

## **AEGON ASSET MANAGEMENT EUROPE ICAV**

An open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with segregated liability between sub-funds and with variable capital

The ICAV is registered under the laws of Ireland with registered number C153036

### **PROSPECTUS**

This Prospectus is dated 30 November 2022

This Prospectus may not be distributed unless accompanied by, and must be read in conjunction with the Supplement for the Shares of the Fund being offered.

The Directors of **Aegon Asset Management Europe ICAV** whose names appear in the **Directors of the ICAV** section of the Prospectus accept responsibility for the information contained in this Prospectus and each relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Prospectus (as complemented, modified or supplemented by the relevant Supplement), when read together with the relevant Supplement, is in accordance with the facts as at the date of the relevant Supplement and does not omit anything likely to affect the import of such information.

## 1. INTRODUCTION

**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS AND THE RELEVANT SUPPLEMENT YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

The ICAV is structured as an umbrella type open-ended investment ICAV with variable capital, incorporated on 18 March 2016 and is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended). Accordingly, the ICAV is supervised by the Central Bank of Ireland (the Central Bank). This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the ICAV and the Central Bank shall 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 the Prospectus.

Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Fund. All Shares of each class will rank pari passu save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Central Bank), the ICAV will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to individual Funds and the classes of Shares available therein are set out in the relevant Supplement.

**A Repurchase Charge of up to 3 per cent of the repurchase amount may be charged by a Fund under the circumstances set out in the relevant Supplement for the Fund.**

**The ICAV has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.**

**Shareholders should note that all or part of the fees and expenses may be charged (in whole or part) to the capital of the Fund. Where such fees and expenses are charged to capital, Shareholders may not receive back the full amount invested on repurchases of Shares which would have the effect of lowering the capital value of your investment.**

Distribution of this Prospectus and the relevant Supplement is not authorised in any jurisdiction after publication of the audited annual report of the ICAV for the period to 31 December each year unless accompanied by a copy of such report and, if published after the annual report, a copy of the then latest published semi-annual report and unaudited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the ICAV.

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

The Directors do not anticipate that an active secondary market will develop in any of the Shares of the ICAV.

### **Information for all investors**

**Potential subscribers and purchasers of Shares should inform themselves as to**

- (a) the possible tax consequences,**
- (b) the legal requirements,**
- (c) any foreign exchange restrictions or exchange control requirements; and**

**(d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

**The value of and income from Shares in the ICAV may go up or down and you may not get back the amount you have invested in the ICAV. Shares constituting each Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Applicants' attention is drawn to the section entitled RISK FACTORS below which sets out certain investment risks for an investor.**

**Prices of shares may fall as well as rise. The difference at any one time between the sale and repurchase price of shares in the Fund means that the investment should be viewed as medium to long term.**

Any information given or representations made, by any dealer, salesman or other person, which are not contained in this Prospectus or the relevant Supplement or in any reports and accounts of the ICAV forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement. This Prospectus or the relevant Supplement may from time to time be updated and intending subscribers should enquire of the Distributor or the Manager as to the issue of any later Prospectus or as to the issue of any reports and accounts of the ICAV.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Instrument of Incorporation of the ICAV, copies of which are available as mentioned herein.

This Prospectus and the relevant Supplements shall be governed by and construed in accordance with Irish Law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the Definitions section below.

### **Information for investors in the United Kingdom**

The ICAV is a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 (**FSMA**) of the United Kingdom and the Company may be marketed in the United Kingdom following the exit of the United Kingdom from the European Union pursuant to a notification made to the Financial Conduct Authority under Part 6 of The Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019. This Prospectus is distributed in the United Kingdom by or on behalf of the Directors and is approved for the purposes of the FSMA by Aegon Asset Management UK plc which is authorised and regulated by the Financial Conduct Authority.

The ICAV maintains facilities in the United Kingdom at the address given below in the interests of Shareholders on matters such as inspection of the Instrument of Incorporation of the ICAV, the Prospectus, KIIDs, the reports and accounts and arrangements for repurchase of Shares. In addition, any person who has a complaint to make about the operation of the ICAV can submit his complaint in writing to the address given below:

Aegon Asset Management UK plc

3 Lochside Crescent

Edinburgh EH12 9SA

United Kingdom

Shareholders in the United Kingdom shall not have the right to cancel the investment agreement constituted by the acceptance by or on behalf of the ICAV of an application for Shares. The ICAV does not have a place of business in the United Kingdom and is not authorised under the FSMA. As against the ICAV, and any overseas agent thereof who is not authorised to carry on regulated activities in the United Kingdom, a United Kingdom investor will not benefit from the rules and regulations made under

the FSMA for the protection of private investors, including the Financial Services Compensation Scheme and the Financial Ombudsman Service.

### **Information for investors in the United States**

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular the Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or the securities laws of any state or political subdivision of the United States and may not, except in a transaction which does not violate U.S. securities laws, be directly or indirectly offered or sold in the United States or to any U.S. Person. The ICAV will not be registered under the United States Investment Company Act of 1940 as amended.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested.

The Instrument of Incorporation of the ICAV gives powers to the Directors to impose restrictions on the holding of Shares by (and consequently to repurchase Shares held by), or the transfer of Shares to, any U.S. Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who does not clear such money laundering checks as the Directors may determine or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the ICAV incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the ICAV might not otherwise have incurred, suffered or breached or any individual under the age of 18 (or such other age as the Directors may think fit). Where Taxable Irish Persons acquire and hold Shares, the ICAV shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for Irish taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail. All communications in relation to this Prospectus and any Supplements shall be in English unless otherwise agreed.

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## 2. DEFINITIONS

**Aegon AM** means Aegon Asset Management, the group of companies of which the Manager and Sub-Distributor are a part;

**Accounting Period** means a calendar year ending on 31 December of each year;

**Accumulation Share** means an accumulating share available for certain Funds of the ICAV which generally do not pay out a dividend or other distribution as more particularly described in the relevant Supplements;

**Act** means the Irish Collective Asset-management Vehicles Act 2015 (No 2 of 2015) as may be further amended, supplemented, replaced or re-enacted from time to time and includes any regulations made thereunder by ministerial order and any conditions that may be imposed from time to time thereunder by the Central Bank whether by notice or otherwise affecting the ICAV;

**Administration Agreement** means the novated, amended and restated investment fund services agreement for the provision of fund accounting and transfer agency services dated 4 March 2022 between the ICAV, the Manager and Citibank Europe plc, as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Administrator** means **Citibank Europe plc** or any successor thereto duly appointed by the Manager in accordance with the requirements of the Central Bank UCITS Regulations;

**Anti-Dilution Adjustment** means the adjustment by way of an addition or deduction (as appropriate) which the Directors, in consultation with the Manager, may in their discretion make when calculating the Issue Price and/or the Redemption Price for Shares on any Dealing Day, when there are net subscriptions and/or redemptions (as appropriate) to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund as the Directors deem necessary.

**Application Form** means the initial application form for Shares;

**Base Currency** means in relation to any Fund such currency as is specified in the Supplement for the relevant Fund;

**Business Day** means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the ICAV;

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time, and any guidance issued by the Central Bank;

**ICAV** means **Aegon Asset Management Europe ICAV**;

**Connected Person** means the persons defined as such in the section headed **Portfolio Transactions and Conflicts of Interest**;

**Data Protection Legislation** means (i) the Data Protection Acts 1988 and 2003 or any other legislation or regulations implementing Directive 95/46/EC, (ii) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (iii) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) (**GDPR**) and any consequential national data protection legislation and (iv) any guidance and/or codes of practice issued by the Irish Data Protection Commissioner or other relevant supervisory authority, including without limitation the European Data Protection Board;

**Depository** means **Citi Depository Services Ireland Designated Activity Company**, or any successor thereto duly appointed with the prior approval of the Central Bank;

**Depository Agreement** means the agreement dated 9 September 2016 between the ICAV, the Manager and the Depository as amended, novated, supplemented or otherwise restated or modified from time to time in accordance with the requirements of the Central Bank UCITS Regulations;



**Dealing Day** means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days for each Fund in each month (with at least one Dealing Day per fortnight of the relevant month);

**Dealing Deadline** means in relation to applications for subscription repurchase or exchange of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund;

**Directors** mean the directors of the ICAV, each a **Director**;

**Distributor** means the Global Distributor or any Sub-Distributor, as applicable;

**EEA** means European Economic Area (the current members being: the EU, Iceland, Liechtenstein and Norway);

**EEA Member State** means a member state of the EEA;

**Efficient Portfolio Management** means investment decisions involving transactions that are entered into for one or more of the following specific aims: the reduction of risk; the reduction of cost; or the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the relevant Fund as described in the Prospectus and Supplement for the relevant Fund and the general provisions of the UCITS Directive;

**EU** means the European Union, the current members being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and The Netherlands;

**EU Benchmark Regulation** means Regulation (EU) 2061/1011 of the European Parliament and the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) NO 596/2014;

**EU Member State** means a member state of the EU;

**Euro** or **€** or **EUR** means the lawful currency of the Eurozone or any successor currency;

**Euronext Dublin** means the Irish Stock Exchange plc trading as Euronext Dublin;

**Eurozone** means those countries who use the Euro as their lawful currency;

**Exchange Charge** means the charge, if any, payable on the exchange of Shares as is specified herein or in the relevant supplement;

**FDI** means a financial derivative instrument permitted by the Regulations;

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the ICAV with the appropriate declaration under Schedule 2B of the TCA and the ICAV is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject to have been satisfied;

**Fund** means a portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and **Funds** means all or some of the Funds as the context requires or any other funds as may be established by the ICAV from time to time with the prior approval of the Central Bank;

**Global Distributor** means the Manager, in the context of its distribution functions;

**Income Share** means a Share of a class available in each Fund of the ICAV which distributes substantially the whole of the net income (including interest and income) attributable to such Shares as more particularly described in the relevant Supplements;

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Instrument of Incorporation** means the Instrument of Incorporation of the ICAV as amended from time to time in accordance with the requirements of the Central Bank;

**Issue Price** means the Net Asset Value per Share as at the Valuation Point;

**Manager** means Aegon Investment Management B.V., or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

**Management Agreement** means the management agreement between the Manager and the ICAV dated 4 March 2022 as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Markets** mean the stock exchanges and regulated markets set out in Schedule I;

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may decide for a Fund and as set out in the Supplement for the relevant Fund;

**Minimum Initial Investment Amount** means such amount or number of Shares (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of each class in a Fund as is specified in the Supplement for the relevant Fund;

**Minimum Shareholding** means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Fund;

**Minimum Repurchase Amount** means such number or value of shares of any class (if any) as specified in the Supplement for the relevant Fund;

**Money Market Instruments** shall have the meaning prescribed in the Central Bank UCITS Regulations as may be amended from time to time;

**Month** means calendar month;

**Net Asset Value** or **Net Asset Value per Share** means in respect of the assets of a Fund or the Shares in a Fund, the amount determined in accordance with the principles set out in the Calculation of Net Asset Value/Valuation of Assets section below as the Net Asset Value of a Fund or the Net Asset Value per Share;

**OECD** means the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States) which includes any other country or countries which become members of the OECD from time to time;

**OECD Member State** means a member state of the OECD;

**OTC derivative** means a financial derivative instrument permitted by the Regulations which is dealt over the counter;

**Persons Closely Associated** in relation to a director means:

- a) the spouse of the director,
- (b) dependent children of the director,
- (c) other relatives of the *director*, who have shared the same household as that person for at least one year on the date of the transaction concerned,

- (d) any person -
  - (i) the managerial responsibilities of which are discharged by a person -
    - (a) discharging managerial responsibilities within the issuer, or
    - (b) referred to in paragraph (a), (b) or (c) of this definition,
  - (ii) that is directly or indirectly controlled by a person referred to in subparagraph (i) of paragraph (d) of this definition,
  - (iii) that is set up for the benefit of a person referred to in subparagraph (i) of paragraph (d) of this definition, or
  - (iv) the economic interests of which are substantially equivalent to those of a person referred to in subparagraph (i) of paragraph (d) of this definition;

**Preliminary Charge** means in respect of a Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Fund;

**Privacy Statement** means the privacy statement adopted by the ICAV, as amended from time to time, the current version of which is available via the website at Aegon Asset Management website documents section ([www.aegonam.com](http://www.aegonam.com));

**Relevant Declaration** means a correctly completed declaration relevant to Shareholders which meets the requirements set out in Schedule 2B of the TCA.

**Relevant Period** means an 8 year period beginning with the acquisition of the Shares by the Shareholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.

**Repurchase Charge** means, in respect of a Fund or class thereof, the charge payable (if any) on a repurchase of Shares as is specified in the Supplement for the relevant Fund;

**Repurchase Price** means the Net Asset Value per Share as at the Valuation Point;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, supplemented, consolidated or otherwise modified from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;

**Related Companies** has the meaning assigned thereto in Companies Act. 2014. In general this states that companies are related where 50% of the paid up share capital of, or 50% of the voting rights in, one ICAV are owned directly or indirectly by another ICAV;

**Settlement Date** means in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline;

**SFDR** 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;

**Shares** means participating shares in the ICAV representing interests in a Fund and where the context so permits or requires any class of participating shares representing interests in a Fund;

**Shareholders** means holders of Shares, and each a **Shareholder**;

**Sub-Distribution Agreement** means the novated, amended and restated distribution agreement between the ICAV, Global Distributor and Aegon Asset Management UK plc dated 4 March 2022 as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;

**Sub-Distributor** means any sub-distributor appointed by the Global Distributor from time to time;

**Supplement** means any supplement to the Prospectus issued on behalf of the ICAV from time to time;

**Taxable Irish Person** has the meaning given to it in the section entitled "Taxation";

**Taxonomy Regulation** 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, and amending Regulation (EU) 2019/2088, as may be amended from time to time;

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**transferable securities** shall have the meaning prescribed to it in the Central Bank UCITS Regulations as may be amended from time to time;

**UCITS** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with the UCITS Directive:

the sole object of which is the collective investment in transferable securities and/or in other financial instruments of capital raised from the public and which operates on the principle of risk-spreading; and

the shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of that undertaking's assets;

**UCITS Directive** means the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations;

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

**United States** and **U.S.** means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;

**US Dollars, Dollars** and **\$** means the lawful currency of the United States or any successor currency;

**U.S. Person** means any person falling within the definition of the term **US Person** under Regulation S promulgated under the US Securities Act 1933, as amended from time to time;

**Valuation Point** the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.

### 3. FUNDS

The ICAV has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. As at the date of this Prospectus, the ICAV has the following Funds in existence:

- (1) Aegon Euro Credits Fund;
- (2) Aegon European ABS Fund;
- (3) Aegon European High Yield Bond Fund;
- (4) Aegon US High Yield Bond Fund;
- (5) Aegon European Government Bond Fund;
- (6) Aegon Emerging Markets Debt Fund;
- (7) Aegon US Short Duration High Yield Bond Fund;
- (8) Aegon Global Multi Asset Credit Fund;
- (9) Aegon US High Yield Select Bond Fund;\*
- (10) Aegon Alternative Risk Premia Fund; and
- (11) Aegon Global Sustainable Sovereign Bond Fund.

