements, reverse repurchase agreements or stock lending.

### **Investment Strategy**

The investment strategy of the Fund focuses on investing in equity and equity-related securities of global emerging market companies. The Fund will invest in equity and equity related transferable securities listed or traded on a Recognised Markets and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive most of their economic value, revenues, profits, assets or employee base from global emerging markets or Hong Kong or Singapore. This also includes companies in developed markets that derive most of their economic value, revenues, profits, assets or employee base from emerging markets.

The Fund seeks to build a long-only portfolio of 100-200 businesses at attractive values through a bottom-up selection process. The Fund has a simple yet powerful investment philosophy of investing in businesses based on stock selection, rather than betting on macro. The Investment Manager believes outsized returns can be earned over time by investing in great businesses at attractive values; and that a great business is one that is well managed, scalable, and generates superior returns on incremental capital.

The Fund will not be biased towards any specific industry or sector. The Investment Manager utilises a simple bottom up stock selection philosophy which aims to generate returns over time by investing in businesses at attractive values. The Investment Manager’s philosophy has two elements – business and valuation. The Investment Manager seeks to invest in companies which present the most powerful combination of business and valuation. The Investment Manager will build a portfolio by evaluating investment opportunities on a company-by-company basis. The Investment Manager will select investment opportunities following fundamental research carried out using a rigorous and proprietary analytical framework. This approach will include fundamental analysis of a company’s financial statements, management record, capital structure, operations, product development, and competitive position in its industry. The Investment Manager looks for businesses which are trading at a substantial discount to their intrinsic value (i.e. the calculated value placed upon the business by the Investment Manager having regard to the fundamental analysis which it carries out on that business as opposed to its market value), which can substantially outperform over time. The Investment Manager seeks to maintain a balanced portfolio reflecting its stock selection capabilities and views of the market rather than being driven by non-stock specific macro factors such as market timing, sector, currency or other such factor exposures. The Investment Manager also looks for newer or established businesses that are entering into a growth cycle, have the potential for accelerating earnings growth or cash flow, and possess reasonable valuations. The Investment Manager will use its proprietary cash-flow centric analytical framework for assessing valuation. This is evaluated through fundamental analysis of each company including but not limited to, identifying opportunities in new products or services, restructuring, and/or changes in strategic direction such as selling off non-core assets, re-financing operations or establishing in other markets. The Investment Manager may select the stocks of companies with all market capitalisations.

### **Sustainability Disclosure**

The Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of the SFDR and only invests in companies that apply good corporate governance practices. In identifying

investments which allow the Fund to promote environmental, social and governance (“ESG”) characteristics, the Investment Manager considers material ESG factors. Please refer to Appendix 2 to this Supplement for further information in respect of the Fund's promotion of ESG characteristics.

The Fund pursues the following approach in the investment process via exclusions, ESG integration, and active ownership.

### **Exclusions**

The Investment Manager has determined that certain companies will be excluded from the Fund's investment universe where any one or more factors mentioned below are applicable to the relevant company:

- companies engaged in tobacco production,
- companies engaged in banned weapons (according to Geneva Protocol),
- companies deriving revenue from pornography, and
- companies involved in environmental damage relating to production of asbestos fibres and radioactive materials.

This is based on the principle of materiality and may be amended at the discretion of the Investment Manager from time to time.

### **ESG Integration**

In line with Article 8 of the SFDR, the Investment Manager integrates responsible investment into its investment process as applicable. The Investment Manager believes that material ESG factors should be incorporated into investment decision-making, and therefore incorporates ESG analysis when evaluating potential investment opportunities for the Fund. While doing so, the Fund deploys a proprietary bottom-up framework called ABLEx (Assessment of Business Longevity and Excellence) for ESG risk assessment. The framework consists of sector-specific key ESG factors.

The investment approach will include research on environmental, social, and governance factors impacting prospective businesses to gauge the sustainability of the relevant business and evaluate business risks emanating from ESG factors.

The environmental characteristics considered and promoted by the Fund include (a) GHG emissions, (b) Effective waste management and (c) Efficient resource utilization.

For assessment of a company's practices on GHG emissions some of the factors that are evaluated include greenhouse gas emissions intensity, targets set for reducing emissions, the share of renewable energy in total energy consumption. For assessment of a company's practices on efficient resource utilization, some of the factors that are evaluated include trend of water consumption intensity, the existence of wastewater recycling facilities, and operations in water-starved areas. For assessment of a company's practices on waste management some of the factors that are evaluated include waste disposal quantity, method of waste disposal and existence of a waste treatment plant or zero liquid discharge facility.

The social characteristics considered and promoted by the Fund include (a) human rights compliance, (b) product safety and, (c) employee welfare.

For assessment of a company's practices on human rights compliance, factors such as labour disputes, pending litigations by regulators and history of violations are considered amongst other such factors. For assessing product safety, factors such as product recalls, regulatory observations, customer complaints among other such factors are considered. For assessing employee welfare, employee-related policies, attrition trends, percentage of employees trained, training hours are the factors that are taken into consideration.

The governance factors considered by the Fund include anti-corruption and bribery, board independence, anti-money laundering, regulatory and tax compliance, facilitation of whistle-blowing, alignment of interests with minority shareholders, appropriate accounting practices, ethical business conduct, fair dealing with investors and other stakeholders, transparency with investment community, among others.

The data sources used to ascertain the environmental and social characteristics as set out above are taken directly from the investee companies into which the Fund invests as well as sourced from third-party data providers such as MSCI. Besides these, insights from management interactions, channel checks, and factory visits are also taken into consideration. To ensure data quality is adhered to, the Fund deploys standardised data templates to process data, including excel spreadsheet, and calculation methodologies that are consistently followed. The proportion of estimated data is highly dependent on disclosures provided by investee companies.

The Investment Manager monitors compliance with the ESG characteristics outlined above on a regular basis through the use of sustainability indicators covering environmental footprint and compliance, social and employee matters, board and senior management governance, respect for human rights, among others. The Investment Manager ensures that at least 80% of equities held in the Fund's portfolio are rated against the sustainability criteria using the proprietary ESG framework.

### **Active ownership**

The Investment Manager follows a positive engagement approach whereby it interacts with management of underlying businesses on behalf of the Fund in order to gain additional understanding and encourage them to take necessary steps that would impact the business positively and enhance the value of the Fund's investments. It allows the Fund to seek engagement with companies on ESG issues where it is believed that there is a reasonable chance of positively influencing their behaviour and positioning.

The Investment Manager has devised an engagement plan based on the Fund's proprietary framework for assessing ESG risk. The common engagement agenda and desired outcome include but are not limited to (a) driving awareness and understanding of key ESG issues; (b) encouraging better, relevant disclosures; (c) understanding the company's ESG roadmap; (d) corroborating independent findings; and (e) follow-up on the status of any ongoing controversies. The engagement plan includes management meetings, company and factory visits, and voting in company resolutions.

### **Investments in China**

The Fund will obtain exposure to equity securities issued within the People's Republic of China directly through Stock Connect.

The Fund may directly access certain China A Shares, listed and traded on the SSE through the Hong Kong – Shanghai Stock Connect program or the SZSE through the Hong Kong – Shenzhen Stock Connect program.

Stock Connect is a securities trading and clearing programme originally developed by The Stock Exchange of Hong Kong Limited (**SEHK**), the SSE, Hong Kong Securities Clearing Company Limited (**HKSCC**) and China Securities Depository and Clearing Corporation Limited (**ChinaClear**) for the establishment of mutual market access between SEHK and SSE. The program was subsequently extended to establish mutual market access between SEHK and SZSE. The Fund may trade and settle select securities listed on the SSE and SZSE through the Northbound SEHK and HKSCC trading link.

No individual investment quotas or licensing requirements apply to investors in Stock Connect Securities. In addition, there are no lock-up periods or restrictions on the repatriation of principal and profits.

The use of Stock Connect for the purposes outlined above will expose the Fund to the risks disclosed under the section of this supplement entitled **Risk Factors – Stock Connect Risks**.

The Fund may also obtain exposure to China through investing in China H Shares and securities of companies with significant exposure to China that are traded on Recognised Markets (including by way of ADS). The Fund may acquire securities issued by companies with significant exposure to China that have implemented a variable interest entity ("**VIE**") structure. Investors should note the risks associated with the VIE structure as disclosed in the section of this supplement entitled **Risk Factors – Risk Factors relating to the PRC – Risks related to Variable Interest Entities**. For the avoidance of doubt, the Fund will not invest directly in VIEs and will only be exposed to VIEs by investing in ADS with VIE exposure that are included in the Benchmark. The weight of such categories of ADS with VIE exposure that are included in the Benchmark is expected to be low to mid-single digit percentage, and in any case not expected to exceed 10%, of the Fund's net asset value.

Investment in China A Shares, China H Shares and securities of companies with significant exposure to China will expose the Fund to the risks disclosed in the section of this supplement entitled **Risk Factors – Risk Factors relating to the PRC**.

### **Investments in India**

It is intended that the Fund will obtain and hold all necessary licenses from local regulatory authorities for investing in India. The Fund will be classed in India as a Category I foreign portfolio investor ("**FPI**"). Any equities and equity-related securities of issuers based in India will be registered and held on behalf of the Fund by one of the sub-custodians listed in Schedule III of the Prospectus.

The Investment Manager is required to register the Fund as a FPI with the Securities and Exchange Board of India ("**SEBI**") under the SEBI (Foreign Portfolio Investors) Regulations 2019 to be eligible to invest in the Indian capital market. SEBI approved Designated Depository Participants ("**DDPs**") register FPIs on behalf of the SEBI subject to compliance with "Know Your Client" or "KYC" requirements.

Under the FPI regime, the Fund may not purchase more than 10% of the total paid-up equity capital on a fully diluted basis of an Indian company. This investment control is subject to change from time to time and is monitored by the DDPs and the Investment Manager.

### **Borrowing and Leverage**

The Fund may be leveraged through the use of derivatives for efficient portfolio management purposes. The Fund's resulting global exposure will not exceed its total net assets, i.e. the Fund may not be leveraged in excess of 100% of its Net Asset Value, through the use of derivatives. The ICAV will use

the commitment approach to calculate the global exposure of the Fund, as described in detail in the risk management process document of the ICAV.

The Fund will be subject to the borrowing restrictions pursuant to the UCITS Regulations, as set out in the section entitled “Borrowing Policy” in the Prospectus.

### **Taxonomy Regulation**

The investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities as defined in the Taxonomy Regulation and as such, 0% of the Net Asset Value of the Fund shall be invested in such investments.