\*Please note the Aegon US High Yield Select Bond Fund is in the process of being terminated.

#### 3.1. Investment Objective and Policies

The Instrument of Incorporation provides that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective

and policies for each Fund of the ICAV appear in the Supplement for the relevant Fund. Where relevant, information in relation to the sustainability investment policies of a Fund are set out in the Funds' Appendix I to the relevant Supplement.

Any change in the investment objective or any material change to the investment policies of a Fund may only be made with the approval of an ordinary resolution on the basis of a majority of votes cast at a general meeting of the Shareholders of the Fund. Subject thereto, non-material changes to the policy of a Fund may be amended from time to time by the Directors if they shall deem it to be in the best interest of the relevant Fund to do so. In the event of a change of investment objective and/or material change of the policies of a Fund, the changes will be provided for in an update to the relevant Supplement of the Fund and a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

The list of Markets on which a Fund's investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and OTC derivative instruments, will be listed or traded is set out in Schedule 1.

### 3.2. **Investment Restrictions**

The investment restrictions applying to each Fund of the ICAV under the Regulations are set out below. These are, however, subject to the qualifications and exemptions, some subject to derogations being granted by the Central Bank contained in the Regulations and in the Central Bank UCITS Regulations. Any additional investment restrictions for other Funds will be formulated by the Directors at the time of the creation of such Fund.

The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are located.

#### 3.2.1. **Permitted Investments**

Investments of a Fund are confined to:

- (1) transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- (2) recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- (3) money market instruments, other than those dealt on a regulated market.
- (4) units of UCITS
- (5) units of AIFs
- (6) deposits with credit institutions
- (7) financial derivative instruments

#### 3.2.2. **Investment Limits**

- (1) A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 3.2.1.
- (2) A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 3.2.1 within a year. This restriction will not apply in relation to investment by the Fund in certain US securities known as Rule 144A securities provided that:

- (a) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- (3) A Fund 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%.
- (4) Subject to the prior approval of the Central Bank, the limit of 10% (in 3.2.2(3)) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund.
- (5) The limit of 10% (in 3.2.2(3)) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- (6) The transferable securities and money market instruments referred to in 3.2.2(4) and 3.2.2(5) shall not be taken into account for the purpose of applying the limit of 40% referred to in 3.2.2(3).
- (7) A Fund shall not invest more than 20% of its assets in deposits made with the same body.
- (8) The risk exposure of a Fund to a counterparty to an over the counter (**OTC**) derivative may not exceed 5% of net assets.
- (9) This limit is raised to 10% in the case of 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, 1988; or a credit institution authorised in the Channel Islands, the Isle of Man, Australia or New Zealand.
- (10) Notwithstanding paragraphs 3.2.2(3), 3.2.2(7) and 3.2.2(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:
- (a) investments in transferable securities or money market instruments;
  - (b) deposits, and/or
  - (c) counterparty risk exposures arising from OTC derivatives transactions.
- (11) The limits referred to in 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(10) above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- (12) Group companies are regarded as a single issuer for the purposes of 3.2.2(3), 3.2.2(4), 3.2.2(5), 3.2.2(7), 3.2.2(8) and 3.2.2(10). However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- (13) A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local

authorities, non-EU Member States or public international bodies of which one or more EU Member States are members or any of the following. The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

OECD member states

Government of the People's Republic of China

Government of Brazil, (provided the relevant issues are investment grade)

Government of India, (provided the relevant issues are 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 Fund LLC

### 3.2.3. **Investment in Collective Investment Schemes (CIS)**

Where a Fund can invest in CIS this will be set out in the relevant Fund's Supplement and the following restrictions will apply:

- (1) Subject to any lower limit specified in a particular Supplement, a Fund may not invest more than 20% of net assets in other collective investment schemes.
- (2) Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets of a Fund.
- (3) The CIS in which a fund invests must be prohibited from investing more than 10% of its net assets in other open ended collective investment schemes.

- (4) When a Fund invests in the units of other CIS that are managed directly or by delegation, by the Manager or by any other company with which the Manager 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 Fund's investment in the units of such other CIS.
- (5) Where a commission (including a rebated commission) is received by the Fund manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

#### 3.2.4. **Index Tracking UCITS**

- (1) A Fund 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 Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- (2) The limit in 3.2.4(1) may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

#### 3.2.5. **General Provisions**

- (1) 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.
- (2) A Fund may acquire no more than:
  - (a) 10% of the non-voting shares of any single issuing body;
  - (b) 10% of the debt securities of any single issuing body;
  - (c) 25% of the units of any single CIS;
  - (d) 10% of the money market instruments of any single issuing body.

The limits laid down in 3.2.5(2)(b), 3.2.5(2)(c) and 3.2.5(2)(d) 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.

- (3) 3.2.5(1) and 3.2.5(2) shall not be applicable to:
  - (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  - (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  - (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  - (d) shares held by a Fund in the capital of a ICAV incorporated in a non-EU 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 Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the ICAV from the non-EU Member State complies with the limits laid down in 3.2.2(3) to 3.2.2(11), 3.2.3(1), 3.2.3(2), 3.2.5(1), 3.2.5(2),



3.2.5(4), 3.2.5(5) and 3.2.5(6) and provided that where these limits are exceeded, paragraphs 3.2.5(5) and 3.2.5(6) below are observed;

- (e) shares held by an investment company 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.
- (4) The ICAV 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) The Central Bank may allow recently authorised Funds to derogate from the provisions of 3.2.2(1) to 3.2.2(12), 3.2.3(1), 3.2.3(2), 3.2.4(1) and 3.2.4(2) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- (6) If the limits laid down herein 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 for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- (7) A Fund may not carry out uncovered sales of:
  - (a) transferable securities;
  - (b) money market instruments;
  - (c) units of CIS; or
  - (d) financial derivative instruments.
- (8) A Fund may hold ancillary liquid assets.

### 3.2.6. **Financial Derivative Instruments (FDIs)**

- (1) A Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total Net Asset Value.
- (2) Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the 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.)
- (3) A Fund may invest in FDIs dealt in over-the-counter (**OTC**) provided that the counterparties to over-the-counter (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (4) Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

Any OTC transactions must be with an approved counterparty (eligible institutions, money market institutions or other counterparty with which a UCITS may contract etc.) and in accordance with the requirements of the Central Bank.

### 3.3. **Responsible Investing**

As a signatory of the UN Principles for Responsible Investment since 2011, Aegon AM, being the group of which the Manager is a part, is committed to incorporating financially material environmental, social and governance ("**ESG**") factors into investment analysis and decision-making processes, with the aim

to help mitigate risk and uncover opportunities. Aegon AM believe this will support long-term value creation. Aegon AM's approach to ESG integration is further elaborated in the Aegon AM Responsible Investment Framework (available at [www.aegonam.com](http://www.aegonam.com)).

The Funds are subject to the Aegon AM NLSustainability Risks and Impacts Policy which can be found in the responsible investing page of the Aegon AM website [www.aegonam.com](http://www.aegonam.com). This policy outlines specific requirements that find their origin in regulation as well as in widely accepted international standards, treaties, and guidelines. The policy covers further information on how sustainability risks are considered, as also summarised below in the Sustainability Risks Section, and how and to what extent the Manager considers principal adverse impacts for the relevant Funds, as defined in the Funds' Appendix I to the relevant Supplement.

ESG factors are systematically integrated into Aegon AM's bottom-up research process for fixed income and equity issuers. The key is to identify financially material factors which could affect long-term growth potential, profitability or creditworthiness, and to assess if they are appropriately priced. Examples of such factors include greenhouse gas emissions, employee relations and board independence. The ESG integration process is focused on managing such sustainability risks and identifying opportunities by including additional information in investment analysis. ESG integration does not seek to make ethical, sustainability or responsible value judgements, and imposes no ESG related restrictions on the investment universe.

The Manager also seeks to identify principal adverse impacts of investments on sustainability factors where possible and relevant by screening holdings annually against certain criteria based on widely accepted international treaties, standards and guidelines. Where high or poorly managed adverse impacts are uncovered, Aegon AM will seek to mitigate such impacts through active ownership practices and potential exclusion. Further information on this can be found in the Aegon AM NL Sustainability Risks and Impacts Policy (available at [www.aegonam.com](http://www.aegonam.com)).

Active ownership practices are adopted where appropriate and depending on the Fund's asset class. Engaging with corporate issuers is a key active ownership practice, the Manager can decide to engage with a company both as a shareholder, as well as a bondholder or provider of any other debt. For instance, Aegon AM and the Manager continuously monitor portfolios to ensure that they operate in accordance with the relevant investment objective. Aegon AM follows the UK and Dutch Stewardship Codes and the Principles for Responsible Investment to engage with the companies in which it invests to improve ESG performance and corporate behaviour. After engagement, Aegon AM will review and report on the relevant company's progress annually. The Aegon AM Active Ownership policy provides more detail on how Aegon AM implements its active ownership practices (available at [www.aegonam.com](http://www.aegonam.com)).

### 3.4. Sustainability Risks

This subsection explains how sustainability risks (i.e., the risk that an environmental, social or governance event or condition that could cause a material negative impact on a Fund, an "ESG risk") are integrated in investment decisions and the likely impacts of ESG risks on the returns, as required by the Article 6 of SFDR. Where a Fund promotes ESG characteristics or has sustainable investment as its objective (in the context of Article 8 and 9 of SFDR, respectively), further details are set out in the relevant Supplement and Appendix I annexed thereto.

The Manager integrates material ESG risks in its investment decisions in order to arrive at an independent, comprehensive view of an investment. By doing this, the Manager identifies financially material factors which could affect the issuer's long-term growth potential, profitability or creditworthiness, and assesses if investments are appropriately priced. The process consists of integrating financially material ESG factors in the traditional financial analysis framework to help inform the decision making. A non-exhaustive list of potentially material ESG factors includes greenhouse emissions, energy efficiency, human rights and labour standards, board diversify, anticorruption policies, among others. For further details, please refer to the Aegon AM NL Sustainability Risks and Impacts Policy which can be found on the Aegon AM website documents section ([www.aegonam.com](http://www.aegonam.com)).

A significant and growing body of academic research, such as the study "ESG and Financial Performance: Aggregated Evidence from More than 2000 Empirical Studies" by Friede et al, demonstrates that good ESG practices can enhance corporate financial performance in the long-term. This value can manifest itself in the form of lower cost of and access to capital, better operational

performance, reduced reputational risks and in turn, potentially superior long-term returns. Aegon AM believes environmental and social risks are investment risks. Exogenous risks, such as natural disasters and pandemics, can disrupt industries and threaten business models. Failure to effectively manage such risks can lead to a range of financial, legal and reputational consequences for the issuer. A company's ability to mitigate such risks can have a profound effect on their ability to create and sustain long-term value. Furthermore considering ESG factors can help uncover opportunities. Aegon AM believes integrating ESG factors into investment decisions can lead to better investment outcomes as we seek to maximize long-term performance. We find that it is quite challenging to analyse future profitability without considering ESG factors. By focusing solely on financial metrics, Aegon AM may inadvertently overlook opportunities to generate value.

The identification of sustainability risks and their likely impact on returns is performed on the holdings of a given Fund.

(I) Sustainability risks associated with investment in equities

For investments relating to individual companies in the case of equity funds, environmental (including climate change), social and governance issues are all explicitly considered in the Manager's fundamental research, as each have the potential to materially impact both the financial performance and the valuation of the investee companies. The judgement the Manager makes reflects the extent to which it believes ESG issues impact a stock's investment case, either positively or negatively. The Manager follows a fundamental analysis process while assessing 'E', 'S' and 'G' factors both from a risk and opportunity perspective and the Manager tailors this to the specific circumstances of a company. Examples of areas that may be included are a company's range of products and their implications for ESG outcomes; climate change policies and impact; tax transparency; carbon emissions; governance structure; management board structure and compensation; social policies; how a company is positioned for the transition to a greener economy; and its resource efficiency.

The Manager in such equity funds uses a three-stage ESG framework to determine the materiality of the identified ESG factors from a risk and return perspective. Stage 1 involves identifying the most important ESG factor impacts for a given company. Stage 2: When evaluating a given ESG factor, determining its level of significance relative to other considerations. Stage 3: Looking at the direction of ESG change (ESG momentum) and a company's overall ESG profile

(ii) Sustainability risks associated with investment in bonds

For corporate bond funds, the Manager identifies and analyzes relevant and material ESG factors. The Manager maintains a proprietary, standardized process to categorize ESG-related opportunities and risks for corporate credit. This process combines external ESG information with the Manager's internal ESG assessment, alongside traditional financial metrics. The external ESG information serves as a starting point, but is expanded by the Manager's proprietary research, including industry-related ESG topics, historical perspective on governance-related factors for companies and countries, and context around any historical impacts to valuation or credit quality as it relates to ESG factors. Focus is given to the potential economic effect ESG issues may have on the issuer's ability and willingness to meet debt obligations.