The “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

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## **INVESTOR PROFILE**

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The Fund is suitable for investors seeking capital growth over a medium to long-term horizon who are prepared to accept a high level of volatility from time to time. Those investors should be willing to assume the risk of short term share price fluctuations and losses that are typical for an aggressive growth fund focusing on stocks of issuers based in emerging market countries. The Fund is not designed for investors needing current income. The Fund is not a complete investment program. You should carefully consider your own investment goals and risk tolerance before investing in the Fund.

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## **RISK CONSIDERATIONS**

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There can be no assurance that the Fund’s investments will be successful or that the investment objectives of the Fund will be achieved. Investors should be aware of the risks of the Fund including, but not limited to, the risks described in the “Risk Considerations” section of the Prospectus, in particular “Risks of Developing and Emerging Markets”. An investment in the Fund is suitable only for persons who are in a position to take such risks.

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**Sustainability Risk:** The management of Sustainability Risk forms an important part of the due diligence process implemented by the Investment Manager. When assessing the Sustainability Risk associated with the Fund's underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition. Using both quantitative and qualitative processes, Sustainability Risk is identified, monitored and managed by the Investment Manager in the following manner:

Prior to acquiring investments on behalf of the Fund, the Investment Manager conducts fundamental analysis on a selection of potential investee companies in order to allow it to assess the adequacy of ESG programmes and practices of an issuer to manage the Sustainability Risk it faces. This process incorporates applying an exclusionary screening (whereby potential investments are removed from the investment universe on the basis that they pose too great a Sustainability Risk to the Fund) in the investment universe. The Investment Manager also uses ESG metrics of third-party data providers such as MSCI in order to receive independent input to supplement its ESG assessment of the investee

companies within the Fund's universe. The standardised ratings issued by the data providers provide further information and perspective on evolving ESG issues to the Investment Manager's analysts. The Investment Manager may acquire a holding in an issuer which has a lower ESG rating as per third-party rating agency where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

During the life of the investment, Sustainability Risk is monitored through review of ESG data published by the issuer (where relevant) or selected data providers to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted. The Investment Manager actively engages with a selection of investee companies (determined by the size of the Fund's investment and exposure to the relevant issuer) to improve ESG disclosures and engages with companies to drive positive change where required. Where the Sustainability Risk associated with a particular investment has increased beyond the ESG risk appetite for the Fund, the Investment Manager will consider selling or reducing the Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

The Investment Manager has determined that Sustainability Risks have an impact on the performance of the Fund. It should be noted that the Fund invests in emerging markets where ESG is at a nascent stage and hence there is limited awareness of ESG related themes. The investee companies may not provide adequate disclosures to assess its ESG impact and veracity of those disclosures also pose a limitation on reliability of the data. Additionally, investee companies may use different methods to compute the same data making it difficult to compare with peers.

**Share Currency Designation Risk:** Certain Share Classes (the "**Non-Base Currency Share Classes**") are denominated in certain currencies whereas the Base Currency of the Fund is USD. It is not intended to hedge the Non-Base Currency Share Classes against any fluctuation in the value of the Base Currency relative to the respective currency of the Non-Base Currency Share Classes. Accordingly in the event that the Base Currency differs to a Non-Base Currency Share Class, the relevant Shareholder in the Non-Base Currency Share Class will bear the risk of any currency fluctuation.

A currency conversion will take place in respect of the Non-Base Currency Share Classes on subscriptions, redemptions, exchanges and distributions at the rate of exchange available to the Administrator and the cost of conversion will be deducted from the relevant Non-Base Currency Share Class.

**Risks of Growth Investing:** If a growth company's earnings or stock price fails to increase as anticipated, or if its business plans do not produce the expected results, its securities may decline sharply. Growth companies may be newer or smaller companies that may experience greater stock price fluctuations and risks of loss than larger, more established companies. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Therefore, they may not pay any dividends for some time. Growth investing has gone in and out of favour during past market cycles and is likely to continue to do so. During periods when growth investing is out of favour or when markets are unstable, it may be more difficult to sell growth company securities at an acceptable price. Growth stocks may also be more volatile than other securities because of investor speculation.

## **EMERGING MARKETS RISK**

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

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

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

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

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

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

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

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

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

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



## **INVESTMENTS IN CHINA**

The use of Stock Connect for the purposes outlined above will expose the Fund to the risks disclosed below.

### **Stock Connect Risks**

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

Not all China A Shares can be traded through Stock Connect. Currently, the scope of Stock Connect includes all constituent stocks of the SSE 180 Index, the SSE 380 Index, the SZSE Component Index, the SZSE Small/Mid Cap Innovation Index (with market capitalisation of RMB 6 billion or above) as well as all China A Shares dual-listed on either the SSE or SZSE and the SEHK, except for listed shares which are not traded in RMB and/or which are under 'risk alert' or under delisting arrangements. Investors should note that a security may be recalled from the scope of Stock Connect as set out below. This may adversely affect a Fund's ability to meet its investment objective, e.g. when it wishes to purchase a security which is recalled from the scope of Stock Connect. It is expected that the list of eligible securities will be subject to review and may change.

Under the current mainland China rules, where the Fund holds or controls 5% or more of the shares of a company listed on either the SSE or SZSE, the Fund must disclose its interest within three working days and will (i) be unable to trade the shares of that company during that time and (ii) be subject to restrictions on the retention of any profits made from the disposal of those shares within six (6) months of their purchase. The Fund will also be required to make this disclosure within three working days every time a change in its shareholding reaches 5%. From the day the disclosure obligation arises to two working days after the disclosure is made, the Fund may not trade the shares of that company.

Foreign shareholding restrictions are also applicable to China A Shares. Overseas investors holding China A Shares via Stock Connect are subject to the following restrictions (i) shares held by a single foreign investor (such as the Fund) investing in a listed company must not exceed 10% of the total issued shares of such listed company; and (ii) total A Shares held by all foreign investors (i.e. Hong Kong and overseas investors) who make investments in a listed company must not exceed 30% of the total issued shares of such listed company. If the aggregate foreign shareholding exceeds the 30% restriction, the foreign investors would be required to unwind their positions on the excessive shareholding according to a last-in-first-out basis within five trading days.

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 is effected, the Fund's ability to access the PRC market (and hence its ability to pursue its investment strategy) will be adversely affected.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. In the unlikely event that HKSCC or ChinaClear defaults on its obligation to deliver securities / make payment, a Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Please refer to the risk entitled Risk of HKSCC default for greater detail.

### **The recalling of eligible stocks and trading restrictions**

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager.

Under Stock Connect, the Fund will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently listed as "risk alert"; (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK; and/or (iv) in respect of SZSE shares only, such shares, based on any subsequent periodic review, are determined to have a market capitalisation of less than RMB 6 billion. Investors should also note that daily price fluctuation limits (+10%/-10%) apply to China A Shares and may result in the suspension of trading on that day.

### **Ownership of Stock Connect Securities**

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

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

### **Risk of HKSCC default**

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

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

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

Because Stock Connect is in its early stages, additional developments are likely. It is unclear whether or how such developments may affect the Fund's investments or returns. Additionally, the application and interpretation of the laws and regulations of Hong Kong and the PRC are uncertain, as are the rules, policies and guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program. These may have a negative impact on the Fund's investments and returns.

### **Differences in trading days**

Stock Connect only operates on days when the SSE, SZSE and SEHK are open for trading and when banks in the PRC and Hong Kong are open on the corresponding settlement days. Therefore, it is possible that there are occasions when it is a normal trading day for the SSE or SZSE but SEHK or banks in Hong Kong are closed and overseas investors (such as the Fund) cannot carry out any Stock Connect Securities trading. Due to the differences in trading days, the Fund may be subject to a risk of price fluctuations in Stock Connect Securities on a day that the SSE or SZSE are open for trading but SEHK is closed.

### **Operational risk**

Stock Connect provides a channel for investors from Hong Kong and overseas to access the SSE and SZSE directly.

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in Stock Connect 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 Stock Connect. However, it should be appreciated that the securities regimes and legal systems of the PRC and Hong Kong markets differ significantly and in order for Stock Connect to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in Stock Connect requires routing of orders across the border between Hong Kong and the PRC. 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) could be adversely affected.

### **Restrictions on selling imposed by Front-End Monitoring**

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

To facilitate investors whose Stock Connect Securities are maintained with custodians to sell their Stock Connect Securities without having to pre-deliver the Stock Connect Securities from their custodians to their executing brokers, the ICAV will request the Depositary (or its delegate) to open a special segregated account (**SPSA**) in CCASS (the Central Clearing and Settlement System

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

If the SPSA Model ceases to be available to the Fund for any reason at any time, the Fund will need to operate under the pre-trade checking model for non-SPSA accounts whereby if the Fund desires to sell certain Stock Connect Securities that it holds, it must transfer those securities to the respective accounts of its brokers before the market opens on the trading day. If it fails to meet this deadline, it will not be able to sell those securities on the trading day. In such circumstances the Fund might not be able to dispose of holdings of Stock Connect Securities in a timely manner.

### **Trading Costs**

In addition to paying trading fees and stamp duties in connection with Stock Connect Securities trading, the Fund may be subject to new portfolio fees, dividend withholding tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

### **Risk Factors relating to the PRC**

#### **Risks related to Variable Interest Entities**

Certain industries within China that fall under the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2020 version) and the Pilot Free Trade Zone Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2020 version) (together, the “Negative List”), are “restricted” or “prohibited” to foreign investment. In order for a company in such a protected industry to become publicly listed on stock exchanges outside of the PRC, it is often necessary to establish a VIE. The VIE structure is commonly used by PRC companies that seek to list on stock exchanges outside of the PRC and that are engaged in “restricted” or “prohibited” businesses. Under the VIE structure, a new wholly foreign owned enterprise (“WFOE”) will be set up by a holding company outside of the PRC. The PRC company and its shareholders will enter into a series of agreements with the WFOE, which generally include an exclusive business cooperation agreement, an irrevocable/exclusive option agreement, an equity interest pledge agreement and a power of attorney (together, the “VIE Agreements”). Through those VIE Agreements, the holding company outside of the PRC and the WFOE acquire complete operational control over the PRC operating company without actually owning its equity interest and become entitled to all of its earnings. This allows the offshore listing company that owns the WFOE to consolidate the financial statements of the PRC operating company under United States Generally Accepted Accounting Principles even though the WFOE does not actually own the PRC operating company’s equity interest. The PRC operating company becomes a VIE after such structuring or restructuring.

However, substantial uncertainties and restrictions exist with respect to the interpretation and application of PRC laws and regulations relating to those restricted or prohibited industries in China. In recent years, the PRC government has indicated on several occasions that it has been closely watching the use of the VIE structure and might decide to strengthen the supervision and regulation thereof in the future. If the PRC government determines that the VIE structure does not comply with PRC laws and regulations, the relevant governmental authorities would have broad discretion in dealing with such violation, including levying fines, confiscating income of the WFOEs or the VIEs, revoking the business licenses or operating licenses of the WFOEs or the VIEs, discontinuing or placing restrictions or onerous

conditions on operations of the WFOEs or the VIEs, requiring the WFOEs or the VIEs to undergo a costly and disruptive restructuring and taking other regulatory or enforcement actions that could be harmful to their business. Any of these actions could cause significant disruption to the business operations of the Fund's investments, which would in turn materially and adversely affect their business, financial condition and results of operations.

In addition, the VIE structure may present problems for the Fund as an investor if the VIE or its shareholders fail to perform their obligations under the VIE Agreements, the WFOE may have to resort to litigation or arbitration to enforce its contractual rights, rather than take shareholders' action internally, which may be time-consuming, unpredictable, expensive and damaging to the operations of the VIE on the one hand and the WFOE and the holding vehicles outside of the PRC on the other hand. There is also a risk that the VIE Agreements may be found unenforceable by PRC courts or arbitral bodies on the basis that the main purpose of VIE structure is to bypass government review of foreign direct investment.

### **PRC market risk**

The Fund may invest in the PRC. Investing in the PRC market is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market which involves a greater risk of loss than investment in more developed countries due to higher economic, political, social and regulatory uncertainty and risks linked to volatility and market liquidity.

Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in PRC's political, social or economic policies may have a negative impact on investments in the PRC market.

Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency.

Investments in equity interests of Chinese companies may be made through China A Shares and China H Shares. The PRC securities market has in the past experienced substantial price volatility, and there is no assurance that such volatility will not occur in future.

China H Shares in addition to being subject to the risks described herein, are subject to the additional risk that the Hong Kong stock market may behave very differently from the mainland PRC stock market. There may be little to no correlation between the performance of the Hong Kong stock market and the mainland PRC stock market.

Investors should also be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

### **Foreign exchange control risk**

The Renminbi is not currently a freely convertible currency and is subject to exchange control imposed by the Chinese government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC.

### **Renminbi exchange risk**

Starting from 2005, the exchange rate of the Renminbi is no longer pegged to the US dollar. The Renminbi has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the Renminbi against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for Renminbi against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors. It should be noted that the Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. The possibility that the appreciation of Renminbi will be accelerated cannot be excluded. On the other hand, there can be no assurance that the Renminbi will not be subject to devaluation. In particular, there is no guarantee that the value of Renminbi against the investors' base currencies (for example HKD) will not depreciate. Any devaluation of the Renminbi could adversely affect the value of investors' investments in the Fund. Investors whose base currency is not the Renminbi may be adversely affected if the Renminbi depreciates against the base currency of holding of the investors in that such investors' investments may be worth less when they exchange Renminbi back to their base currency.

Further, the PRC government's imposition of restrictions on the repatriation of Renminbi out of the PRC may limit the depth of the Renminbi market in Hong Kong and reduce the liquidity of the Fund. Any delay in repatriation of Renminbi may result in delay in payment of redemption proceeds to the redeeming Shareholders. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the Fund's or the investors' position may be adversely affected.

### **Government Intervention and Restriction**

There may be substantial government intervention in the economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests.

Governments and regulators may also intervene in the financial markets, such as by the imposition of trading restrictions, a ban on "naked" short selling or the suspension of short selling for certain stocks. Further, intervention or restrictions by governments and regulators may affect the trading of China A Shares, China H Shares or Shares of the Fund. This may affect the operation and market making activities of the Fund, and may have an unpredictable impact on the Fund. Furthermore, such market interventions may have a negative impact on the market sentiment which may in turn affect the performance of the Fund. In a worst case scenario, the investment objective of the Fund cannot be achieved.

### **Economic, political and social risks**

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

Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions, including expropriation or confiscatory taxation, foreign exchange control or nationalisation of property held by issuers of the underlying securities in which the Fund invests. These factors could adversely affect the performance of the Fund.

## **PRC law and regulations risk**

The PRC's legal system is based on written statutes and, therefore, prior court decisions do not have binding legal effect, although they are often followed by judges as guidance. The PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in promulgating laws and regulations dealing with economic matters such as corporate organization and governance, foreign investment, commerce, taxation and trade. However, enforcement of such laws and regulations may be uncertain and sporadic, and implementation and interpretation of such laws and regulations may be inconsistent. The PRC's judiciary is relatively inexperienced in enforcing the existing laws and regulations, leading to a higher than usual degree of uncertainty as to the outcome of any litigation. Even where adequate laws exist in the PRC, it may be difficult to obtain swift and equitable enforcement of such laws, or to obtain enforcement of a judgment by a court of another jurisdiction. The introduction of new Chinese laws and regulations and the interpretation of existing ones may be subject to policy changes reflecting domestic political or social changes. The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC laws and regulations affecting securities markets are relatively new and evolving. As the PRC's legal system develops, there can be no assurance that changes in such legislation or interpretation thereof will not have an adverse effect upon the business and prospects of the Fund's portfolio investments in the PRC.

## **INVESTMENTS IN RUSSIA**

*Political and Social Risks:* Since 1985, Russia has been undergoing a substantial political transformation from a centrally controlled command economy under communist rule to a pluralist market-oriented democracy. A significant number of changes were undertaken during these years but there is still no assurance that the political and economic reforms necessary to complete such a transformation will continue or will be successful. Russia is a federation composed of republics, regions, areas, cities of federal importance, autonomous districts and one autonomous region. The delineation of authority among the constituent entities of the Russian Federation and federal governmental authorities is subject to change from time to time. This process exists alongside the structure of Presidential representatives in the regions. The lack of consensus between local and regional authorities and the federal governmental authorities often result in the enactment of conflicting legislation at various levels, and may result in political instability and legal uncertainty. It may lead to negative economic effects on the Fund, which could have a material adverse effect on its business, financial conditions or ability to fulfil its investment objective. In addition, ethnic, religious, and other social divisions periodically give rise to tensions and, in certain cases armed conflicts. In Chechnya, Russian armed forces have conducted anti-terrorist operations for a number of years, and some of them still remain there to keep law and order. Any escalation of violence may entail grave political consequences, which may adversely impact the investment climate in the Russian Federation.

*Economic Risks:* Simultaneously with the enactment of political reforms, the Russian Government has been attempting to implement policies of economic reform and stabilisation. These policies have involved liberalising prices, reducing defence expenditures and subsidies, privatising state-owned enterprises, reforming the tax and bankruptcy systems and introducing legal structures designed to facilitate private, market-based activities, foreign trade and investment. The Russian economy has been subject to abrupt downturns. The events and aftermath of 17 August 1998 (the date of the Russian government's default on its short-term Rouble denominated treasury bills and other Rouble-denominated securities, the abandonment by the Central Bank of Russia of its efforts to maintain the Rouble/US dollar rate within the Rouble currency band and the temporary moratorium on certain hard-currency payments to foreign counterparties) led to a severe devaluation of the Rouble, a sharp increase in the rate of inflation, a significant decrease in the credibility of the country's banking system

with Western financial institutions, significant defaults on hard currency obligations, a significant decline in the prices of Russian debt and equity securities and an inability to raise funds on international capital markets. While the condition of the Russian economy has improved in a number of respects since 1998, there can be no assurance that this improvement will continue or that it will not be reversed. The Rouble is not convertible outside Russia. A market exists within Russia for the conversion of Roubles into other currencies, but it is limited in size and is subject to rules limiting the purposes for which conversion may be effected. There can be no assurance that such a market will continue indefinitely.

*Legal Risks:* As noted above under the heading "Emerging Markets Risk – Legal", whilst fundamental reforms relating to securities investments and regulations have been initiated in recent years there may still be certain ambiguities in interpretation and inconsistencies in their application. Monitoring and enforcement of applicable regulations remains uncertain. Equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the Share register of the issues. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders.

## **POLITICAL, LEGAL, SOCIAL, MARKET, AND ECONOMIC CONSIDERATIONS OF INVESTING IN INDIA**

### Political and Social Risks

The value of the Fund's investments may be adversely affected by potential political and social uncertainties in India. Certain developments, beyond the control of the Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the Fund's investments. Furthermore, agriculture occupies a more prominent position in the Indian economy, and the Indian economy therefore is more susceptible to adverse changes in weather. Monsoons and other natural disasters in India and surrounding regions also can affect the value of Fund investments.

The Indian government has exercised and continues to exercise significant influence over many aspects of the economy, and the number of public sector enterprises in India is substantial. As a result, actions of the Indian government could have a significant effect on the Indian economy, and ultimately on private sector companies and the Fund.

India is a country which comprises diverse religious and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes have, however, given rise to ongoing tension in the relations between India and Pakistan, particularly over the region of Kashmir, and between certain segments of the Indian population. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the Fund's investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past ten years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The Fund's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.



Although India has experienced significant growth and is projected to undergo significant growth in the future, there can be no assurance that such growth will continue. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialized nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Fund's investments.

#### Global Economy: Recent Global Financial Market Declines and Financial Instability

The Indian stock market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Economic developments outside India have adversely affected the stock market in India and may affect the Fund's investments. The deterioration in the financial markets has led to a recession in many countries, which may lead to significant declines in employment, household wealth, consumer demand and lending and as a result may adversely affect economic growth in India and elsewhere.

The unprecedented fluctuations and declines in the financial markets in India, the U.S. and elsewhere around the world which began in September 2008 could adversely affect the returns of the Fund. Recently, concerns over inflation, energy costs, geopolitical issues and the availability and cost of credit have contributed to increased volatility and diminished expectations for the U.S. and world economy and the financial markets going forward.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, and financial instability in other countries may cause increased volatility in Indian financial markets. Although economic conditions are different in each country, Investors' reactions to developments in one country may have adverse effects on the securities of companies in other countries, including India. A loss of Investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and in the Indian economy generally. Worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm investee entities' business or their future financial performance, which will in turn affect Fund's investments and returns. It is not possible to predict how long current economic conditions will continue, whether the financial markets and economic conditions will continue to deteriorate or the magnitude of the long-term impact, if any, of such conditions on the financial markets, and economic conditions generally, in India.

#### Market Dislocations

During 2008, financial markets experienced losses and volatility without precedent in recent decades. Similarly, war and occupation, terrorism and related geopolitical risks may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the investments of the Fund.