Although ESG factors are identified and assessed individually, the Manager takes a holistic approach to integrating ESG-specific factors along with more traditional credit analysis to understand the overall credit profile and how it affects the investment opportunity as a whole. The Manager's ESG integration process has three key objectives:

1. Evaluate economic impact and effect on creditworthiness: What is the potential economic impact and the associated effect on the issuer's creditworthiness?
2. Assess impact on valuation: Are ESG risks and opportunities accurately reflected in credit spreads?
3. Identify engagement opportunities: Could engagement be beneficial in an effort to generate long term economic value?

(iii) Sustainability risks associated with investment in sovereign bonds

For sovereign bond funds, the Manager identifies and analyzes relevant and material ESG factors. The Manager has developed a proprietary ESG scoring methodology to support its qualitative research process. This process collates multiple data sources to identify material ESG factors and the level of risk countries may face considering the development profile. The result is a proprietary ESG score for each sovereign. The ESG scores can help contextualize ongoing ESG issues and their materiality, as well as recent ESG trends in that country. This information is then used as an input to the Manager's qualitative ESG research integration process which underpins its sovereign ESG assessments.

In the sovereign ESG assessment the Manager may combine any available quantitative information, qualitative assessments, and historical experience and knowledge to understand and analyze each sovereign. This is also important when weighing one country against another to help determine a relevant score. For example, economic limitations for emerging sovereigns need to be accounted for and analyzing ESG factors on a relative scale that matches the level of development is pivotal. Conversely, developed sovereigns may have higher exposure to ESG risk reflected in abundant resources and higher consumption patterns, raising the expectations on ESG risk management. The starting point is thus certainly different, and views on relative policy implementation and its trends should be incorporated.

The assessment incorporates the expected possible effects that ESG issues could have on the sovereign's ability and willingness to pay its debt, which is paramount in sovereign analysis. The resulting level of credit impact is based on five levels with increasing magnitude.

However, it should be noted that while ESG risks are considered systematically no one aspect (including ESG ratings) would prevent the Manager from making any investment as investment decisions remain discretionary.

Please see additional risks disclosed under "Risk Factors" below.

### 3.5. Taxonomy Regulation

The Taxonomy Regulation establishes criteria for determining whether an economic activity qualifies as environmentally sustainable in the context of particular environmental objectives. As at the date hereof, the only such objectives are climate change mitigation and adaptation (the "**Climate Objectives**").

The Taxonomy Regulation also requires disclosure regarding how and to what extent the investments of each Fund are in economic activities that qualify as environmentally sustainable pursuant to those criteria (i.e., Taxonomy-aligned investments). These disclosures are set out below.

#### *Funds subject to the disclosure requirements of article 8 of the SFDR*

For each Fund other than Aegon Alternative Risk Premia Fund (categorised as falling within the scope of Article 8 of SFDR (as disclosed in the relevant Supplement and Appendix I attached thereto), the investment policy, as set out in the relevant Supplement, describes how the relevant Fund promotes ESG characteristics through, amongst other things, consideration of a wide range of environmental characteristics, including the Climate Objectives.

In order for an investment to qualify as environmentally sustainable as at the date hereof, it must meet a number of different criteria, including that it contributes substantially to a Climate Objective, as measured according to the technical screening criteria set out in the Taxonomy Regulation, and that it must not significantly harm any of the environmental objectives set out in the Taxonomy Regulation.

The relevant Funds seek to promote environmental characteristics, however do not make any assessment of whether its investments are Taxonomy-aligned; as such, the relevant Funds will invest 0% of their respective Net Asset Value in Taxonomy-aligned investments, unless otherwise disclosed in the relevant Supplement.

The "do no significant harm" principle referred to above applies only to those investments underlying the relevant Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the relevant Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Other Funds*

Investors should note, with respect to the Aegon Alternative Risk Premia Fund, that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

### 3.6. **Principal Adverse Impacts (PAIs) considerations**

In the case of the Aegon Alternative Risk Premia Fund, all or the majority of the portfolio consists of securities that do not lend themselves for the consideration of adverse impacts, and therefore the Fund will not consider principal adverse impacts of investment decisions on sustainability factors due to the nature of its investments.

Further details on whether and how the Manager considers PAIs are disclosed for those Funds categorised as Article 8 of SFDR in the Funds' Appendix I to the relevant Supplement. The Manager interprets consideration to mean awareness of the PAI indicators, where data is available. Certain security types or asset classes may have limited or no PAI data available. PAIs are taken into account within the context of the Fund's investment objective.

The Manager considers PAIs, where data is available, alongside other factors in its investment decisions. PAI factors will be included in the applicable reports alongside the sustainability risk assessment (ESG integration) for consideration in our investment process. However, PAIs may be no more significant than other factors in the investment selection process, such that PAIs may not be determinative in deciding to include or exclude any particular investment in the portfolio.

In addition to considering the PAI indicators, certain issuers are excluded on the basis of their activities and associated adverse impacts. These exclusion criteria are outlined in the description of the Fund's investment strategy as detailed in the Funds' Appendix I to the relevant Supplement. Further details are also set out in the Manager's Sustainability Risks and Impacts Policy applicable to the Fund (the "Aegon AM NL Sustainability Risks and Impacts Policy"), which can be found on the Aegon AM website documents section ([www.aegonam.com](http://www.aegonam.com)).

More information on how PAIs were considered during a specific reporting period can be found in the SFDR periodic disclosure.

### 3.7. **Utilisation of FDI**

Where indicated in its Supplement, a Fund may use derivatives for investment and/or Efficient Portfolio Management (**EPM**) purposes (as indicated in the relevant Supplement).

A Fund's utilisation of FDI dealt on a regulated market and/or OTC derivatives for investment purposes shall be subject to the Regulations and the Central Bank UCITS Regulations and within the limits prescribed by, the Central Bank.

Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Fund. The conditions applicable to EPM are set out below.

For the purpose of providing margin or collateral in respect of transactions in FDI, the ICAV may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

The use of FDIs for investment purposes will result in the creation of financial leverage and any such leverage will be within the limits set down by the Central Bank. The level of leverage of a Fund is set out the relevant Supplement.

The Fund must at any time, be capable of meeting all of its payment and delivery obligations incurred in respect of its FDI transactions.

The use of FDIs will be set out in the relevant Supplement and the ICAV will employ a risk-management process which enables it to accurately measure, monitor and manage at any time the risk of a Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before utilising any FDI on behalf of a Fund, a risk management process report must be filed with the Central Bank in respect of the ICAV and in accordance with particular requirements of the Central Bank shall specify, for that purpose, the types of FDI, the underlying risks, the quantitative limits and the methods which are

chosen in order to monitor the risks associated with transactions in any FDI applicable to a Fund. A Fund will not employ any FDI that are not included in the existing risk management process which has been cleared by the Central Bank. The Manager will on request provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Funds.

Investors should refer to the **Risk Factors** section in this Prospectus for an overview of the risks associated with the use of FDI and techniques and instruments for investment and/or efficient portfolio management purposes.

The following is a description of the types of FDI which may be used by the Funds.

#### *Interest Rate Futures*

An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

Interest rate futures contracts allow a Fund to hedge against interest rate risk. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. The Manager may enter into interest rate futures contracts in order to both hedge and more efficiently manage a Fund.

#### *Forwards*

A Fund may buy and sell currencies on a spot and 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 and efficiently manage currency exposure. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces a Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of a Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering into a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for a Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange and interest rate risks, increasing exposure to a currency and shifting exposure to currency fluctuations from one currency to another. Currency forwards are transacted over-the-counter (**OTC**).

#### *Credit Default Swaps*

A Fund may enter into credit default swaps to isolate and transfer the credit risk associated with a particular reference asset. Credit default swaps provide a measure of protection against defaults of debt issuers. A Fund's use of credit default swaps does not assure their use will be effective or will have the desired result. A Fund may either be the buyer or seller in a credit default swap transaction. Credit default swaps (including single name credit default swaps) are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If a Fund is a buyer and no credit event occurs the Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, a Fund will receive a fixed rate of

income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation. For example, a Fund may use credit default swaps to alter the Fund's exposure in accordance with the Manager's outlook for broad credit movements at the time.

#### *Interest Rate Swaps*

An interest rate swap is an agreement negotiated between two parties to exchange EURIBOR and/or other similarly recognised interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a floating interest rate in return for receiving a fixed interest rate, either at regular intervals during the life of the swap or at the maturity of the swap. Interest rate swaps may be used to take long or short exposure to interest rates or to manage interest rate risk and duration exposure.

#### *Inflation Swaps*

An inflation swap operates in a similar way to an interest rate swap except that it is an agreement negotiated between two parties to exchange payments at a fixed or floating rate in return for payments based on realised inflation over the relevant period. Inflation swaps can allow the inflation sensitivity profile of a Fund to be changed more efficiently than through the use of physical cash markets. They may also be used to express views on the future level of inflation.

#### *Currency Swaps*

A currency swap is an agreement between parties to exchange sequences of cash flows over a period in the future. The cash flows that the counterparties make are tied to the value of foreign currencies. A Fund may use such swaps to cover the risk of the value of a particular currency rising or falling over time.

#### *Asset Swaps*

An asset swap is an agreement negotiated between two parties to exchange the cash flows resulting from a purchased asset, typically government bonds and government guaranteed bonds, for a return in excess of EURIBOR or other similarly recognised interest rate cash flows, calculated and paid at specified dates during the life of the swap or at the maturity of the swap.

#### *Warrants*

A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically longer dated. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

#### *Convertible securities*

Convertible securities are convertible bonds, warrants and preferred stock which are convertible into the common equity of a company.

#### *Options*

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Fund may be a seller or buyer of put and call options. The Manager may also enter into options on interest rate or bond futures to reflect its view that credit risk may change in a particular way or alternatively, to reflect its view on interest rate volatility. A Fund may purchase or sell these instruments either individually or in combinations.

A Fund may purchase options to seek to provide an efficient, liquid and effective mechanism for locking in gains and/or protecting against future declines in the value of securities that it owns in order to benefit from future gains in the value of a security without the risk of the fall in value of security below the strike price.

A Fund may write (sell) options in respect of underlying assets including writing call options which will give the counterparty a right to call for delivery of the asset at a given price in return for the payment of a premium to the Fund by the counterparty. The sale of options may be used for hedging at portfolio level or for the purposes of EPM to manage the underlying securities with the aim of reducing risk, reducing cost or potentially obtaining increased revenue for the portfolio. For example, the Manager may write/sell a put option on the underlying securities where it is believed that price of the underlying security will rise. In such a scenario, the purchaser will pay a premium to the Fund for the put option which will increase the revenue for the Fund.

### **Securities Financing Transactions: Stocklending, Repurchase Agreements and Reverse Repurchase Agreements**

Subject to the investment policies and restrictions for a Fund set out in the Supplement in respect of a Fund, a Fund may also enter into one or more repurchase or reverse repurchase transactions ("repo transactions") or stocklending transactions (**Securities Financing Transactions**) in respect of any Fund for Efficient Portfolio Management purposes and this fact will be set out in the relevant Supplement, where applicable. The use of such transactions or agreements is subject to the conditions and limits set out in the Central Bank UCITS Regulations.

The use of Securities Financing Transactions may only be effected in accordance with normal market practice and all assets received under such transactions will be considered collateral and will comply with the criteria set out in the section entitled "Collateral Management Policy". In accordance with normal market practice, borrowers will be required to provide collateral to the ICAV of a value of at least equal to the market value of any securities loaned in accordance with the collateral policy as set out below.

The types of assets of a Fund that may be subject to a Securities Financing Transaction will be determined by the ICAV in accordance with the investment policy of a Fund and may include, but shall not be limited to, debt and debt related securities, structured financial instruments, including asset backed securities, and liquid and near cash assets, such as short-term fixed income securities, instruments and obligations, bills, commercial paper and notes, equity and equity related securities, derivatives and other permitted investments of a Fund specified in the Supplement for a Fund.

The assets and collateral subject to Securities Financing Transactions shall be held by the Depositary.

Briefly, Securities Financing Transactions are those where one party ('Party A') delivers securities to the other ('Party B') in return for which it is agreed that securities of the same kind and amount should be redelivered to Party A at a later date. Party B provides Party A with collateral to cover against the risk of the future redelivery not being completed.

If Securities Financing Transactions are entered into, counterparty risk exposures will be aggregated across

- (i) Securities Financing Transactions (as appropriate) and
- (ii) the derivative transactions used for efficient portfolio management (referred to above).

Any Securities Financing Transactions will only be entered into with institutions of appropriate financial standing which engage in these types of arrangements and which are acceptable to the Depositary and the Manager by the ICAV's lending agent and will be on arm's length commercial terms.

Factors that may be taken into account when considering financial standing include whether the counterparty is subject to prudential regulation and supervision. Other criteria that could be used when selecting counterparties include legal status, country of origin and any credit rating.

Securities Financing Transactions may in some cases result in reduced performance but may nonetheless be entered into where the ICAV believes it to be in the best interests of a Fund, for example in order to manage risk.

Any potential conflict of interests relating to Securities Financing Transactions shall be dealt with in accordance with the section above headed 'Conflicts of Interests'. For Securities Financing Transactions



made with connected persons of the Depositary or the Manager, it must be made on arm's length commercial terms and the Depositary's written consent is required.

Unless otherwise specified in the Supplement for a Fund, the proportion of assets under management subject to Securities Financing Transactions is expected to vary between 0% and 30% of the Net Asset Value of the relevant Fund and will be subject to a maximum of 100% of the Net Asset Value of the relevant Fund. Such variations may be dependent on, but are not limited to, factors such as total Fund size, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying markets. In order to reduce its exposure to any counterparty through Securities Financing Transactions, a Fund will adopt collateral arrangements as described under the "**Collateral Management Policy**" section in the Prospectus.