The markets crisis also resulted in many countries in new governmental regulation of the financial sector and securities markets, together with proposals for increased future regulation of the sector and markets. Often these new regulations were adopted on an emergency or ad hoc basis, subjecting market participants without notice to new rules that were often unclear in scope or application. Recently adopted and proposed new regulations of the financial sector and securities markets may have a material adverse impact on the Fund.

## **FRONTIER MARKETS RISK**

Frontier Markets are considered by the Investment Manager to be a sub-set of emerging market countries. They may differ favourably or unfavourably from the economies of industrialised countries or the economies of emerging market countries generally. Frontier Markets are, like emerging market economies generally typically heavily dependent on international trade and have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed internally or negotiated by the countries with which they trade. Accordingly, investments in Frontier Markets, as a sub-set of emerging market countries, entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source.

Securities in Frontier Markets may trade with less frequency and volume than securities of companies and governments of developed, stable nations and possibly also securities of emerging markets generally.

The legal infrastructure and accounting, auditing and reporting standards in the countries in which the Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

Investment in foreign securities may also result in higher operating expenses due to the cost of converting foreign currency into the base currency of the Fund, higher valuation and communications cost and the expense of maintaining securities with foreign custodians. In addition, where the Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which have been entrusted to a sub-custodian (where the use of a sub-custodian is necessary) may be exposed to risk in circumstances whereby the Depositary will have no liability to the Company.

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## **DIVIDEND POLICY**

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Investors should note that Accumulation Class Shares only are available in respect of the Fund.

### *Accumulation Class Shares*

The Directors do not currently intend to declare any dividends in respect of the Accumulation Class Shares. Accordingly, net investment income on the Fund's investments attributable to the Accumulation Class Shares is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the Accumulation Class Shares.

The Directors nevertheless retain the right to declare dividends in respect of such net investment income on the Fund's investments attributable to the Accumulation Class Shares in their sole discretion. In the event that the Directors determine to declare dividends in respect of the Accumulation Class Shares in the Fund, Shareholders will be notified in advance of any such change in the dividend policy (including the date by which dividends will be paid and the method by which dividends will be paid) and full details will be disclosed in an updated Supplement.

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## FEES AND EXPENSES

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The following fees and expenses apply in respect of the Fund. Please see the “Fees and Expenses” section of the Prospectus for further detail in relation to the fees and expenses of the ICAV and Fund.

### **Management Fee**

The Manager will receive a management fee (the “**Management Fee**”) for the provision of management services to the Fund. The Management Fee is set out in the table above and further described below. The Manager shall be entitled to receive, out of the assets of the Fund, an annual fee which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value of the Fund, subject to an annual minimum fee of up to €45,000, plus VAT if any.

For the purposes of calculating the Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

The Fund may issue Shares of a separate Class that may calculate the Management Fee differently or charge a lower Management Fee.

In addition, the Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Investment Management Fee**

The Investment Manager will receive an investment management fee (the “**Investment Management Fee**”) in respect of each Class for the provision investment management services to the Fund. The Investment Management Fee will be up to an annualized rate set out in the table above. The Investment Management Fee is accrued daily and paid monthly, in arrears.

For the purposes of calculating the Investment Management Fee for any Business Day, the NAV of the Fund attributable to a Class is determined by or under the direction of the Manager, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to the entire Fund or any Class without notice to Shareholders. In addition, the Fund may issue Shares of a separate Class that may calculate the Investment Management Fee differently or charge a lower Investment Management Fee.

In addition, the Investment Manager shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

### **Administration Fee**

The Administrator shall be entitled to receive, out of the assets of the sub-fund, an annual fee for fund accounting services which shall accrue daily and be payable monthly in arrears at a rate which shall not exceed 0.05% of the Net Asset Value, subject to a minimum of \$4,500 per month. Separately, the Administrator is also entitled to receive transfer agency fees covering class charges, account opening, maintenance charges and transaction charges. Further, and separate to the fees outlined above, the Administrator shall be entitled to receive fees in relation to tax classification services and financial

statement preparation. Such fees will be payable out of the assets of the Fund and will be at normal commercial rates.

In addition, the Administrator shall be entitled to be reimbursed all reasonable out-of-pocket expenses properly incurred which shall be payable out of the assets of the Fund.

The fees set out above are exclusive of VAT (if any), which is payable out of the assets of the Fund.

### **Depositary Fee**

The Depositary will be entitled to a monthly fee out of the assets held on behalf of the sub-fund in an amount which will not exceed 0.025% of the Net Asset Value (plus value added tax, if any, thereon) subject to a minimum of USD2,500 per month. The Depositary fees shall accrue daily and be payable monthly in arrears. The Depositary shall also be entitled to payment out of the assets of the Fund of transaction charges, safekeeping fees and sub-custodian fees which shall be charged at normal commercial rates. The Depositary shall also be entitled to be reimbursed out of the assets held of the Fund for all reasonable out-of-pocket expenses incurred by it on behalf of the Fund and all reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary.

### **Sales Charge**

Shares in the Fund may be subject to an up-front sales charge of up to 5% of the net subscription amount for such Shares. This sales charge will be payable directly to such distributor or distributors as may be appointed by the Manager from time to time to assist with the marketing, distribution and sale of Shares in the Fund. Investors should note that such charges may also be payable on an exchange of Shares in any other fund of the ICAV for Shares in the Fund.

The Fund is also subject to other expenses as more particularly set out in the Prospectus.

### **Duties and Charges**

At the discretion of the Directors, and in respect of any subscription, redemption or exchange of Shares requested by Shareholders or potential Shareholders, an applicant or Shareholder may be required to pay to the Fund any Duties and Charges in addition to the subscription or redemption amount on the relevant Dealing Day in order to cover dealing costs such as bid-offer spreads and / or tax provisions for unrealised gains and to preserve the value of the underlying assets of the Fund for existing Shareholders.

### **Establishment Expenses**

The Fund's formation expenses, which are not expected to exceed USD 75,000, will be paid out of the assets of the Fund and will be amortised over the first five accounting periods of the Fund.

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## SUBSCRIPTION AND REDEMPTION OF SHARES

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### Eligible Investors

Subject to the section "Transfer of Shares" in the Prospectus, applicants will be obliged to certify that they are not U.S. Persons. If an applicant is a U.S. Person, such person must also be a Qualified U.S. Investor in order to be an Eligible Investor. Shares are not allowed to be offered to the retail public in Singapore. Shares may be offered and sold in Singapore, directly or indirectly, only to "accredited investors" and "institutional investors" (as defined in the SFA).

The ICAV and the Administrator reserve the right to reject in whole or in part any application for Shares. Where an application for Shares is rejected, the subscription monies will be returned to the applicant at the applicant's cost and risk and no interest or other compensation will be payable in respect of such returned monies.

### Initial Offer Price

Shares in the Share Classes for which no Shares have yet been issued (the "**Unlaunched Share Classes**") will be available at the initial offer price plus any applicable sales charge, and subject to applicable Duties and Charges, as set out below during the initial offer period which will begin at 9.00 am on 1 March 2024 and end at 5.00 pm (Irish time) on 30 August 2024 or such other date and/or time as the Manager may determine and notify to the Central Bank (the "**Initial Offer Period**"). Thereafter those Share Classes will be issued at the relevant Net Asset Value per Share, subject to applicable Duties and Charges.

The initial offer price per Share for each Unlaunched Share Class will be in its respective Class currency: \$100, €100, £100 or CHF100. Details of which Share Classes are available for subscription as Unlaunched Share Classes are available from the Investment Manager.

Subscription monies plus the sales charge (if any) must be paid in the Class Currency and must be paid by wire transfer to the bank account of the Administrator. After the initial issue of Shares in any Class, the Shares in such Class will be issued on the relevant Dealing Day at the relevant Net Asset Value per Share for the applicable Class on the terms and in accordance with the procedures described herein.

### Applications for Shares

Applications for Shares in the Fund should be made by written application using the Subscription Agreement available from the Administrator. Subscription Agreements, duly completed together with all supporting documentation in relation to money laundering prevention checks, should be sent to the Administrator, in accordance with the instructions contained in the Subscription Agreement, prior to the Subscription Cut-Off Time. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent to the Administrator by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator.

During the Initial Offer Period, cleared funds representing the initial offer price plus any applicable sales charge must be received by the ICAV by the final Business Day of the Initial Offer Period. After the

Initial Offer Period, cleared funds representing the subscription monies must be received by the ICAV by the third Business Day following the relevant Dealing Day (or such other period as the Manager may determine). If cleared funds representing the subscription monies are not received by the ICAV by the third Business Day following the relevant Dealing Day, or such other day as is determined by the Manager from time to time, the Manager reserve the right to reject the subscription and/or cancel the provisional allotment of Shares, as appropriate. In such an event the investor will indemnify the ICAV, the Manager, the Investment Manager, the Administrator and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In the event that the Manager decides not to cancel a provisional allotment of Shares notwithstanding that cleared funds have been received by the ICAV after the relevant cut-off time, the Manager reserves the right to charge interest on such subscription monies at prevailing interest rates commencing on the fourth Business Day following the relevant Dealing Day. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Manager may, in their sole discretion, redeem any Shares held by the Shareholder in the ICAV and apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the ICAV, the Manager, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Redemption of Shares – Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" in the Prospectus.

The ICAV or the Administrator may, in its sole discretion, reject any subscription in whole or in part without reason.

Shares in the Fund will be issued on the terms and in accordance with the procedures described in the Prospectus.

### **Redemption Applications**

If Redemption Applications on any Dealing Day exceed 10% of the NAV of the Fund, or such higher percentage as the Manager may determine in their sole discretion in respect of any Dealing Day (the "**Gate Amount**"), the ICAV may (i) reduce all such Redemption Applications pro rata (in accordance with the size of the Redemption Applications so that Shares redeemed on such Dealing Day, in aggregate, represent only the Gate Amount) and (ii) defer Redemption Applications in excess of the Gate Amount to subsequent Dealing Days, subject to any Gate Amount applicable on any such Dealing Day. Any deferred Redemption Applications will rank *pari passu* on any subsequent Dealing Day with other Redemption Applications received on subsequent Dealing Days from Shareholders. Except at the sole discretion of the ICAV, any such deferred Redemption Application may not be revoked.

Shareholders may request that Shares be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator in accordance with the procedures set out in the Prospectus. Redemption Applications will generally not be accepted after the Redemption Cut-Off Time. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Manager determines in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the earliest relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day.

Shares will be redeemed at the applicable NAV per Share on the Dealing Day as of which the redemption is effected, subject to applicable Duties and Charges. Subject to any provisions contained herein, distributions in respect of redemptions will be paid in full (on the basis of unaudited data) in the applicable Class Currency of the Shares being redeemed normally within three Business Days after the

relevant Dealing Day and in any event will not exceed ten (10) business days. All payments will be made by transfer to the bank account previously designated by Shareholders for such purpose.

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## APPENDIX 1 – INDIAN TAX DISCLOSURES

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The following is a summary of certain relevant provisions of the Income-Tax Act, 1961 (“**ITA 1961**”), the Income tax Rules, 1962 (“the Rules”), various circulars and notifications issued thereunder from time to time and the provisions of the Tax Treaty. This summary is not intended to constitute a complete analysis of the Indian income-tax implications as applicable and does not constitute legal, professional or tax advice. The relevant tax provisions are subject to change. This section has been prepared to give an overview of the expected Indian income-tax implications in connection with the income accruing to the Fund (as Category I Foreign Portfolio Investor registered in India). This summary is prepared on the basis that the Fund will not qualify as being a separate taxable person from the ICAV under the ITA 1961 and will be regarded as a company for the purposes of the ITA 1961. However, there is a risk that the Indian tax authorities may not allow treaty benefits considering the Fund as a separate entity to that of ICAV and accordingly may apply tax as per provisions of ITA 1961.

The ITA 1961 is amended every year by the Finance Act of the relevant year and this summary reflects the amendments made up to Finance Act, 2020. The rates specified in this section are as applicable for the Financial Year 2020-21 under the ITA 1961 and are exclusive of surcharge and education cess, if any, as currently leviable<sup>22</sup>. The tax rates applicable pursuant to the Tax Treaty will generally not be subject to surcharge or education cess.

### General

The basis of charge of Indian income-tax depends upon:

- (1) The residential status of the taxpayer during a tax year; and
- (2) The nature of the income earned.

The Indian tax year runs from April 1 until March 31.

A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions, which are afforded under the provisions of the ITA 1961. A person who is treated as non-resident for Indian income-tax purposes is generally subject to tax in India only on such person’s Indian-sourced income or income received in India.

The Fund will be subject to taxation in India only if: (1) it is regarded as a tax resident of India; or (2) being a non-resident, has an Indian source of income, including income arising through a permanent establishment or a business connection in India; or has received or deemed to have received income or earned income (whether accrued or otherwise) in India.

The income earned by the Fund from investments in India should generally be regarded as Indian sourced income. Such income should be taxable in India as per provisions of the ITA 1961.

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<sup>22</sup> Surcharge – Nil, where taxable income does not exceed INR 10 million; 2% (two percent) where taxable income exceeds INR 10 million but does not exceed INR 100 million and 5% (five percent) where taxable income exceeds INR 100 million. Education cess – 4% (four percent) of the income tax plus applicable surcharge.



As per provisions of the ITA 1961, a foreign company is regarded as a tax resident in India if its place of effective management (“POEM”) is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

The CBDT has vide its circular No 6, 8 and 25 of 2017 dated 24 January 2017, 23 February 2017 and 23 October 2017 issued guiding principles for determination of POEM. The POEM guidelines emphasise the principle of ‘substance over form’ while determining POEM. As per the said guidelines, the POEM in case of foreign company engaged in active business outside India shall be presumed to be outside India, if the majority of the meetings of the board of directors (with de facto power of control and management with the board of directors) of such company are held outside India. For foreign companies not engaged in active business outside India, determination of POEM would be two stage process, i.e. (1) First stage would be identification or ascertaining the person or persons who actually make the key management and commercial decisions for the conduct of the company’s business as a whole and (2) Second stage would be determination of place where these decisions are in fact made (rather than implemented). The POEM of the foreign company is to be determined on a year on year basis and is based on all relevant facts related to the management and control of the foreign company and is not to be determined on the basis of isolated facts.

Further, the CBDT clarified that the POEM provisions to determine the tax residency of a company would not be applicable to companies having turnover or gross receipts of INR 500 million or less in a financial year.

If the key management and commercial decisions that are necessary for the conduct of the activities of the Fund as a whole are, in substance made outside India, the Fund should qualify as a non-resident as per the ITA 1961. However, considering that POEM guidelines are subjective in nature, the possibility of Indian tax authorities challenging the POEM and treating the Fund to have a POEM in India and consequently being regarded as a tax resident of India under the ITA 1961 cannot be completely ruled out. In case the POEM of the Fund is in India, global income of the Fund would become subject to tax in India as per the provisions of the ITA 1961. The CBDT has issued a notification dated 22 June 2018 prescribing special provisions with respect to certain computational and procedural aspects of foreign companies which are regarded as residents in India on account of its POEM being in India.

The taxation of a non-resident is governed by the provisions of the ITA 1961, read with the provisions of the Double-taxation Avoidance Agreement entered into between India and the country of residence of such non-resident. As per Section 90(2) of the ITA 1961, a non-resident would be taxable in accordance with the provisions of the ITA 1961 or the applicable Tax Treaty (if any), whichever is more beneficial to such non-residents. This would be subject to GAAR which is effective from 1 April 2017. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the Tax Treaty (for detail GAAR provisions refer discussion in paragraphs below).

In the present case, subject to the risks highlighted above the Fund is a company in Ireland for Indian income-tax purposes and therefore, the applicable Tax Treaty would be the Tax Treaty entered into between India and Ireland (“Tax Treaty”).

If the Fund is able to obtain tax residency certificate from the Office of Revenue Commissioners, Ireland in its own name, furnish a declaration in Form No.10F along with supporting documents and if its place of effective management is in Ireland, then the benefit of the Tax Treaty should be available to the Fund in respect of its Indian investments. While it is assumed that the Fund would be entitled to the benefits accorded by the Tax Treaty, no assurance can be provided that the Indian tax authorities will not challenge the eligibility of the Fund for benefits of the Tax Treaty.

It is currently envisaged that the Fund could earn the following streams of income from its investment in Indian investments:

- (1) Gains arising on transfer of Indian investments viz. equity shares and derivative contracts;
- (2) Dividend income; and
- (3) Interest income

Details of taxation relating to the Fund's investments are set out below.

**(A) Gains arising on transfer of Indian investments:**

Under the ITA 1961:

The definition of "capital asset" includes any security held by an FPI<sup>23</sup>, which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992.

Accordingly, in the current case, as the Fund is registered as an FPI under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, the Fund's income on transfer of its Indian investments (acquired in accordance with the FPI regulations) should be regarded as capital gains.

Further, to mitigate tax disputes and litigation, the CBDT has vide its circular dated February 29, 2016 clarified that in respect of listed shares and securities held for a period of more than 12 months immediately preceding its date of transfer, if the taxpayer desires to treat the income arising from transfer thereof as capital gains, the same shall not be put to dispute by the tax officer. However, this stand, once taken by the tax payer in a particular year, shall remain applicable in subsequent years also and the taxpayer shall not be allowed to adopt a different / contrary stand in this regard in subsequent years. The CBDT also clarified that the same shall not apply in respect of the transactions where the genuineness of the transaction itself is questionable.

In the context of transfer of unlisted shares, the CBDT has issued a clarification vide Instruction No. F.No. 225/12/2016/ ITA.II dated 02 May, 2016 stating that income arising from transfer of unlisted shares should be considered under the head "capital gains" irrespective of the period of holding with a view to avoid dispute/ litigation and to maintain uniform approach (with tax treatment on transfer of listed shares). However, the above shall not apply in the following cases:

- The genuineness of transactions in unlisted shares itself is questionable; or
- The transfer of unlisted shares is related to an issue pertaining to lifting of corporate veil;

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Vide Notification No. 9/2014 dated January 22, 2014, the Indian Government has extended the benefits available to Foreign Institutional Investors under section 115AD of the ITA to FPIs in India.

or

The transfer of unlisted shares is made along with the control and management of underlying business and the Indian tax authorities should take appropriate view in such situations.

Depending upon the period of holding of assets, capital gains arising on transfer of securities should be taxable either as short-term or long-term capital gains.

<b>Nature of Asset</b>	<b>Short-term capital asset</b>	<b>Long-term capital asset</b>
Securities listed in a Recognised Market in India (other than a unit), unit of a Unit Trust of India, units of an equity oriented fund or zero coupon bond	Held for not more than 12 (twelve) months immediately preceding the date of its transfer	Held for more than 12 (twelve) months immediately preceding the date of its transfer
Unlisted shares (including those offered through offer for sale as part of an initial public offer)	Held for not more than 24 (twenty four) months immediately preceding the date of its transfer	Held for more than 24 (twenty four) months immediately preceding the date of its transfer
For securities other than those specified above	Held for not more than 36 (thirty six) months immediately preceding the date of its transfer	Held for more than 36 (thirty six) months immediately preceding the date of its transfer

The capital gains tax rates under the ITA 1961 are as under:

Sr. No.	Nature of Income	Tax rate in case of foreign companies (tax rates to be increased by applicable surcharge and education cess)
11.	Short-term capital gains earned from following transactions on which Securities Transactions Tax (“STT”) has been paid: <ul style="list-style-type: none"> <li data-bbox="399 562 1197 629">(g) sale of listed equity shares through the Recognised Market in India; or</li> <li data-bbox="399 680 1197 748">(h) sale of to be listed equity shares through offer for sale as part of an initial public offer; or</li> <li data-bbox="399 799 1197 866">(i) sale of units of equity oriented mutual fund or a unit of a business trust</li> </ul>	15%
12.	Other short-term capital gains	30% (in case of FPI) / 40% (for investment other than under the FPI route)
13.	Long-term capital gains earned from following transactions on which STT has been paid– <ul style="list-style-type: none"> <li data-bbox="399 1162 1197 1229">(g) sale of listed equity shares through the Recognised Market in India; or</li> <li data-bbox="399 1281 1197 1348">(h) sale of to be listed equity shares through offer for sale as part of an initial public offer; or</li> <li data-bbox="399 1400 1197 1467">(i) sale of units of equity oriented mutual fund or a unit of a business trust</li> </ul> (Refer Note 2)	10%
14.	Long-term capital gains on transfer of listed securities (other than units) on which STT has not been paid (Note 3)	10%
15.	Long-term capital gains on transfer of unlisted securities (Refer Note 4)	10%

**Notes:**

1. As per Section 48 of the IT Act, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and

*exclusively in connection with transfer of such securities. However, as per section 115AD, an FPI shall not be entitled to take the benefit first proviso (foreign currency computation) and second proviso (indexation) to section 48 of the IT Act while computing capital gains arising from the transfer of securities.*