Please see **RISK FACTORS** for the risks involved in entering into Securities Financing Transactions.

### **Conditions applicable to EPM**

EPM transactions must satisfy the following broadly-based requirements:

- 3.7.1. they must be economically appropriate.
- 3.7.2. The purpose of such transactions for any Fund must be to achieve one of the following in respect of a Fund:-
  - (1) Reduction of risk
  - (2) Reduction of cost
  - (3) The generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund.

The relevant purpose must relate to the assets of a Fund; property (whether precisely identified or not) which is to be or proposed to be acquired for a Fund; and anticipated cash receipts in respect of the Fund, if due to be received at some time and likely to be received within one month.

- 3.7.3. Each transaction must be covered globally, that is, a Fund's exposure must not exceed its Net Asset Value, taking into account the value of the underlying assets, future market movements, counterparty risk and the time available to liquidate any position. The global exposure must be calculated on at least a daily basis.

Direct and indirect operational costs and fees incurred in performing these transactions may be deducted from any associated revenue delivered to a Fund. The Manager shall ensure that all such revenue, net of direct and indirect operational costs, will be returned to the relevant Fund. Such costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The Manager does not receive costs or fees for techniques of this type. The entities to which such costs and fees are paid will be disclosed in the annual report and audited accounts of the ICAV (including whether such entities are related to the Manager or Depositary).

The Collateral Management Policy set out below shall apply to any collateral received in respect of an EPM transaction.

### 3.8. **Collateral Management Policy**

#### **Types of Collateral**

##### **Non Cash Collateral**

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

- (i) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions

of Regulation 74 of the Regulations (paragraphs 5.1-5.3 in the section entitled "Investment Restrictions" at 3.4 above);

- (ii) **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) **Issuer credit quality:** Collateral received should be of high quality. The ICAV shall ensure that:
  - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the ICAV in the credit assessment process; and
  - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the issuer by the ICAV without delay;
- (iv) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the relevant Fund. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, 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 should not account for more than 30 per cent of the Fund's net asset value. Please see paragraph 3.2.2. (12) in the section entitled "Investment Restrictions" at 3.2 in the Prospectus for a list of individual issuers;
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the ICAV at any time without reference to or approval from the relevant counterparty; and

Non-cash collateral received cannot be sold, pledged or reinvested by the Fund. Where a Fund receives collateral on a title transfer basis, that collateral shall be held by the Depository.

### Cash Collateral

Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depository provided that that depository is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

Reinvestment of cash collateral must be in accordance with the following requirements:

- (i) cash received as collateral may only be invested in the following:
  - (a) deposits with a credit institution authorised in the European Economic Area (EEA) (EU Member States, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United Kingdom, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);
  - (b) high quality government bonds;

- (c) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the ICAV is able to recall at any time the full amount of cash on an accrued basis;
- (d) short-term money market funds as defined in Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017;
- (ii) invested cash collateral must be diversified in accordance with the requirements in section 3.8.1.1 (v) above;
- (iii) invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Please see **RISK FACTORS** for details of collateral risk.

### Level of Collateral Required

Unless otherwise specified in a Supplement for a Fund, the levels of collateral required are as follows:

Repurchase agreements	at least 100% of the exposure to the counterparty
Reverse repurchase agreements	at least 100% of the exposure to the counterparty
Lending of portfolio securities	at least 100% of the exposure to the counterparty
OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in <b>Investment Restrictions</b>

### Haircut Policy

In advance of entering into OTC derivative transactions, repurchase and reverse repurchase agreements, the Manager will determine what, if any, haircut may be required and is acceptable for each class of asset to be received as collateral, which will be set out in the agreement with the relevant counterparty or otherwise documented at the time of entering into such agreement. Such haircut will take into account the characteristics of the asset such as the credit standing or price volatility of the assets received as collateral and, where applicable, the outcome of any stress test performed in accordance with the Central Bank's requirements.

In the event that a Fund may enter into a securities lending transaction, the Manager does not intend to apply a haircut to any non-cash assets received as collateral but instead, in accordance with market practice, intends to operate a policy of over-collateralisation whereby collateral will be marked to market on an on-going basis. Counterparties may be required to post additional collateral from time to time.

### 3.9. Borrowing and Lending Powers

The ICAV may not borrow money except insofar as is permitted under the Regulations.

The ICAV may borrow, for the account of a Fund, up to 10% of the net assets of a Fund and the assets of such Fund may be charged as security for any such borrowings provided that such borrowing is only for temporary purposes. The ICAV may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

The ICAV may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

The ICAV may not borrow for investment purposes.

Without prejudice to the powers of the ICAV to invest in transferable securities, the ICAV may not lend, or act as guarantor on behalf of third parties.

Any special borrowing restrictions relating to a Fund will be formulated by the Directors at the time of the creation of a Fund. There are no special borrowing restrictions currently in operation.

### 3.10. **Charges and Expenses**

When a Fund invests in the shares of other UCITS or collective investment undertakings or both and those other UCITS or collective investment undertakings are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company shall not charge subscription or repurchase fees on account of the investment of the Fund in the shares of such other UCITS or collective investment undertakings or both, as the case may be.

If a Fund invests a substantial proportion of its net assets in other UCITS or collective investment undertakings or both the maximum level of the management fees that may be charged to the Fund by the other UCITS or collective investment undertakings or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the ICAV's annual report.

### 3.11. **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the relevant Supplement. Under the Instrument of Incorporation, the Directors are entitled to declare dividends out of the relevant Fund being:

- (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less any applicable expenses;
- (ii) realised and unrealised capital gains on the disposal/ valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund; and/or
- (iii) capital.

The ICAV will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities.

Insofar as Shares are listed on Euronext Dublin, dividends (if any) will be paid, and any accumulation of income by a Fund will also be made in compliance with any applicable rules of Euronext Dublin in effect at the relevant time.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid at the expense of the payee and will be paid within four months of the date the Directors declared the dividend.

Dividends will not be paid until the Administrator has received any documentation deemed necessary for regulatory or taxation purposes (including supporting documentation in relation to money laundering prevention checks).

The dividend policy for each Fund is set out in the Supplement for the relevant Fund.

### 3.12. **Hedged and Unhedged Share Classes**

3.12.1. The ICAV, at its absolute discretion, has the power to issue currency hedged Share classes that are denominated in any currency. Currency hedged Share classes will carry the reference '(hedged)' in the name of the Share class.

3.12.2. The ICAV operates the hedging Share classes as follows:

**Base Currency Hedging** – the ICAV may hedge the currency exposure of those Share classes, denominated in a currency other than the Base Currency of the relevant Fund, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency.

The following sections are relevant to hedged Share classes.

- (1) Any hedging transactions entered into will be clearly attributable to a specific Share class. All costs and gains/losses of such hedging transactions will accrue solely to the relevant Share class. Due to matters outside the control of the ICAV, currency exposure may be over or under hedged but over hedged positions will not be permitted to exceed 105% of the net assets of the relevant Share class. Hedged positions will be kept under review to ensure that over hedged positions will not be permitted to exceed 105%. Such review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward month to month. Under hedged positions will be kept under review to ensure that under hedged positions will not be permitted to fall short of 95%. Such review will incorporate a procedure to ensure that under hedged positions will not be carried forward month to month
- (2) Currency hedging shall be carried out at least monthly or any other time the ICAV or the Manager may deem appropriate. It is not possible to hedge fully on a guaranteed basis at all times and Shareholders should be aware that intra-month market fluctuations may have an effect the value of hedged currency from time to time.
- (3) Investors in hedged Share classes should be aware that the exchange rate used for the purpose of converting the proceeds of their investment to or from the Base Currency and the currencies of the Fund's underlying assets is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place which means that this exchange rate risk is borne by those transacting investors rather than by the other investors in the Fund.
- (4) This currency hedging policy aims to limit any potential currency risk linked to the value of the Base Currency or, as applicable, the value of the currency(ies) of the relevant Fund's underlying assets falling against the currency in which the hedged Share classes are denominated. On the other hand, as well as incurring the cost of such hedging transactions, holders of the hedged Share classes will sacrifice the potential gain should the value of the hedged currency fall against the Base Currency or value of the currency(ies) of the relevant Fund's underlying assets. To the extent that hedging is successful, the performance of a hedged Share class is likely to move in line with the performance of the underlying assets of the relevant Fund.

3.12.3. The ICAV at its absolute discretion, has the power to issue unhedged Share classes that are denominated in a currency other than the Base Currency. For such Share classes, the Manager will not attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the Base Currency or the currency(ies) of the relevant Fund's underlying assets. In the case of an unhedged Share class, that is denominated in a currency other the Base Currency, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the share expressed in the unhedged Share class currency will be subject to exchange rate risk in relation to the Base Currency or currency of positions held by the Fund.

3.12.4. The fees and expenses of any class of any Fund relating to share class currency hedging may be charged (in whole or part) to the capital of the relevant Fund referable to that class in order to enable such Fund to pay a larger distribution and as an efficient and accurate method of ensuring that fees incurred at a Share class level are apportioned to the relevant Share classes.

In circumstances where such fees and expenses are charged to capital, there may be a lack of potential for capital growth meaning the capital value of a Shareholder's investment may be eroded and due to such capital erosion the value of future returns may also be diminished. As such, income may be achieved by forgoing the potential for future capital growth.

For fixed income Funds, dividends paid in circumstances where fees and expenses are charged to capital should be understood as a type of capital reimbursement. Any income statement issued to shareholders where fees and/or expenses have been charged to capital

shall include a statement to explain the effect of this accounting policy and, if applicable, that the shareholder's capital amount has been reduced.

### 3.13. **Benchmarks**

Investors should note that, in accordance with the requirements of the EU Benchmark Regulation, the Manager has adopted a benchmark contingency plan to set out the actions which the Manager or the ICAV would take in the event that a benchmark used by a Fund materially changes or ceases to be provided (the "**Benchmark Contingency Plan**"). Actions taken by the Manager or the ICAV on the foot of the Benchmark Contingency Plan may result in changes to the investment objective or investment policies of a Fund and any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus. In respect of those Funds that track a benchmark index, are managed by reference to a benchmark index, or use a benchmark index to compute a performance fee, it is expected that the applicable benchmark administrator will be included in the register to be maintained by the European Securities Markets Authority ("**ESMA**") under the EU Benchmark Regulation. The benchmarks used by the Funds are currently not registered with ESMA. The ICAV will monitor the registration of the benchmarks, and if - after transitional measures have ended - the ICAV is not allowed to use a benchmark, the ICAV will stop using the benchmark and inform Shareholders accordingly.

### 3.14. **Target Market**

Information on the typical investor profile for each Fund is set out in the relevant Supplement.

### 3.15. **Cross Investment**

Where a Fund (the "**Investing Fund**") invests in the Shares of another Fund(s) (each a "**Receiving Fund**"), the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Funds assets invested in Receiving Funds (whether such fee is paid directly at Investing Fund level, indirectly at the level of the receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Funds assets, such that there shall be no double charging of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by the Manager where the fee is paid directly out of the assets of the Funds.

## 4. **RISK FACTORS**

The discussion below is of general nature and is intended to describe various risk factors which may be associated with an investment in the Shares of a Fund. The following are a number of risk factors which may be associated with an investment in the Shares of a Fund to which the attention of investors is drawn. See also the relevant Supplement for a discussion of any additional risks particular to Shares of that Fund. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment. Investors should consult their own advisors before considering an investment in the Shares of a particular Fund.

No investment should be made in the Shares of a particular Fund until careful consideration of all those factors has been made.

### 4.1. **General**

The investments of the ICAV in securities are subject to normal market fluctuations and other risks inherent in investing in securities. **The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount it invests.** Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. **Due to the Preliminary Charge which may be payable on the issue of Shares, an investment in Shares should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

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. In addition, costs and gains/losses of Share class hedging transactions will accrue solely to the relevant Share class. However, such costs and gains/losses will technically be assets/liabilities of the relevant Fund as a whole and it is possible that they may be treated as such in certain circumstances (eg, by a liquidator in the context of the liquidation of the ICAV).

Due to adverse market movements the Fund may become valueless.

Subject to the investment restrictions applicable to the relevant Fund, the Fund may invest a portion of its assets in unquoted investments. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the probable realisation value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. There is an inherent conflict of interest between the role of the Manager in the investment management of the Funds and in determining the valuation price of a Fund's investments and the Manager's other responsibilities and fee entitlement.

The income and gains of a Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Fund, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders of the relevant Fund rateably at the time of repayment.

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

While the provisions of the Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the ICAV may not be exposed to the liabilities of other Funds of the ICAV.

Cash received as collateral may be invested in other eligible securities, including shares of a short term money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security

#### **4.2. Objective Risk**

There can be no assurance that a Fund will achieve its investment objective. An investor should consider his personal tolerance for an investment based upon the specific investment objective, policies and assets classes of a Fund before investing.

#### **4.3. Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas each Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Manager may consider it desirable not to hedge against such risk. In certain Funds the Manager may enter into cross currency transactions for the purpose of enhancing the returns from the portfolio. In such cases this will be clearly highlighted in the Supplement to the relevant Fund.

#### **4.4. Foreign Exchange Risk**

Changes in rates of exchange may have an adverse effect on the Net Asset Value of a Fund. In addition a change in foreign currency exchange rates may adversely affect cash flows or income from investments which are denominated in currencies other than the Base Currency of the relevant Fund, which could in turn adversely affect a Fund's ability to pay dividends. Foreign exchange investment and hedging strategies that may be employed to manage such risks might not be successful.

#### 4.5. **Hedging Costs relating to Foreign Exchange Risk**

The value of certain of the investments of a Fund may be expressed in a currency other than the base currency of the Funds, creating a risk that movements in the exchange rate between the two currencies may adversely affect the value of the Investments. The Manager may hedge this risk on a notional basis. The costs of this hedging will be deducted from the assets of the relevant Fund and so will affect the Net Asset Value of the Shares.

#### 4.6. **Interest Rate Risk**

A Fund's exposure to market risk is mainly with regard to movements in the value of its investments and changes in interest rates that may decrease its net interest income. In the event of a general rise in interest rates, the value of certain of a Fund's assets may fall, reducing the Net Asset Value of the Fund.

Changes in interest rates may adversely affect the market value of some of a Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities.

Fluctuation in rates may affect interest rate spreads in a manner adverse to a Fund. The Fund's interest rate exposure will reflect the Manager's opinion on the future path of interest rates but there is no guarantee that this will be successful. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

#### 4.7. **Credit Risk**

Where a Fund is subject to credit risk in respect to its investments and with regard to its contractual counterparties (such as hedge providers), the Fund may mitigate credit risk generally by pursuing a diversified investment strategy. This may be achieved through investments in a number of debt asset classes that naturally involve a diversification of credit risk or through diversifying its issuer exposure but there is no guarantee that this will be achieved.

#### 4.8. **Market Risk**

Some of the recognised exchanges on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the Shares of the relevant Fund.

#### 4.9. **Custody Risk**

Local custody services in some of the countries in which a Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets.

#### 4.10. **Valuation Risk**

A Fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Fund may, for the purpose of Efficient Portfolio Management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below reflects the exact amount at which the instrument may be **closed out**.



#### 4.11. **Valuations of Net Asset Value Risk**

The valuation of the Funds' assets obtained for the purpose of calculating Net Asset Value may not be reflected in the prices at which such assets are sold. For details of the valuation of assets, please see the section in the Prospectus headed **Valuation of Assets**.

#### 4.12. **FDI Risks**

The prices of FDIs, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular FDI may change in a way which may be detrimental to the Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other FDI contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. As a result of using FDIs for EPM purposes, there is a risk that, in a rising market, potential gains may be restricted. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Fund's Manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to the Fund. Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for a Fund's derivatives positions at any time.

##### 4.12.1. **General Risk**

The use of these techniques and instruments involves certain risks, including:

- (i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;
- (ii) imperfect correlation between the price movements of the FDIs and price movements of related instruments;
- (iii) the fact that skills needed to use these instruments are different from those needed to select the securities owned by a Fund;
- (iv) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions;
- (v) a Fund may invest in certain FDI which may involve the assumption of obligations as well as rights and assets; and
- (vi) assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

##### 4.12.2. **OTC Transactions Risk**

Where a Fund acquires or values securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the over-the-counter market and the tendency to have limited liquidity and comparatively high price volatility.

##### 4.12.3. **Counterparty/Credit Risk**

A Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. The Manager may engage in various portfolio strategies on behalf of a Fund through the use of futures, options and swaps. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution

of an option, the Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

#### 4.12.4. **Settlement Risk**

The counterparty to a Fund may fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

#### 4.12.5. **Correlation Risk**

The ICAV may utilise forward contracts and currency options to seek to hedge against fluctuations in the relative values of the ICAV's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the ICAV to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the ICAV is not able to enter into a hedging transaction at a price sufficient to protect the ICAV from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

#### 4.12.6. **Basis Risk**

FDI value may not track the underlying notional asset. This is only relevant if the instrument is traded prior to maturity.

### 4.13. **Investment in specific FDI**

The ICAV is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out. The Funds will be exposed to a credit risk on the counterparties with which they trade in relation to non-exchange traded contracts such as futures, swaps and forward exchange rate contracts. Non-exchange traded contracts are not afforded the same protections as may apply to participants trading such contracts on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded contracts are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which a Fund trades such contracts could result in substantial losses to a Fund. If settlement never occurs the loss incurred by the Fund will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Fund meets its settlement obligations but the counterparty fails before meeting its obligations under the relevant contract. Furthermore, if the creditworthiness of a derivative counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. Regardless of the measures a Fund may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Fund will not sustain losses on the transactions as a result.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the Fund.

Where the Funds enter into swap arrangements and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that on-going derivative transactions will be terminated unexpectedly as a result of events outside the control of the Manager, for

instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Manager's policy to net exposures of each Fund against its counterparties.

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Manager's use of derivative techniques may not always be an effective means of achieving, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

The Manager will, on request, provide supplementary information to Shareholders in relation to the risk management methods employed by the relevant Fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

#### 4.14. **Over-the-Counter Markets Risk**

Where any Fund acquires securities on over-the-counter markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

#### 4.15. **Taxation Risk**

The attention of potential investors is drawn to the taxation risk associated with investing in any Fund of the ICAV. See section headed **Taxation** below.

In addition, a risk exists that the tax authorities in countries in which a Fund invests may, where relevant, not be prepared to permit persons in their jurisdictions to pay interest (or other amounts) to the Fund (or its subsidiary if any is used) without the imposition of withholding tax in that foreign jurisdiction. Any such withholding tax will impinge upon the return payable by the Fund to investors.

#### 4.16. **Specific Instrument Risks**

##### 4.16.1. **Futures**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

##### 4.16.2. **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward

price. Forward contracts are instruments traded OTC. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

#### 4.16.3. **Swaps**

Where a Fund enters into swap arrangements and FDI techniques, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing FDI transactions will be terminated unexpectedly as a result of events outside the control of the Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

#### 4.16.4. **Options**

Buying options involves less risk than writing options because, if the price of the underlying asset moves against a Fund, the Fund can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if a Fund buys a call option on an asset contract and the Fund later exercises the option, the Fund will acquire the asset. This will expose the Fund to the risks of that particular asset.

If a Fund writes an option, the risk involved is considerably greater than buying options. The Fund may be liable for margin to maintain its position and a loss may be sustained well in excess of any premium received. By writing an option, the Fund accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against the Fund, however far the market price has moved away from the exercise price. If a Fund already owns the underlying asset which the Fund has contracted to sell (known as covered call options) the risk is reduced. If a Fund does not own the underlying asset (known as uncovered call options) the risk can be unlimited. Certain options markets operate on a margined basis under which buyers do not pay the full premium on their option at the time they purchase it. In this situation the Fund may subsequently be called upon to pay margin on the option up to the level of its premium. If a Fund fails to do so as required, the Fund's position may be closed or liquidated in the same way as a futures position.

#### 4.16.5. **Warrants**

A Fund may invest in or hold warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a covered warrant).

#### 4.16.6. **Convertible Securities**

A Fund may invest in convertible bonds which may be converted into or exchanged for a prescribed amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible bond entitles the holder to receive interest paid or accrued on debt or the dividend paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Before conversion, convertible bonds ordinarily provide a stream of income, which generate higher yields than those of common stocks of the same or similar issuers but lower than the yield on non-convertible debt. The price of a convertible security often reflects such variations in the price of the underlying common stock in a way that non-convertible debt does not.

The risks associated with convertible bonds, are similar to the risks associated with normal bonds, i.e. there is interest rate risk (the risk that the interest rate associated with the bond is

below the prevailing market rate), credit risk (the risk that the bond par value is not paid back in part or in full), liquidity risk (the bond may not trade frequently with a resulting large spread between the price at which bonds are sold or purchased).

#### 4.17. **Central Clearing**

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) and the European Markets and Infrastructure Regulation (“**EMIR**”) include provisions that require increased regulation of derivatives markets, including the introduction of mandatory execution and clearing of certain swaps, as well as new record keeping and reporting requirements.

A central clearing counterparty (CCP) stands between OTC derivatives counterparties, insulating them from each other’s default. Effective clearing seeks to mitigate systemic risk by lowering the risk that defaults spread from counterparty to counterparty. However, the extent to which CCPs mitigate the likelihood and severity of knock-on defaults that arise from the failure of a large counterparty is unclear.

Should the ICAV engage in cleared swap transactions there is a risk of loss by a Fund of margin deposits in the event of bankruptcy of the CCP with which the Fund has an open position in a swap contract. The assets of a Fund may not be fully protected in the event of the bankruptcy of the CCP because the Fund might be limited to recovering only a pro rata share of all available funds and margin segregated on behalf of a CCP’s clearing members. Additionally, a Fund may not be able to obtain as favourable terms as it would be able to negotiate for an uncleared swap. A CCP may unilaterally impose position limits or additional margin requirements for certain types of swaps in which a Fund may invest. A Fund may also be subject to the risk that, after entering into a cleared swap with an executing broker, no CCP is willing or able to clear the transaction. In such an event, the CCP would void the trade. If settlement never occurs the loss incurred by the Fund would be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided.

#### 4.18. **Fixed Income Risks**

##### 4.18.1. **Investment Grade and Government Bonds**

Investment grade assets must have a minimum credit rating issued by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., or its successors (**S&P**) of BBB- or Moody's Investors Service Limited or its successors (Moody's) of Baa3, or BBB- by Fitch or its successors, or, in the case of unrated bonds, are deemed to have an equivalent rating by the Manager.

Although these assets exhibit these minimum ratings, their respective credit ratings may range widely and may vary over time. In particular, where such credit ratings are at the lower end of the range, the obligors of such assets may face uncertainties and exposure to adverse business, financial, or economic conditions. This could lead to them being unable to meet their financial commitments despite their being regarded as issuers of **investment grade** debt.

In addition, it is possible that investment grade assets may be subordinated or junior in the capital structure, (have a lesser priority than that of an additional debt claim on the same asset). In the event of default, holders of subordinated debt get paid after the holders of the **senior debt**. Subordinated debt has a higher expected rate of return than senior debt due to the increased inherent risk.

##### 4.18.2. **Risks of Investing in Below Investment Grade Securities**

A Fund may invest substantially or without limit in sub-investment grade debt instruments such as fixed income securities, which carry greater credit risk and lower liquidity than investment grade instruments. Sub-investment grade debt instruments 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. Sub-investment grade instruments are subject to the increased risk of loss of principal and interest due to an issuer’s inability to meet principal and interest obligations than higher-rated debt securities. In

the case of sub-investment grade corporate debt instruments, these instruments may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the financial markets generally and less secondary market liquidity. The Manager will consider both credit risk and market risk in making investment decisions for a Fund.

Sub-investment grade corporate debt instruments 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 sub-investment grade corporate debt instruments tends to reflect individual corporate developments to a greater extent than that of higher rated instruments which react primarily to fluctuations in the general level of interest rates. As a result, where a Fund invests in such high yield instruments its ability to achieve its investment objective may depend to a greater extent on the Manager's judgement concerning the creditworthiness of issuers than funds which invest in higher-rated instruments. Issuers of sub-investment grade corporate debt instruments 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 instruments by economic downturns, specific corporate developments or the issuer's inability to meet specific projected business forecasts. Negative publicity about the high yield markets and investor perceptions regarding lower rated instruments, whether or not based on fundamental analysis, may depress the prices for such instruments.

To the extent that a default occurs with respect to any sub-investment grade corporate debt instruments and a Fund sells or otherwise disposes of its exposure of such an instrument, it is likely that the proceeds will be less than the unpaid principal and interest. Even if such instruments are held to maturity, recovery by the Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for sub-investment grade corporate debt instruments may be 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 instruments is not as liquid as, and is more volatile than, the secondary market for higher-rated instruments. In addition, market trading volume for high yield instruments is generally lower and the secondary market for such instruments could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer.

Credit ratings issued by credit rating agencies are designed to evaluate the safety of principal and interest payments of rated instruments. They do not, however, evaluate the market value risk of sub-investment grade corporate debt instruments 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 instruments. Consequently, credit ratings are used only as a preliminary indicator of investment quality. Investments in sub-investment grade and comparable un-rated obligations will be more dependent on the Manager's credit analysis than would be the case with investments in investment-grade instruments. The Manager employs its own credit research and analysis, which includes a study of existing debt, capital structure, ability to service debt and to pay dividends, the issuer's sensitivity to economic conditions, its operating history and the current trend of earnings.

#### **4.18.3. Liquidity Risk**

The secondary markets for high yield bonds, sub-investment grade bonds and bonds issued by emerging market issuers are typically much less liquid than the market for investment grade bonds, frequently with significantly more volatile prices and larger spreads between bid and asked price in trading. At times the high yield bond, sub-investment grade bond and emerging

market bond markets will be very illiquid. A Fund may have to sell holdings of such bonds at unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, a Fund may have to accept a lower price or may not be able to sell the security at all, or may have to forego other investment opportunities, all of which may have an impact on the Fund.

#### **4.18.4. Yield Risk**

Investments in fixed income securities entail certain risks including adverse income fluctuation associated with general economic conditions affecting the fixed income securities market, as well as adverse interest rate changes and volatility of yields. When interest rates decline, the market value of the Fund's fixed income securities can be expected to rise. Conversely, when interest rates rise, the market value of the Fund's fixed income securities can be expected to decline.

#### **4.18.5. High Yield Securities Risk**

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market prices of these debt securities fluctuate more than investment grade debt securities and may decline significantly in periods of general economic difficulty.

#### **4.18.6. Default Risk**

Investments in fixed income securities, specifically those which are rated below investment grade, are subject to the risk that the issuer could default on its obligations and a Fund could sustain losses on such investments. The market value of the assets will generally fluctuate with, among other things, general economic conditions, the condition of certain financial markets, international political events, developments or trends in any particular industry and the financial condition of the issuers. A Fund will seek to limit such risks by credit research and careful securities selection but there can be no assurance that the Fund will not acquire securities with respect to which the issuer subsequently defaults.

#### **4.18.7. Potential Involvement in Litigation Risk**

As a result of a Fund's investment in below investment grade investments and as a consequence of credit problems with such investment and the possibility that the Fund may participate in restructuring activities undertaken by a company (in which it has invested) of its debt obligations including those owed to the Fund, it is possible that the Fund may become involved in litigation. Litigation entails expense and the possibility of counterclaims against the Fund and ultimately judgments may be rendered against the Fund for which the Fund may not carry insurance.

#### **4.18.8. Prepayment or Call**

Many issuers have a right to prepay their fixed income securities. Issuers may be more likely to prepay their securities if interest rates fall. If this happens, a Fund will not benefit from the rise in the market price of the securities that normally accompanies a decline in interest rates and will be forced to reinvest prepayment proceeds at a time when yields on securities available in the market are lower than the yield on prepaid securities. A Fund may also lose any premium it paid on prepaid securities.