*2. The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from 1 April 2018. As per section 112A of the IT Act, the LTCG above INR 0.1 million on following transfers shall be taxable at 10%:*

- listed equity shares (STT paid on acquisition\* and transfer); and*
- units of equity oriented mutual fund or a unit of a business trust (STT paid on transfer)*

*Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.*

*\*The CBDT has issued a notification on 1 October 2018 clarifying that condition of paying STT at the time of acquisition shall not apply for all transactions of acquisition of equity shares other than the following negative list:*

- a) where the acquisition of existing listed equity shares in a company whose equity shares are not frequently traded on a Recognised Market in India is made through a preferential issue, other than specified preferential issues;*
- b) where transactions for acquisition of existing listed equity shares in a company is not entered through a Recognised Market in India, except in specified circumstances; and*
- c) acquisition of equity share during the period beginning from the date on which the company is delisted from a Recognised Market in India and ending on the date immediately preceding the date on which the company is again listed on a Recognised Market in India, in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder.*

*Further, the CBDT has clarified by way of FAQs (F. No. 370149/20/2018-TPL dated 4 February 2018 ) that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.*

*3. Based on judicial precedents, any non-resident, including the Fund investing under other than the FPI route, may avail the concessional tax rate of 10% with respect to gains arising from transfer of listed securities (other than units) and zero coupon bonds. However, the possibility of Indian tax authorities disregarding the said position and applying a tax rate of 20% cannot be ruled out.*

*4. As per Section 48 of the ITA, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. As per the amendment in the Finance Act, 2017, in case of transfer of unlisted shares, if the consideration received is less than the fair market*

value (“**FMV**”), the fair market value shall be deemed as the full value of consideration. FMV shall be determined in accordance with the rules prescribed by the Indian tax authorities.

6. Capital gains arising to a non-resident from trading in derivatives, foreign currency bonds, GDRs, rupee denominated bonds of Indian companies on a stock exchange located in the International Financial Services Centre (“IFSC”) is exempt from tax in India.

In case the gains of the Fund from sale of the securities (invested under FDI route) held in the Indian portfolio entities is characterized as business income, such income shall be taxed at the rate of 40% on a net-income basis (subject to Tax Treaty benefits discussed below).

The Finance Act, 2018 has widened the definition of business connection under the ITA. As per the amended provisions of the ITA, an agent shall constitute a business connection in India for a non-resident even if such person habitually plays a principal role leading to conclusion of contracts on behalf of the non-resident or habitually concludes contracts on behalf of non-resident.

Under Tax Treaty:

***If the gains are characterized as capital gains***

As per the Tax Treaty, capital gains arising in the hands of the Fund on account of alienation of shares of Indian portfolio companies will be chargeable to tax in India as per the tax rates prescribed under the ITA.

However, capital gains arising on account of investments in other securities including derivative contracts shall continue to remain not taxable under the Tax Treaty (subject to other aspects discussed in this section).

***If the gains are characterized as business income***

In case the gains of the Fund from sale of the securities (other than investment made under the FPI route) held in the Indian portfolio entities are characterized as business income, then such income should not be taxable in India if the Fund does not have a Permanent Establishment (“PE”) in India. If a PE were created in India, then the Fund should be taxed at the rate of 40% on its income on net basis that is attributable to such PE in India.

**(B) Dividend**

*Position under the ITA 1961*

As per the ITA 1961, any dividends declared by the Indian companies on or before 31 March 2020 but paid after 1 April 2020 should be exempt from tax in the hands of the non-resident shareholders. However, the Indian companies at the time of declaring, distributing or paying the dividend should be liable to pay Dividend Distribution Tax (“DDT”) at the effective rate of 15%<sup>24</sup> on the amount of dividends.

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<sup>24</sup> The amount of dividend distributed by the domestic company to its shareholders shall be increased to such an amount as would after reduction of tax on such increased amount be equal to net distributed profits. Thus, dividend paid or distributed shall be grossed up for the purposes of computing DDT. The rate of dividend under section 115-O of the

With effect from 1 April 2020 the Indian Finance Act 2020 has abolished the levy of the DDT and consequently the exemption of dividend income earned by the Fund has been withdrawn with effect from 1 April 2020. The dividends declared, distributed and paid on or after 1 April 2020 should be chargeable to tax at the Fund level with respect to shares it holds in an Indian company.

The rate of tax on such dividend income should be at the rate of 20% plus surcharge and education cess as per ITA 1961. The withholding tax on such dividend income should be at the rate of 20% plus applicable surcharge and education cess as per ITA 1961.

#### *Position under the Tax Treaty*

As per Article 10 of the Tax Treaty, any dividend income earned by the Fund from its investment in the shares of the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such dividend income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India in respect of which the dividend is paid is effectively connected with such PE or fixed base.

#### **(C) Interest income**

##### *Position under the ITA 1961*

As per the ITA 1961, interest payable to the Fund, being an FPI, on rupee denominated bonds of Indian companies, and government securities if the interest is payable on or after 1 June 2013 but before 1 July 2023 and on municipal debt securities if the interest is payable on or after 1 April 2020 but before 1 July 2023 should be subject to tax at the rate of 5% plus applicable surcharge and education cess, provided in respect of rupee denominated bonds, the rate of interest does not exceed 500 basis points over the applicable base rate of State Bank of India as on the date of issue of bonds.

As per ITA 1961, any interest arising to the Fund out of borrowings in foreign currency under loan agreements or on long-term bonds issued by Indian companies before July 1, 2023 as approved by Central Government of India and subject to certain conditions should be subject to tax at the rate of 5%.

Further, the concessional tax rate of 5% is also extended to interest in respect of monies borrowed from a source outside India by way of rupee denominated bonds issued by an Indian company before July 1, 2023. Further concessional tax rate of 4% in respect of monies borrowed by it from a source outside India by way of issue of any long-term bond or rupee denominated bond on or after the 1st day of April, 2020 but before the 1st day of July, 2023, which is listed only on a Recognised Market located in any International Financial Services Centre subject to certain conditions.

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ITA is 15%, which needs to be grossed up for tax and hence, the effective DDT rate after grossing up is 20.555% (including surcharge and health and education cess).

In case the benefit of the concessional tax rate is not available, then the interest income on securities should be subject to tax at the rate of 20% in the hands of the Fund, being an FPI. However, if the investment is made under other than FPI route the interest income in Indian rupee may be taxed at the rate of 40%.

#### *Position under the Tax Treaty*

As per Article 11 of the Tax Treaty, any interest income earned by the Fund from its investment in the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “beneficial owner” of such interest income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India and the debt-claim in respect of which the interest is paid is effectively connected with such PE or fixed base.

The tax rate of 10% under the Tax Treaty should be relevant only if the tax rate under the ITA 1961 on such interest income is higher than 10%.

#### **Other relevant tax considerations**

##### ***Deemed income on investment in any shares / securities of an Indian portfolio entity***

#### *Position under the ITA 1961*

As per provisions of the ITA 1961, where any person receives any shares and securities from any person for a consideration which is lower than the fair market value by more INR 0.05 million, then difference between the fair market value and consideration shall be taxable in the hands of acquirer as ‘Income from other sources’ (“**Other Income**”). Further as per provisions of the ITA 1961, where the consideration received or accruing by the Fund as a result of the transfer of unquoted shares is less than the fair market value of such shares, the value so determined as per prescribed methods in the ITA 1961 shall be deemed to be the full value of consideration received or accruing as a result of such transfer and gains calculated in the hands of the transferor shall be as capital gains. The rules for determining the fair market value of shares and securities have been prescribed in under the Rules.

As per the provisions of the Rules, the fair market value of quoted shares and securities received by way of transaction carried out through any Recognised Market in India should be transaction value as recorded in such stock exchange whereas, the fair market value of quoted shares and securities received by way of transaction other than through Recognised Market in India should be based on: (a) the lowest price of such shares and securities quoted on any Recognised Market in India on the valuation date (date of receipt of shares), and (b) the lowest price of such shares and securities on any Recognised Market in India on a date immediately preceding the valuation date when such shares and securities were traded on such stock exchange, in cases where on the valuation date there is no trading in such shares and securities on any Recognised Market in India.

Further, the fair market value of unquoted equity shares at the option of the Fund should be based on the book values of assets and liabilities subject to certain adjustments or as determined by a merchant banker as per the discounted free cash Flow method. The fair market value of unquoted shares and securities other than equity shares in a company which are not listed on any Recognised Market in India



shall be estimated to be the price the shares should obtain if sold in the open market on the valuation date and the assessee may obtain a report from a merchant banker or an accountant in respect of such valuation.

The application of the above wording is solely for the purposes of calculating Indian income tax liability (if any). The provisions of the valuation wording referred to in the "Administration of the ICAV" section of the Prospectus applies for the purposes of valuing the assets held by the Fund.

Accordingly, if it is held that the Fund has earned Other Income, such other income should be chargeable to tax at the rate of 20% for investment under FPI route and 40% for investment under FDI route.

Further income in the hands of the transferor shall be taxable as per capital gains as per table above.

#### *Provisions under the Tax Treaty*

Any income earned by the Fund which is not dealt with in any other Articles of the Tax Treaty should not be taxable in India in the hands of the Fund under the Tax Treaty, unless the Fund is carrying on a business through a PE or fixed base in India.

#### **Provisions related to overseas transfer**

As per provisions of the ITA 1961, capital gains arising from the transfer of shares or interest in a foreign company or entity registered outside India shall be taxable in India (subject to availability of benefits Tax Treaty benefit, if available), if the shares or interest, directly or indirectly, derive their value substantially from assets located in India. The shares or interest shall be deemed to derive substantial value from the assets located in India, if on the specified date, the value of Indian assets—

- (i) exceeds INR 100 million; and
- (ii) represents at least 50% of the value of all the assets owned by the foreign company.

The capital gains will be taxable in India only to the extent that they are attributable to the Indian assets. The valuation rules have been prescribed in this regard.

Exemption to small shareholders - there should be no levy of Indian tax if the transferor, along with its related parties at any time in the twelve months preceding the date of transfer: (a) does not hold the right of management or control in the direct ordinary shareholder or indirect ordinary shareholder; and (b) holds less than or equal to 5% of the voting power or the share capital or interest, directly or indirectly, in the company/entity organised outside India which holds the Indian assets directly.

The ITA 1961, as amended by Finance Act 2020, clarifies that the scope of the overseas transfer tax provisions shall not cover within their ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category I FPI or Category II FPI with SEBI (FPI) Regulations 2014 prior to its repeal and FPIs that are registered as Category I FPI with SEBI (FPI) Regulations 2019. Thus, transfer or redemption of shares held by the investors directly or indirectly in such FPIs will not be subject to any tax/ withholding tax in India.