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

The value of mortgage-backed and asset-backed securities will be influenced by factors affecting the housing market and the assets underlying such securities. As a result, during periods of declining asset values, difficult or frozen credit markets, swings in interest rates, or deteriorating economic conditions, mortgage-backed and asset-backed securities may decline in value, face valuation difficulties, become more volatile and/or become illiquid. Mortgage-backed securities may be issued by private issuers, by government-sponsored entities such as Fannie Mae or Freddie Mac or by agencies of the U.S. government, such as Ginnie Mae. Mortgage-backed securities represent direct or indirect participations in, or are collateralized by and payable from, mortgage loans secured by real property. Unlike mortgage-

backed securities issued or guaranteed by agencies of the U.S. government or government-sponsored entities, mortgage-backed securities issued by private issuers do not have a government or government-sponsored entity guarantee (but may have other credit enhancement), and may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics. Asset-backed securities represent participations in, or are secured by and payable from, assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. The value of mortgage-backed and asset-backed securities may be affected by changes in credit quality or value of the mortgage loans or other assets that support the securities. Mortgage-backed and asset-backed securities are subject to prepayment or call and extension risks. Some of these securities may receive little or no collateral protection from the underlying assets. The risk of default is generally higher in the case of mortgage-backed investments that include so-called "sub-prime" mortgages. The structure of some of these securities may be complex and there may be less information available than for other types of debt securities. Upon the occurrence of certain triggering events or defaults, the Fund may become the holder of underlying assets at a time when those assets may be difficult to sell or may be sold only at a loss.

Asset-backed securities that are not backed by mortgages present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may not have the benefit of the same security interest in the underlying collateral. Credit card receivables, for example, are generally unsecured. Therefore, there is a possibility that recoveries on defaulted collateral may not, in some cases, be available to support payments on these securities.

The investment characteristics of asset-backed securities differ from traditional debt securities. Among the major differences are that interest and principal payments are made more frequently, very often monthly or quarterly, and that principal may be prepaid at any time because the underlying loans may often be prepaid at any time.

Investments in subordinated asset-backed securities involve greater credit risk of default than the more senior class(es) of the issue or series.

#### 4.20. **Sovereign Debt**

Sovereign debt instruments are subject to the risk that the governmental entity may delay or fail to pay interest or repay principal on its sovereign debt. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There may be no established legal process for collecting sovereign debt that a government does not pay, nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected.

#### 4.21. **Liquidity Risk**

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk.

From time to time secondary markets can experience reduced liquidity, sometimes with significantly more volatile prices and larger spreads between bid and asked price in trading. At times secondary markets may be very illiquid. As a result a Fund may be exposed to unfavourable prices in order to raise proceeds to pay for redemptions of Shares. Illiquid securities may be difficult to resell at approximately the price they are valued in the ordinary course of business in seven days or less. When investments cannot be sold readily at the desired time or price, the Fund may have to accept a lower price or may not be able to liquidate the security, all of which may have an impact on the Fund.

#### 4.22. **Limited Number of Investments Risk**

Each Fund anticipates that it will be well diversified. However, in the event of a material demand for redemptions, a given Fund could be forced to sell liquid positions resulting in an over-weighting in a small number of illiquid investments. In such circumstances, the aggregate return of the Fund may be substantially and adversely affected by the unfavourable performance of a single investment. The Fund's restriction of repurchases of Shares in excess of 10% of the total Net Asset Value of the Fund on any one Dealing Day will mitigate this risk to an extent should these circumstances arise.



#### 4.23. **Limited Disposal Rights Risk**

There will be no secondary market for Shares of the Funds and transfers of Shares are only permitted to those persons who satisfy the criteria for permitted shareholders. Consequently, investors may be able to dispose of their Shares only by requesting the relevant Fund to repurchase their Shares on a Dealing Day.

#### 4.24. **Volatility Risk**

A Fund may have investments that appreciate or decrease significantly in value over short periods of time. This may cause the Fund's net asset value per share to experience significant increases or declines in value over short periods of time, however, all investments long- or short-term are subject to risk of loss.

#### 4.25. **Equity Risk**

A Fund may invest in equity derivatives, which may be more volatile than fixed income focussed strategies, but may also offer greater growth and diversification opportunities. The value of a Fund's underlying equity positions may fluctuate in response to economic, political as well as broader market conditions.

#### 4.26. **Emerging Market Risks**

In the case of certain Funds there may be exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have an impact on the performance of such relevant Funds. In particular, the below risks should be noted. In addition, emerging market risks may include (i) higher dependence on exports and the corresponding importance of international trade; (ii) greater volatility, less liquidity and smaller capitalisation of securities markets; (iii) greater volatility in currency exchange rates; (vi) greater risk of inflation; (iv) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for US dollars. Frequent political and social unrest in emerging markets and associated high inflation and interest rates may lead to significant fluctuations in currencies and stock market prices. Due to the smaller size of many emerging markets, there is also a risk of restricted liquidity, and possible restrictions on foreigners carrying out currency transactions or investments in certain emerging markets represent further risks.

##### 4.26.1. **Settlement, Credit and Liquidity Risks**

The trading and settlement practices of some of the stock exchanges or markets on which a relevant Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. Those exchanges and markets may also have substantially less volume and generally be less liquid than those in more developed markets. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the Manager to settle transactions on a delivery free of payment basis where the Manager believes and the Depositary agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant Fund if a transaction fails to settle and the Depositary will not be liable to the relevant Fund or to the Shareholders for such a loss.

##### 4.26.2. **Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a ICAV and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange

differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

#### 4.26.3. **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. There may be an increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

#### 4.26.4. **Custody Risks**

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

#### 4.26.5. **Currency Risks**

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

#### 4.27. **Risks associated with investment in other collective investment schemes**

A Fund may invest in one or more collective investment schemes including schemes managed by the Manager or its affiliates. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its pro rata portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

#### 4.28. **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes, including an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly, could adversely affect the ICAV. Regulation (including taxation) of investment vehicles such as the ICAV is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the ICAV is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

#### 4.29. **Aggregation of Orders**

In managing the Funds, the Manager may combine orders for the Funds with those of other clients in accordance with the UCITS Regulations and Central Bank UCITS Regulations.

Additional risk factors (if any) of each Fund are set out in the Supplement for the relevant Fund.

#### 4.30. **NAV Errors**

The liability of the Administrator for NAV pricing errors, caused by it, is limited to NAV pricing errors of over 0.50% of NAV though such threshold may be reduced by the Depositary or the Central Bank.

#### 4.31. **Stock Lending or Repo Transactions**

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

#### 4.32. **Depositary Risk**

A substantial part of the Funds' assets as well as the assets provided to the Funds as collateral are held in custody by the Depositary or, as the case may be, third party depositaries and sub-custodians. This exposes the Funds to custody risk. This means that the Funds are exposed to the risk of loss of these assets as a result of insolvency, negligence or fraudulent trading by the Depositary and these third parties. The Funds are also exposed to the risk of loss of these assets as a result of fire and other natural disasters.

Where the Funds' assets as well as the assets provided to the Funds as collateral are held by the Depositary or third party depositaries and sub-custodians in emerging market jurisdictions, the Funds are exposed to greater custody risk due to the fact that emerging markets are by definition "in transformation" and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may adversely affect the safe custody of the Fund's assets.

#### 4.33. **Payment of Charges and Expenses to Capital**

Fees and expenses of a Fund may be charged to the capital of the relevant Fund in circumstances set out in the relevant Supplement. In such circumstances, the capital value of a Shareholder's investment may be lowered and income may be achieved by forgoing the potential for future capital growth.

#### 4.34. **Conflicts of Interest**

The ICAV will rely on the Manager in implementing its investment strategies. The Directors have determined the Investment Policies of each Fund as set out in the Supplements and the Manager will monitor the performance of such investments on an on-going basis. Investors must rely on the judgement of the Directors in determining to invest in the manner set out herein and in the Supplements. The Manager will devote a portion of their business time to the ICAV's business. In addition, where valuations are provided by the Manager or the Administrator as a competent person, there is a possible conflict of interest where their fees are based on or affected by the Net Asset Value of the Fund. Any conflicts of interest will be resolved fairly. For further details, please see the section in the Prospectus headed '**Portfolio Transactions and Conflicts of Interest**'.

#### 4.35. **Default of Service Provider Risk**

Each Fund relies on services provided by a number of third parties. The bankruptcy or liquidation of any such third parties, including the Manager, the Administrator, or the Depositary may have an adverse impact on the performance of the Fund and its Net Asset Value.

#### 4.36. **Umbrella Cash Collection Accounts**

A collection account has been established at umbrella level in the name of the ICAV in each of the currencies in which the Share classes of the Funds are denominated (the "Umbrella Cash Collection Account").

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account. Investors will be unsecured creditors of such Fund with respect to

any cash amount subscribed and held by the ICAV in the Umbrella Cash Collection Account until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement) until such time as the relevant Shares are issued. In the event of the insolvency of the Fund in respect of which the subscription request was made, or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full.

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Administrator. Redemption and dividend amounts, including blocked redemption or dividend amounts, will, pending payment to the relevant investor or Shareholder, be held in the Umbrella Cash Collection Account. For as long as such amounts are held in the Umbrella Cash Collection Account, the investors/Shareholders entitled to such payments from a Fund will be unsecured creditors of the ICAV with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of the relevant Fund or the ICAV, there is no guarantee that the Fund or the ICAV will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to dividends should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash 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 Fund may have insufficient funds to repay amounts due to other Funds. Accordingly, there is no guarantee that any of the other Funds or the ICAV will recover such amounts, or that in such circumstances such other Funds or the ICAV would have sufficient funds to repay any unsecured creditors.

#### 4.37. **Risks related to the Exit of the UK from the EU**

On 23 June 2016, the UK held a referendum to decide on its membership in the EU. The resulting vote was to leave the EU. The UK subsequently withdrew from the EU on 31 January 2020. The negotiation of the UK's continuing relationship with the EU is likely to take a number of years.

On 24 December 2020, the UK and the EU announced their agreement on a Trade and Cooperation Agreement (the "**TCA**"). The conclusion of the TCA provides a structure for EU-UK cooperation in the future. It does not necessarily create a permanent set of rules, but is a basis for an evolving relationship, with scope for increasing divergence or closer cooperation which may vary between different areas. The TCA mainly covers trade in goods and services, with provisions on intellectual property, energy, transparency, regulatory practices, public procurement and a level playing field. It also includes sections on aviation, digital trade, road transport, social security and visas, fisheries, and law enforcement and judicial cooperation on criminal matters. It is accompanied by a number of ancillary Joint Declarations, including on financial services, tax, state aid and subsidies, transport and data protection.

Until the terms stemming from the TCA (and Joint Declarations) are clearer, it is not possible to determine the full impact that the UK's departure from the EU and/or any related matters may have on a Fund or its investments, including, in each case, the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents.

This introduces significant uncertainty in the business, legal and political environment and risks ("**Brexit Risks**") including short and long-term market volatility and currency volatility, macroeconomic risk to the UK and European economies, impetus for the break-up of the UK and related political and economic stresses, impetus for further disintegration of the EU and related political stresses (including those related

to sentiment against cross-border capital movements), legal uncertainty regarding achievement of compliance with applicable financial and commercial laws and regulations in view of the expected steps to be taken pursuant to or in contemplation of Article 50 of the Treaty on European Union and negotiations undertaken under Article 218 of the Treaty on the Functioning of the European Union, and the unavailability of timely information as to expected legal, tax and other regimes.

The uncertainty surrounding the UK's relationship with the EU and its withdrawal as an EU Member State may adversely impact a Fund and its investments (in particular those that relate to companies or assets based in, doing business in, or having services or other significant relationships in or with, the UK).

There can be no assurance that the Brexit Risks will not alter significantly the attractiveness of an investment in a Fund including as a result of the potential for capital losses, delays, legal and regulatory risk and general uncertainty. Brexit Risks also include the potential for prejudice to financial services businesses that are conducting business in the EU and which are based in the UK, disruption to regulatory regimes related to the operations of the ICAV, the Manager and other advisers and delegates of the Manager. As such, it may be necessary for the Manager, the Distributor or delegates to restructure their arrangements with the ICAV.

#### **4.38. 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 ICAV, 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 the ICAV's ability to calculate its NAV; impediments to trading for a Fund's portfolio; the inability of Shareholders to transact business with a Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the ICAV 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 cyber security 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.

#### **4.39. Environmental, Social and Governance Risk**

Where the Manager will consider certain ESG factors as part of its decision to buy and sell securities, applying ESG factors to the investment analysis may impact the investment decision for securities of certain issuers and therefore a Fund may forgo some market opportunities available to funds that do not use ESG factors. Securities of issuers with ESG practices may shift into and out of favour depending on market and economic conditions, and a Fund's performance may at times be better or worse than the performance of funds that do not use ESG factors. By taking into account such sustainability criteria within its investment process, it is intended that the overall sustainability risk of the Fund should be mitigated in comparison to a fund which would not incorporate such sustainability criteria into its investment policy, and therefore, the potential impact of such sustainability risks on the value of the Fund's investments should also be mitigated. However, no insurance can be given that sustainability risks will be totally removed and the occurrence of such risks could cause a negative material impact on the value of the investments made by a Fund.

#### **4.40. 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. For

example, beginning in late 2019, an outbreak of a highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

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 Manager's operations and the operations of the Manager's and the ICAV's service providers.

Any outbreak of disease epidemics may result in the closure of the Manager'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.

## 5. MANAGEMENT OF THE ICAV

### 5.1. Directors of the ICAV

The Directors of the ICAV are described below:

**Mike Kirby** - Mike Kirby, Irish resident, is Managing Principal at KB Associates, a firm which provides a range of advisory and project management services to the promoters of off-shore mutual funds. He has previously held senior positions at Bank of New York (previously RBS Trust Bank) where he was responsible for the establishment and ongoing management of its Dublin operations. He has also held senior positions in the custody and fund administration businesses of JP Morgan in London and Daiwa Securities in Dublin. Mr. Kirby holds a Bachelor of Commerce (Hons) Degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He was a founder member of the Irish Funds Industry Association.