## **Minimum Alternate Tax**

The provisions of the ITA 1961 provides for levy of MAT on all companies. Under these provisions, where income-tax payable by a company on its total income as computed under the ITA is less than 15% (fifteen percent) of its book profits (computed in a prescribed manner), then the book profit is deemed to be total income and the tax is computed at 15% (fifteen percent) of its book profits.

Further, as per the ITA 1961 amended by the Finance Act 2016, MAT provisions should not be applicable to a foreign company, if:

- (1) it is resident of a country with which India has a tax treaty, and it does not have a permanent establishment in India, in accordance with the provisions of the relevant tax treaty; or
- (2) it is resident of a country with which India does not have a tax treaty, and it is not required to seek registration under Indian corporate laws.

In the current case, as the Fund is expected to be resident in Ireland, with which India has a Tax Treaty, and it does not form permanent establishment in India, MAT should not be applicable to the Fund.

## **General Anti-avoidance Rule (“GAAR”)**

The GAAR provisions are effective from 1 April 2017. GAAR may be invoked by the Indian tax authorities in case arrangements are found to be impermissible tax avoidance arrangements. A transaction can be declared as an impermissible tax avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which also satisfies at least one of the four tests mentioned below:

- (a) Creates rights or obligations which are ordinarily not created between parties dealing at arm's length;
- (b) It results in directly / indirectly misuse or abuse of the ITA;
- (c) It lacks commercial substance or is deemed to lack commercial substance as per the provisions of ITA 1961 in whole or in part; or
- (d) It is entered into or carried out in a manner, which is not normally employed for bona fide business purposes.

In such cases, the Indian tax authorities are empowered to deny the benefits under a tax treaty, re-allocate the income from such arrangement, or re-characterize or disregard the arrangement. Some of the illustrative powers are:

- (a) Disregarding or combining or re-characterizing any step of the arrangement or party to the arrangement;
- (b) Ignoring the arrangement for the purpose of taxation law;
- (c) Relocating place of residence of a party, or location of a transaction or situs of an asset to a place other than provided in the arrangement;
- (d) Looking through the arrangement by disregarding any corporate structure; or

- (e) Re-characterizing equity into debt, capital into revenue, etc.

The above terms should be read in context of the definitions provided under the ITA 1961. Further, the onus to prove that the main purpose of an arrangement was not to obtain any tax benefit is on the taxpayer. Also, any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the Tax Treaty.

The Rules have come out with few exceptions where the provisions of GAAR shall not apply. A summary of the key exceptions for application of GAAR provisions as provided under the Rules, are set out below:

- A. *Monetary Threshold Exemption*: The GAAR provisions should apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30 million.
- B. *Exemption to FPIs and P-Note holders*: SEBI registered FPIs are excluded from applicability of GAAR provisions if they do not avail benefits under a tax treaty entered into by India. Hence, if an FPI proposes to avail the benefits of a tax treaty, the GAAR provisions may apply in case of an impermissible avoidance arrangement. Investments in FPIs made by non-resident investors by way of offshore derivative instruments, directly or indirectly, are excluded from the ambit of the GAAR provisions.

Further, on January 27, 2017, the CBDT has issued clarifications<sup>25</sup> on implementation of GAAR provisions in response to various queries received from the stakeholders and industry associations. Amongst others, the following is clarified:

- For GAAR application, the issue, which may arise regarding the choice of entity, location etc. has to be resolved on the basis of the main purpose and other conditions provided under ITA 1961. GAAR shall not be invoked merely on the ground that the entity is located in tax efficient jurisdiction. GAAR will not apply if the jurisdiction of FPI is finalised based on non-tax commercial considerations and the main purpose of the arrangement is not to obtain tax benefit;
- Specific Anti-Avoidance Rules (SAAR) and GAAR can co-exist and may be applied depending on facts and circumstances of the case;
- GAAR shall not be invoked in cases where the tax avoidance strategy is sufficiently addressed by the LOB clause in the tax treaty;
- GAAR provisions shall not apply if the arrangement is held as permissible by the Authority for Advance Ruling or where the Court has explicitly and adequately considered the tax implication while sanctioning an arrangement;
- Two stage approval process will be followed for invoking GAAR.

### **Multilateral Convention to implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting ('MLI')**

The Organisation of Economic Co-operation and Development ("OECD") released the MLI. Once adopted, MLI will supplement the existing tax treaties that India has with several countries and

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<sup>25</sup> Circular no 7 of 2017

incorporate anti-avoidance rules/ limitation of benefit conditions. At the time of signing the MLI, countries are required to submit a list of their existing tax treaties, which they should like to designate as Covered Tax Agreements (“CTA”) i.e., agreements to be amended through the MLI. Together with the list of CTAs, the countries are also required to submit a preliminary list of their reservations and notifications in respect of the various provisions of the MLI.

Ireland and India have signed the MLI and, have been designated as a CTA. The MLI, amongst others, includes a “principal purpose test”, wherein Tax Treaty benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit unless it is established that granting that benefit should be in accordance with the object and purpose of the relevant tax treaty.

### **Capital losses**

As per the provisions of the ITA 1961, short term capital loss can be set-off against both short term capital gains and long term capital gains but long term capital loss can be set-off only against long term capital gains. The unabsorbed short term and long term capital loss can be carried forward for 8 years and set off against capital gains.

Subject to the risks highlighted above, the Fund is a company for Indian income-tax purposes. As per provisions of the ITA 1961, in the case of a company which is not a company in which the public are substantially interested, the capital losses can be carried forward and set-off only if on the last day of financial year, shares of the company carrying at least 51% of voting power are beneficially held by persons who beneficially held shares carrying at least 51% of the voting power of the said company on the last day of the financial year or years in which the said losses have arisen.

### **STT**

The Fund will be liable to pay STT in respect of dealings in Indian securities purchased or sold on the Indian stock exchanges. The applicable rates of STT are as follows:

- (1) 0.1% (zero point one percent) payable by purchaser on purchase of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the purchase of such share or unit is settled by the actual delivery or transfer of such share or unit.
- (2) 0.1% (zero point one percent) payable by seller on sale of equity shares in a company or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India and the contract for the sale of such share or unit is settled by the actual delivery or transfer of such share or unit.
- (3) 0.001 (zero point zero zero one percent) payable by seller on sale of a unit of an equity oriented fund in a Recognised Market in India and the contract for the sale of such unit is settled by the actual delivery or transfer of such unit.
- (4) 0.025% (zero point zero two five percent) payable by seller on sale of equity shares in a company or units of equity oriented mutual funds or (with effect from October 1, 2014) units of a business trust in a Recognised Market in India where the contract for sale is settled otherwise than by the actual delivery or transfer of share or unit.

- (5) 0.05% (zero point zero five percent) payable by seller on sale of an option in securities.
- (6) 0.125% (zero point one two five percent) payable by purchaser on sale of option in securities, where option is exercised.
- (7) 0.01% (zero point zero one percent) payable by seller on sale of futures in securities.
- (8) 0.001% (zero point zero zero one percent) payable by seller on sale of units of an equity oriented fund to a mutual fund.
- (9) 0.2% (zero point two percent) payable by seller on sale of unlisted equity shares under an offer for sale to the public included in an initial public offer and where such shares are subsequently listed on a Recognised Market in India.
- (10) 0.2% (zero point two percent) payable by seller on sale of unlisted units of a business trust under an offer for sale to the public included in an initial offer and where such units are subsequently listed on a Recognised Market in India.

APPENDIX 2

ANNEX II

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment**

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

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

**Product name:** Ashoka WhiteOak Emerging Markets Equity Fund

**Legal entity identifier:** 213800VJS7GR7DZ5RD69

**Environmental and/or social characteristics**

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



**Yes**



**No**

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

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

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

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

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

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

with a social objective

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

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

**What environmental and/or social characteristics are promoted by this financial product?**



The product primarily promotes the following environmental and social characteristics, among others, depending on its materiality for the investee companies in emerging markets.

Environmental	Characteristics
GHG emissions	Promote reduction in CO2 emissions intensity and efficient use of energy consumption
Waste management	Promote efficient waste management
Resource utilization	Promote efficient management of water and other natural resources

Social	Characteristics
Human rights compliance	Promote safe and healthy working conditions in investee companies and to ensure human rights and labour standards are met, in line with local laws and regulations of each country of operation
Product Safety	Promote responsible marketing and effective quality management
Employee welfare	Promote healthy working environment for employees

The fund is actively managed and is not tracking any index that has been designed as a reference benchmark to meet the environmental or social characteristic promoted by the fund.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by this financial product are as below:

Environmental	Characteristics	Indicators (wherever available)
GHG emissions	Promote reduction in CO2 emissions intensity and efficient use of energy consumption	<ul style="list-style-type: none"> <li>• Green-house gas emissions intensity</li> <li>• Targets set for reducing emissions</li> <li>• Share of renewable energy in total energy consumption</li> </ul>
Waste management	Promote efficient waste management	<ul style="list-style-type: none"> <li>• Waste disposal quantity (toxic and non-toxic)</li> <li>• Method of waste disposal, the existence of a waste treatment plant</li> <li>• Zero liquid discharge facility</li> </ul>
Resource utilization	Promote efficient management of water and other natural resources	<ul style="list-style-type: none"> <li>• Water consumption intensity</li> </ul>

	<ul style="list-style-type: none"> <li>• Existence of wastewater recycling facilities</li> <li>• Operations in water-starved areas</li> </ul>
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Social	Characteristics	Indicators (wherever available)
Human rights compliance	Promote safe and healthy working conditions at investee companies and to ensure human rights and labor standards are met, in line with local laws and regulations of each country of operation	<ul style="list-style-type: none"> <li>• Any labor disputes</li> <li>• Pending litigations by regulators</li> <li>• History of human rights violations</li> </ul>
Product Safety	Promote responsible marketing and effective quality management	<ul style="list-style-type: none"> <li>• Product recalls</li> <li>• Regulatory observations</li> <li>• Customer complaints</li> </ul>
Employee welfare	Promote healthy working environment for employees	<ul style="list-style-type: none"> <li>• Employee-related policies</li> <li>• Attrition trends</li> <li>• Percentage of employees trained</li> <li>• Training hours</li> </ul>

- **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.



- **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



#### **Does this financial product consider principal adverse impacts on sustainability factors?**

**Yes**, the Fund considers principal adverse impacts on sustainability factors. The factors are part of the in-house ESG framework called ABLEx (Assessment of Business Longevity and Excellence), which takes into account some of the principal adverse impact indicators in Table 1 of Annex I of the SFDR Regulatory Technical Standards. Consideration of principal adverse impacts on sustainability factors will be confirmed as part of the periodic reporting template to be appended to the annual report.

**No**

#### **What investment strategy does this financial product follow?**

The investment strategy of the Fund focuses on investing in equity and equity-related securities of global emerging market companies. The Fund would tend to invest in equity and equity related transferable securities listed or traded on a Recognised Markets and/or other collective investment schemes which provide exposure to companies that are domiciled in, or which derive most of their economic value, revenues, profits, assets or employee base from global emerging markets or Hong Kong or Singapore. This also includes companies in developed markets that derive most of their economic value, revenues, profits, assets or employee base from emerging markets.

The Fund seeks to build a long-only portfolio of 100 - 200 businesses at attractive values through a bottom-up selection process. The Fund has a simple yet powerful investment philosophy of investing in businesses based on stock selection, rather than betting on macro. The Fund believes outsized returns can be earned over time by investing in great businesses at attractive values. A great business is one that is well managed, scalable, and generates superior returns on incremental capital.

The Fund will not be biased towards any specific industry or sector. The Investment Manager utilizes a simple bottom-up stock selection philosophy which aims to generate returns over time by investing in businesses at attractive values. The Investment Manager's philosophy has two elements – business and valuation. The Investment Manager seeks to invest in companies which present the most powerful combination of business and valuation. The Investment Manager will build a portfolio by evaluating investment opportunities on a company-by-company basis. The Investment Manager will select investment opportunities following fundamental research carried out using a rigorous and proprietary analytical framework. This approach will include fundamental analysis of a company's financial statements, management record, capital structure, operations, product development, and competitive position in its industry. The Investment Manager looks for businesses which are trading at a substantial discount to their intrinsic value (i.e. the calculated value placed upon the business by the Investment Manager having regard to the fundamental analysis which it carries out on that business as opposed to its market value), which can substantially outperform over time. The Investment Manager seeks to maintain a balanced portfolio reflecting its stock selection capabilities and views of the market rather than being driven by non-stock specific macro factors such as market timing, sector, currency or other such factor exposures. The Investment Manager also looks for newer or established businesses that are entering into a growth cycle, have the potential for accelerating earnings growth or cash flow, and possess reasonable valuations. The Investment Manager will use its proprietary cash-flow centric analytical framework for assessing valuation. This is evaluated through fundamental analysis of each company including but not limited to, identifying opportunities in new products or services, restructuring, and/or changes in strategic direction such as selling off non-core assets, re-financing

operations or establishing in other markets. The Investment Manager may select the stocks of companies with all market capitalisations.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager has determined that certain companies will be excluded from the Fund's investment universe where any one or more factors mentioned below are applicable to the relevant company:

- companies engaged in tobacco production,
- companies engaged in banned weapons (according to Geneva Protocol),
- companies deriving revenue from pornography, and
- companies involved in environmental damage relating to production of asbestos fibres and radioactive materials.

This is based on the principle of materiality and may be amended at the discretion of the Investment Manager from time to time.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

○ **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager assesses the good governance practices of companies as part of its overall approach to ESG Integration and looks to ensure that investee companies follow good governance practices, through methods including the review of company research reports, participation in company meetings and dedicated ESG engagements.

Good Governance is an integral part of the fund's investment philosophy. Any proposed investment would undergo checks for governance practices, which include but are not limited to anti-corruption and bribery, board independence, anti-money laundering, regulatory and tax compliance, facilitation of whistle-blowing, alignment of interests with minority shareholders, appropriate accounting practices, ethical business conduct, fair dealing with investors and other stakeholders, transparency with investment community, among others. The Investment Manager has adopted guidelines for exercising voting rights in accordance with its fiduciary duties and Shareholders' best interests. The voting guidelines reflect what the Investment Manager believes to be good corporate governance and behavior on several issues pertaining to boards of directors, the ratification of auditors, management and director compensation, anti-takeover mechanisms and related issues, changes to capital structure, mergers and corporate restructuring, environmental and social issues, governance matters, proxy access and global corporate governance.



**What is the asset allocation planned for this financial product?**

Asset allocation describes the share of investments in specific assets.

The Investment Manager ensures that at least 80% of equities held in the Fund's portfolio are rated against the sustainability criteria using our ESG proprietary framework.

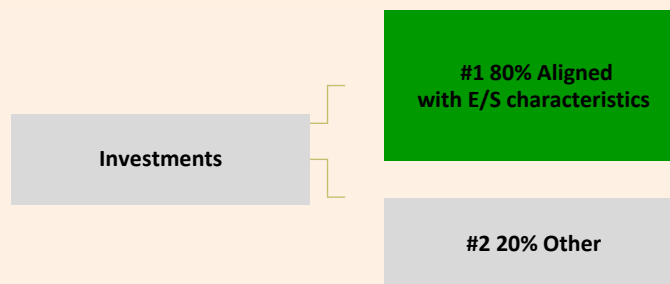
With respect to investments for certain specific purposes such as hedging or liquidity, the product anticipates that these will be negligible. The product will not make use of derivatives to attain the environmental or social characteristics it promotes.

Taxonomy-aligned activities are expressed as a share of:

— **turnover** reflecting the share of revenue from green activities of investee companies

— **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

**operational expenditure** (OpEx) reflecting green operational activities of investee



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

companies.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund will not make use of derivatives to attain the environmental or social characteristics it promotes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.



- **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund does not commit to invest in Taxonomy aligned investments, however among the Fund's holdings there may be certain investments that may be Taxonomy aligned.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities Taxonomy<sup>26</sup>?**

Yes:

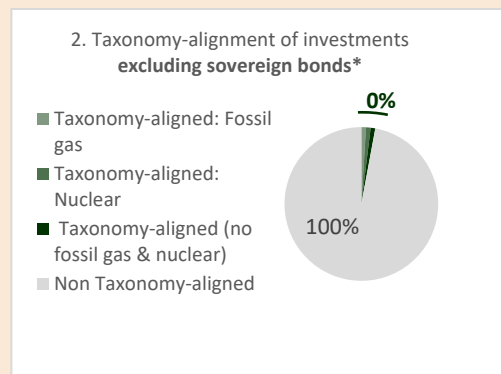
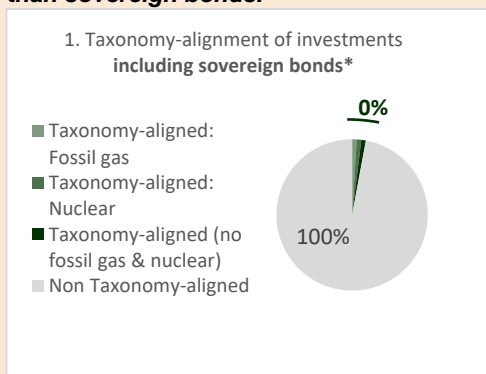
In fossil gas     In nuclear energy

No

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



are sustainable investments with an environmental objective that do

- **What is the minimum share of investments in transitional and enabling activities?**

None.

<sup>26</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulations (EU) 2022/1214.

not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Investment Manager ensures that at least 80% of equities held in the Fund’s portfolio are rated against the sustainability criteria using our ESG proprietary framework. The remaining 20% may not meet the necessary rating and may also include cash, cash equivalents and hedging instruments. Cash and cash equivalents do not affect the promoted environmental and / or social characteristics of the Fund. The assessment of issuers and of counterparties for cash and hedging instruments focusses on the creditworthiness of these parties, which can be impacted by sustainability risks.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

***How does the designated index differ from a relevant broad market index?***

Not applicable.

***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**



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## ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND

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This Country Supplement forms part of, and should be read in conjunction with, the prospectus dated 29 February 2024 and the supplements to the prospectus of Ashoka WhiteOak India ICAV in respect of Ashoka WhiteOak India Opportunities Fund dated 29 February 2024, Ashoka WhiteOak India Leaders Fund dated 19 February 2025 and Ashoka WhiteOak Emerging Markets Equity Fund dated 29 February 2024 as may be further amended from time to time (the “Prospectus”) for Ashoka WhiteOak ICAV (the “ICAV”). Please refer to the “Fees and Expenses” section of the Prospectus for further information on the fees associated with an investment in the ICAV.

### 1. Representative in Switzerland

Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland (the “Representative”)

### 2. Paying Agent in Switzerland

HELVETISCHE BANK AG, Seefeldstrasse 215, 8008 Zurich, Suisse, Tél.: + 41 44 204 56 00, Fax: + 41 44 204 56 99.

### 3. Location where the relevant documents may be obtained

Copies of the Instrument of incorporation, of the Prospectus, of the Key Investor Information Documents (KIIDs) and of the annual and semi-annual reports of the ICAV may be obtained free of charge from the Representative in Switzerland.

### 4. Publications

The Net Asset Value of the Shares of each Sub-Fund, together with an indication “commissions excluded” will be published daily on [www.fundinfo.com](http://www.fundinfo.com).

Publications in Switzerland in respect of the ICAV or the Sub-Funds, in particular the publication of changes to the Articles and the Prospectus, shall be made on [www.fundinfo.com](http://www.fundinfo.com).

### 5. Retrocessions and Rebates

#### 5.1 Retrocessions

The ICAV and its agents may pay retrocessions as remuneration for distribution activity in respect of Shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- marketing and distribution activities in Switzerland;
- maintaining appropriate investor records and documentation in compliance with applicable laws and regulations;
- general liaison with investors including dealing with queries and complaints and forwarding the same to the ICAV;
- providing ICAV documentation in respect of the Funds to investors (including annual and semi-

annual reports, constitutional documentation, material contracts, the Prospectus and Key Investor Information Documents);

- distribution of marketing material and offering documentation to prospective investors in accordance with applicable laws and regulations;
- providing investment advice to prospective investors in accordance with applicable laws and regulations; and
- undertaking due diligence of investors, anti-money laundering and “Know Your Client” checks in line with legal and regulatory requirements.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

## 5.2 Rebates

In the case of distribution activity in or from Switzerland, the ICAV 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 Manager or 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 ICAV are as follows:

- the volume subscribed by the investor or the total volume the investor holds 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 investor, the ICAV must disclose the amounts of such rebates free of charge.

## 6. Place of performance and jurisdiction

For shares of the fund offered in Switzerland, the place of execution shall be the registered office of the Representative in Switzerland. The place of jurisdiction shall be at the registered office of the Representative in Switzerland, or at the registered office or domicile of the investor.

**Dated 26 February 2025**