**Bronwyn Wright** (Irish) acts as an independent non-executive director. She is a former Managing Director for a global financial institution having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing the European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. She has also been engaged in pre-acquisition due diligence in Asia and led a post-acquisition integration across EMEA. Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. She is a former lecturer for the Institute of Bankers in the Certificate and Diploma in Mutual Funds. She is co-author of the Institute of Bankers Diploma in Legal and Regulatory Studies. She has written numerous industry articles, chaired and participated in industry seminars in Europe and the US. She was on an Executive Committee for the DIT School of Accounting and Finance postgraduate doctorate programme.

**Stuart Donald** (British) is Head of Global Insights at Aegon Asset Management. Prior to taking this role,

Mr. Donald worked in a variety of different product and strategy roles during which he launched the Aegon Asset Management Irish UCITS business in 2007. In 2011 he was appointed Head of Product for Aegon Asset Management UK plc where he remained until 2018 before taking up a Commercial Strategy role. He joined Aegon in 2005 from AIG, where he led the creation of a high-net-worth, private-placement life business. Prior to that, Mr. Donald worked in various regulatory-consulting, product-development and business-strategy roles for BNP Paribas Cardiff and GE Capital, and he has over 20 years' industry experience. Mr. Donald studied Economics, French and Italian at Strathclyde University.

The Directors control the affairs of the ICAV and are responsible for the overall investment policy, which will be determined by them and given to the Manager from time to time. However, the ICAV has delegated the day to day management of the ICAV to the Manager and consequently, all Directors of the ICAV in relation to the ICAV are non-executive.

## 5.2. **Manager**

The ICAV has appointed Aegon Investment Management B.V., as the management company and global distributor of the ICAV. The Manager will also provide certain investment management related services to the ICAV. The Manager was incorporated on 6 November 1968 as a private limited liability company, registered with the Chamber of Commerce in The Hague under number 27075825. The Manager is authorised and regulated by the Netherlands Authority for the Financial Markets as a UCITS management company and is AIFMD licensed with MiFID activities (including portfolio management and investment advice and receipt and transmission of orders). The Manager has delegated certain of its duties to the Administrator.

The Manager is the entity promoting the ICAV and the Funds.

The Manager may, in accordance with the requirements of the Central Bank, delegate some or all of its duties including the discretionary investment management of a Fund to a sub-investment manager whose fees will be discharged by the Manager. Details of any sub-investment managers appointed in respect of a Fund shall be available to Shareholders on request and will be disclosed in the periodic reports of the ICAV. Any sub-investment managers appointed will be cleared to act as such by the Central Bank in advance of their appointment.

The directors of the Manager are described below:

**Barbara Bakker** is the CEO of the Manager and joined Aegon Asset Management in 2010. She is responsible for Core Risk Services, which includes both the Model Validation team and Portfolio Risk Control, which monitors mandate restrictions in all client mandates and funds managed by the Manager. Ms. Bakker studied Applied Mathematics at TU Delft and graduated with honors. She has worked in the field of ALM at NIBC. She has also completed training as Financial Risk Manager (FRM).

**Olaf van den Heuvel** is the CIO for Aegon Asset Management in the Netherlands and Global Head of Multi-Assets and Solutions. Mr. van den Heuvel joined Aegon Asset Management in 2000 and worked as a Pacific Equities portfolio manager and strategist before moving, in January 2007, to lead the team responsible for the multi-asset mandates, asset allocation and strategic views on asset classes for Aegon Asset Management in the Netherlands. He has been a member of the global asset allocation voting committee since 2014. Mr. van den Heuvel has over 20 years' industry experience and studied economics at Tilburg University, the Netherlands. He is a CFA charter holder and registered with the Dutch Securities Institute (DSI III-B).

**Rishi Santokhi** joined Aegon Asset Management as CFO in 2011. Rishi is directly responsible for Finance, Business Control, Budgeting & Forecasting, Pricing and Capital & Risk Management. Prior to Aegon Asset Management, Rishi worked at E&Y as a senior manager of global asset management. Rishi holds an MSc in Business Economics and Financial Economics from Erasmus University in Rotterdam, a postgraduate in Auditing and a postgraduate in Investment Management.

The company secretary of the Manager is Mrs. T.E.J.F. (Trudy) Stassen.

## 5.3. **Distributors**

The Manager acts as Global Distributor. The Manager may appoint Sub-Distributors from time to time and, in particular, has appointed Aegon Asset Management UK plc as Sub-Distributor pursuant to the Sub-Distribution Agreement described under the heading **Material Contracts** below.

#### 5.4. **Depository**

The Depository is a limited liability company incorporated in Ireland on 18 September 1992. The Depository is authorised and regulated by the Central Bank. The principal activity of the Depository is to provide trustee and custodial services to collective investment schemes and other portfolios, such as the ICAV.

Under the terms of the Depository Agreement, Citi Depository Services Ireland Designated Activity Company (the **Depository**) has been appointed as depository of the ICAV's assets and the assets of the ICAV have been entrusted to the Depository for safekeeping.

The key duties of the Depository are to perform the depository duties referred to in the Regulations, essentially consisting of:

- (i) monitoring and verifying the ICAV's cash flows;
- (ii) safekeeping of the ICAV's assets, including, inter alia, verification of ownership;
- (iii) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation and applicable law, rules and regulations;
- (iv) ensuring that in transactions involving the ICAV's assets any consideration is remitted to the ICAV within the usual time limits;
- (v) ensuring that the ICAV's income is applied in accordance with the Instrument of Incorporation, applicable law, rules and regulations; and
- (vi) carrying out instructions of the ICAV or the Manager on behalf of the ICAV unless they conflict with the Instrument of Incorporation or applicable law, rules and regulations.

The Depository is liable to the ICAV for the loss by the Depository or a third party to whom the custody of financial instruments that can be held in custody has been delegated. In the case of such a loss of a financial instrument held in custody, the Depository shall return a financial instrument of identical type or the corresponding amount to the ICAV or the Manager acting on behalf of the ICAV without undue delay. The Depository is not liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depository is also liable to the ICAV for all losses suffered by it as a result of the Depository's negligent or intentional failure to properly fulfill its obligations. The Depository Agreement contains indemnities in favour of the Depository excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.

##### *Delegation of Safekeeping Function and Conflicts of Interest*

Under the terms of the Depository Agreement the Depository has the power to delegate certain of its depository functions.

In general, whenever the Depository delegates any of its custody functions to a delegate, the Depository will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depository. The use of securities settlement systems does not constitute a delegation by the Depository of its functions.

As at the date of this Prospectus, the Depository has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to Citibank N.A (the "Delegate"). As at the date of this Prospectus, the sub-delegates used by the Depository in various markets are listed at Schedule 2 (the "Sub-Delegates").

The liability of the Depository will not be affected by the fact that it has delegated to a third party certain of its safekeeping functions in respect of the ICAV's assets. In order to discharge its responsibility in regard to the appointment of safekeeping delegates, the Depository must exercise due skill, care and diligence in the selection, continued appointment and ongoing monitoring of a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned; maintain an appropriate level of supervision over the safekeeping agent; and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.



From time to time conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the ICAV. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

Up-to-date information regarding the duties of the Depositary, the Depositary's delegation arrangements and related conflicts of interest may be requested from the ICAV by Shareholders.

#### 5.5. **Administrator**

Citibank Europe plc has been appointed by the Manager to act as Administrator, registrar and transfer agent to the ICAV and each Fund pursuant to the Administration Agreement described under the heading **Material Contracts** below.

The Administrator is a licensed bank, authorised and regulated by the Central Bank. The Administrator was incorporated as a public limited company in Ireland on 9 June 1988 under registered number 132781 and is a member of the Citigroup group of companies, having its ultimate parent Citigroup Inc., a US publicly quoted ICAV.

The duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the keeping of all relevant records and accounts of the ICAV as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement and the Act. The Administrator has its registered office at the address given in the **Directory**.

#### 5.6. **Portfolio Transactions and Conflicts of Interest**

Subject to the provisions of this section the ICAV, the Directors, the Manager, the Administrator, the Depositary, the Distributor, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the ICAV. This includes, without limitation, investment by the ICAV in securities of any Connected Person or investment by any Connected Persons in any ICAV or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Shares relating to any Fund or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else.

Any cash of the ICAV may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2015, of Ireland with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stocklending transactions) to or from the relevant Fund. There will be no obligation on the part of any Connected Person to account to the relevant Fund or to Shareholders of that Fund for any benefits so arising, and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length, in the best interests of the Shareholders of that Fund and:

- (i) a certified valuation of such transaction by a person approved by the Depositary (or in the case of any such transaction entered into by the Depositary, the Directors) as independent and competent has been obtained; or
- (ii) such transaction has been executed on best terms on an organised investment exchange under its rules; or
- (iii) where (i) and (ii) are not practical, such transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of the Shareholders of that Fund.

The Manager may also, in the course of its business, have potential conflicts of interest with the ICAV in circumstances other than those referred to above. The Manager will, however, have regard in such event to its contractual obligations and, in particular, to its obligations to act in the best interests of the ICAV so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the ICAV, the relevant Funds and other clients. The Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the ICAV and their other clients. In the event that a conflict of interest does arise the directors of the Manager will endeavour to ensure that such conflicts are resolved fairly.

The Depositary or ICAV, in the case of transactions entered into by the Depositary, will document how it complied with paragraphs (i), (ii) and (iii) above and where transactions are carried out in accordance with paragraph (iii), the Depositary or ICAV, in the case of transactions entered into by the Depositary, will document its rationale for being satisfied that the transaction conformed to the principles outlined.

As the fees of the Manager are based on the Net Asset Value of a Fund, if the Net Asset Value of the Fund increases so do the fees payable to the Manager and accordingly there is a conflict of interest for the Manager in cases where the Manager is responsible for determining the valuation price of a Fund's investments.

The Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interest of the shareholders.

The Manager maintains a written conflict of interest policy. In case situations arise where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the ICAV or its Shareholders will be prevented, the Manager will, as a last resort, if the conflict cannot be avoided, disclose these to Shareholders in an appropriate format.

#### **5.7. Order Execution Information**

The Manager must act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. The Manager's Order Execution Policy sets out:

- (i) the systems and controls that have been put in place; and
- (ii) the basis upon which transactions will be effected and orders placed in relation to the ICAV whilst complying with regulatory obligations to obtain the best possible result for the ICAV.

The Order Execution policy is available on the website of the Manager.

#### **5.8. Inducement and Commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Funds, the Manager will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Manager will return to each relevant Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the investment management services provided to that Fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Manager may accept without disclosure minor non-monetary benefits such as training sessions or seminars that are capable of enhancing the quality of service provided to a Fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Fund.

### **6. SUBSCRIPTION FOR SHARES**

#### **6.1. Purchases of Shares**

Under the Instrument of Incorporation, the Directors, or the Manager on their behalf, are given authority to effect the issue of Shares and to create new classes of Shares (in accordance with the requirements

of the Central Bank) and have absolute discretion to accept or reject in whole or in part any application for Shares.

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline (provided that the Administrator has in advance received and approved the initial Application Form and all required supporting documentation for anti-money laundering checks). Dealing Days and Dealing Deadlines relating to each Fund are specified in the relevant Supplement. The Directors may nominate additional Dealing Days upon advance notice to Shareholders.

The Administrator shall establish the relevant dealing account upon receipt and approval of an Application Form (and all required supporting documentation for anti-money laundering checks). An initial application for Shares may be made by completing an Application Form, the original of which, in addition to supporting documentation in relation to money laundering prevention checks, shall be delivered to the Administrator promptly. Subsequent applications for Shares may be made to the Administrator by letter, facsimile or electronic means, as determined by the Administrator. An investor will not be obliged to deal by electronic means, however, the Application Form sets out a provision permitting an investor to avail themselves of electronic dealing. Investors who have provided the completed Application Form to the Administrator in advance by letter or facsimile (and who have received approval from the Administrator in respect of such Application Form and supporting documentation for anti-money laundering checks) may also make their initial application for Shares by electronic means or telephone.

Applications for Shares cannot be accepted and Shares cannot be issued until the Administrator has received and approved an Application Form (together with all supporting documentation for anti-money laundering checks). Repurchase proceeds cannot be released until the Administrator has received and approved an original signed Application Form and all of the necessary anti-money laundering checks have been completed.

Applications (including all anti-money laundering checks) approved by the Administrator in advance of a Dealing Deadline on a relevant Dealing Day shall result in an application for Shares being placed for the Valuation Point on that Dealing Day. Applications (including all anti-money laundering checks) approved after such Dealing Deadline on a relevant Dealing Day shall result in an application for Shares being placed for the next available Valuation Point.

Any change to a Shareholder's registration details or payment instructions must also be received in original form. Following the initial application, subsequent requests by facsimile or by electronic means will be treated by the Administrator as definite orders even if not subsequently confirmed by letter after acceptance by the Administrator and will not be capable of withdrawal.

Applications received after the Dealing Deadline for the relevant Dealing Day shall, unless the Administrator shall otherwise agree and provided they are received before the Valuation Point for the next Dealing Day, be deemed to have been received by the next Dealing Deadline. The Directors may however at their discretion agree, in exceptional circumstances only, to accept applications received after the relevant Dealing Deadline for the relevant Dealing Day provided they are received prior to the relevant Valuation Point.

Telephone calls and electronic communications may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

The Minimum Initial Investment Amount for Shares of each Fund that may be subscribed for by each investor on initial application and the Minimum Shareholding of Shares of each Fund is set out in the Supplement for the relevant Fund.

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

The Application Form contains certain conditions regarding the application procedure for Shares in the ICAV and certain indemnities in favour of the ICAV and the relevant Fund, the Manager, the Administrator, the Depositary, the Distributor and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the cost and risk of the applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by telegraphic transfer to the account from which it was paid within five Business Days of the rejection.

## 6.2. **Issue Price**

During the Initial Offer Period for each Fund, the Initial Issue Price for Shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

Unless otherwise stated in the Supplement of the relevant Fund, the Issue Price at which Shares of any Fund will be issued on a Dealing Day after the Initial Offer Period is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day.

In calculating the Issue Price, the Directors may on any Dealing Day where there are net subscriptions adjust the Issue Price by adding an Anti-Dilution Adjustment to cover dealing costs and/or to preserve the value of the underlying assets of a Fund. Any such charge shall be retained for the benefit of the relevant Fund.

As the costs of dealing can vary with market conditions, the level of the Anti-Dilution Adjustment may also vary.

If an Anti-Dilution Adjustment is to be applied details will be set out in the Supplement for the relevant Fund.

A Preliminary Charge of up to 5% per cent of the issue price may be charged by the ICAV for payment to the Manager on the issue of Shares, out of which the Manager may, for example, pay commission to financial intermediaries. Further details of this Preliminary Charge, if any, will be set out in the relevant Supplement.

## 6.3. **Payment for Shares**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by telegraphic transfer in cleared funds and should be made in the currency of the relevant Share class.

The ICAV maintains a subscriptions and redemptions account at umbrella level in the name of the ICAV, the Umbrella Cash Collection Account, and has not opened such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from the relevant Fund will be channelled and managed through the Umbrella Cash Collection Account. The subscription monies are held in the Umbrella Cash Collection Account for the account of the relevant Fund pending settlement of the associated issue of Shares. Until the issue of Shares, the entitlement of Applicants to the subscription monies paid into the Umbrella Cash Collection Account is that of an unsecured creditor. Applicants do not become a Shareholder until the Shares are issued and the subscription monies are received. An Applicant for Shares does not benefit from any appreciation of the Net Asset Value of the relevant Shares subscribed for or any other Shareholder rights (including any dividend entitlements) until such time as the Applicant becomes a Shareholder.

An allotment of Shares may be made provisionally pending receipt of cleared funds by the Settlement Date. If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Directors may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds at the prevailing Net Asset Value of that Dealing Day. In such cases the ICAV may charge the applicant for any resulting bank charges or market losses incurred by the relevant Fund.

## 6.4. **In Specie Issues**

The Manager may in its absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholder and subject to the provisions of the Act, allot Shares in specie in any Fund, providing the assets to be transferred are vested in the Depositary on behalf of the relevant Fund, the nature of which would qualify as suitable investments of the relevant Fund in accordance with the investment objectives, policies and restrictions of the Fund. The number of Shares to be issued in this way shall be the number which would, on the day the investments are vested in the Depositary on

behalf of the relevant Fund, have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described below under the heading **Calculation of Net Asset Value/Valuation of Assets**. The Manager, in valuing any such investments, may provide that the whole of or any part of any duties and charges arising in connection with the vesting of the investments in the Depositary on behalf of the relevant Fund shall be paid out of the assets of the relevant Fund or by the investor to whom the Shares are to be issued or partly by the Fund and partly by such investor.

#### 6.5. **Anti-Money Laundering Provisions**

Measures provided for in the Criminal Justice Act (Money Laundering and Terrorist Financing) Act 2010 to 2018 which are aimed towards the prevention of money laundering and the financing of terrorism, require detailed verification of each applicant's identity, address and source of funds. In the case of corporate applicants this will require production of documentation relating to the company, directors of the company and details of persons with substantial beneficial ownership of the corporate applicant.

The Manager or the Administrator reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Administrator requires further proof of the identity of any applicant, it will contact the applicant on receipt of an Application Form. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and return all subscription monies. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will refuse to pay repurchase proceeds where the requisite information for verification purposes has not been produced by a Shareholder and approved by the Administrator.

#### 6.6. **Limitations on Purchases**

Shares may not be issued or sold by the ICAV during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons (unless permitted under certain exceptions under the laws of the United States).

### 7. **REPURCHASE OF SHARES**

#### 7.1. **Repurchases of Shares**

Requests for the repurchase of Shares should be made to the ICAV care of the Administrator and may be made by electronic means, in writing or by facsimile as determined by the Administrator. Requests by electronic means or facsimile will be treated as definite orders even if not subsequently confirmed in writing. Such redemption requests shall only be processed where payment is made to the account of record and in the name of the applicant on the register. No third-party payment requests will be accepted. Whether requests for repurchase of Shares are made by electronic means or facsimile the original signed Application Form (together with all supporting documentation for any-money laundering checks) must be received and approved by the ICAV care of the Administrator before any repurchase proceeds will be paid out. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline for the relevant Dealing Day shall, unless the Administrator shall otherwise agree and provided they are received before the relevant Valuation Point, be treated as having been received by the next Dealing Deadline. The Directors may however at their discretion agree, in exceptional circumstances only, to accept repurchase requests received after the relevant Dealing Deadline for the relevant Dealing Day provided they are received prior to the relevant Valuation Point.

Telephone calls and electronic communications may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records

keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

A repurchase request will not be capable of withdrawal after acceptance by the Administrator. If requested, the Directors, or the Manager on their behalf, may, in their absolute discretion and subject to the prior approval of the Depositary and advance notification to all of the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares relating to any Fund.

The Manager may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any repurchase request having such an effect may be treated by the ICAV as a request to repurchase the Shareholder's entire holding of that class of Shares.

The Manager or Administrator will not accept repurchase requests, which are incomplete, until all the necessary information is obtained.

## 7.2. **Repurchase Price**

The price at which Shares will be repurchased on a Dealing Day is also calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day (the "**Redemption Proceeds**"). The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Instrument of Incorporation as described herein under the heading **Calculation of Net Asset Value/Valuation of Assets** below.

A Repurchase Charge of up to 3% per cent of the redemption amount may be charged by a Fund for payment to the Manager on the redemption of Shares but it is the intention of the Manager that such charge (if any) shall not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund.

In calculating the Repurchase Price, the Manager may on any Dealing Day where there are net redemptions adjust the Repurchase Price by deducting an Anti-Dilution Adjustment, subject to the limits set out in the relevant Supplement (if any), to cover dealing costs and to preserve the value of the underlying assets of a Fund.

As the costs of dealing can vary with market conditions, the level of the Anti-Dilution Adjustment may also vary.

If an Anti-Dilution Adjustment is to be applied details will be set out in the Supplement for the relevant Fund.

When a repurchase request has been submitted by an investor who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person, the ICAV shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the ICAV to the Irish Revenue Commissioners in respect of the relevant transaction.

## 7.3. **Payment of Repurchase Proceeds**

Subject to the Administrator having previously received and approved the Application Form (together with all supporting documentation for anti-money laundering checks), the amount due on repurchase of Shares will be paid by telegraphic transfer at the risk and expense of the relevant Shareholder to an account in the name of the Shareholder in the currency of the relevant Share class by the Settlement Date. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate, according to the registered holding at the time of repurchase. The proceeds of the repurchase of the Shares will only be paid provided the original Application Form has been received by the Manager care of the Administrator, all necessary anti-money laundering checks have been carried out and on receipt by the Administrator of a repurchase request together with such other documentation necessary for regulatory or taxation purposes (including, without limitation, all necessary anti-money laundering documentation, if any) that the Manager or Administrator may reasonably require.

## 7.4. **Limitations on Repurchases**

The ICAV may not repurchase Shares of any Fund during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for repurchases of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Manager is entitled to limit the number of Shares in a Fund repurchased on any Dealing Day to Shares representing ten per cent of the total Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a pro rata basis, to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Manager or Administrator will inform the Shareholders affected.

#### 7.5. **In specie Redemptions**

The Manager may at the request of the Shareholder satisfy a redemption request by a distribution of investments of the relevant Fund in specie provided that any asset allocation is subject to approval of the Depositary, that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The Instrument of Incorporation contains special provisions where a repurchase request received from a Shareholder would result in Shares representing more than five per cent of the Net Asset Value of any Fund being repurchased by the ICAV on any Dealing Day. In such a case, the Manager may satisfy the repurchase request by a distribution of investments of the relevant Fund in specie provided that any asset allocation is subject to approval by the Depositary, and provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. Where the Shareholder requesting such repurchase receives notice of the Manager's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Manager, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. For redemptions representing less than 5% of the Net Asset Value, the Manager, with the agreement of the relevant Shareholder, may likewise satisfy the redemption request by a distribution of the investments of the relevant Fund in specie, having been approved by the Depositary.

#### 7.6. **Mandatory Repurchases**

The ICAV may compulsorily repurchase all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified herein.

The ICAV reserves the right to repurchase any Shares which are or become owned, directly or indirectly, by a U.S. Person (unless pursuant to an exemption under U.S. securities laws), by any individual under the age of 18 (or such other age as the Directors, or the Manager on their behalf, think fit), by retail investors in the case of any class of Shares which has been designated in the relevant Supplement as being available only to institutional investors, or if the holding of the Shares by any person is in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages which the relevant Fund might not otherwise have incurred, suffered or breached (including but not limited to circumstances where the holding of shares by a person is likely to result in the Fund or the Manager or the other Shareholders being subject to US regulatory or legal requirements or being classified as a US Person or commodity pool operator for the purposes of any US laws or regulations where as a result of such classification the Fund or such other person would be required to register, apply for an exemption or otherwise make any filing, application or provide any information to any US regulatory body, authority, organisation, association, government department, exchange or clearing body).

Where Taxable Irish Persons acquire and hold Shares, the ICAV shall, where necessary for the collection of Irish tax, repurchase and cancel Shares held by a person who is or is deemed to be a Taxable Irish Person or is acting on behalf of a Taxable Irish Person on the occurrence of a chargeable event for taxation purposes and to pay the proceeds thereof to the Irish Revenue Commissioners.

The ICAV may compulsorily repurchase Shares held if the holding of the Shares is less than the Minimum Shareholding for that class of Shares of a Fund, or if it in its absolute discretion considers that the Shares are held by a Shareholder who has entered into a separate client agreement with the Manager in relation to these Shares which has terminated for any reason whatsoever.

## 8. **SUBSCRIPTION AND REDEMPTIONS THROUGH A CLEARING SYSTEM AND/OR SELLING AGENT**

In addition to applying directly to subscribe for or redeem Shares directly with a Fund, as described above, applications for Shares (and redemptions of such Shares) may also be made indirectly through a clearing system and/or selling agent in certain markets. The clearing system and/or selling agent may provide a nominee service for investors purchasing and selling through them, pursuant to which the nominee will hold Shares in its own name for and on behalf of the investors. Investors may incur fees normally payable in respect of the maintenance and operation of accounts in such clearing system (or nominee). Different subscription and redemption procedures and time limits may be applied by the members of such clearing systems and/or selling agent for shares held by their nominee, although the ultimate Dealing Deadlines referred to in the relevant Fund's Supplement remain unaffected for Shareholders that hold Shares directly with a Fund. Investors should note that they may be unable to purchase or sell Shares via the clearing system and/or the selling agent on days that a clearing system is not open for business. Further information on subscription and redemptions through a clearing system and/or selling agent will be set out in the country supplements for the relevant jurisdictions.

## 9. **EXCHANGE OF SHARES**

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Fund (the **Original Class**) for Shares of another class which are being offered at that time (the **New Class**) (such class being in the same Fund or in a separate Fund) provided that all the criteria for applying for Shares in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Manager may however at its discretion agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point. The general provisions and procedures relating to the issue and repurchase of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

An Exchange Charge of up to 1.5% per cent of the repurchase value of the Shares being exchanged may be charged by the ICAV on the exchange of Shares, but is charged only if exchanges are in excess of five in a calendar year. There is no charge on a switch between classes of the same Fund.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

Telephone calls and electronic communications may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for records keeping, security and/or training purposes. Please see paragraph "Communications Recording" below for further information.

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

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

SP

where:

S = the number of Shares of the New Class to be issued;

R = the number of Shares of the Original Class to be exchanged;



- RP = the repurchase price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER = in the case of an exchange of Shares designated in the same Base Currency is 1. In any other case, it is the currency conversion factor determined by the Directors, or the Manager on their behalf, at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- F = the Exchange Charge (if any) payable on the exchange of Shares; and
- SP = the subscription price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

### 9.1. **Limitations on Exchange**

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Fund or Funds is suspended in the manner described under **Suspension of Calculation of Net Asset Value** below. Applicants for exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension. Shares may only be exchanged for other Shares of other Funds and/or Classes when both the Original Class and the New Class are denominated in the same currency.

### 9.2. **Umbrella cash collection account**

The ICAV has established an Umbrella Cash Collection Account and has not established such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to and from a Fund will be channelled and managed through the Umbrella Cash Collection Account.

### 9.3. **Calculation of Net Asset Value/Valuation of Assets**

The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Fund and deducting therefrom the liabilities of the Fund. The Net Asset Value of a Fund divided by the number of Shares of the relevant Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a Share of the relevant Fund. Where there is more than one Class in issue in a Fund, the Net Asset Value per Share of the relevant Class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant Class at the Valuation Point and by dividing this sum by the total number of Shares of the relevant Class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Fund). The Net Asset Value and Net Asset Value per Share will in each case be rounded to four decimal places or such other number of decimal places as the Directors may determine.

The Instrument of Incorporation provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund.

In general, the Instrument of Incorporation provides that the value of any investments quoted, listed or dealt in on a Market shall be the latest mid-market price as at the relevant Valuation Point (save that the Manager may, in its discretion, determine that the value of the investments shall be at the latest bid price, subject to such valuation approach being noted in the Supplement for the relevant Fund) provided that the value of any investment listed or dealt in on a Market but acquired or traded at a premium or at a discount outside the relevant Market with the approval of the Depositary may be valued taking into account the level of premium or discount as at the date of valuation of the investment provided that the Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security. Where such investment is quoted, listed or traded on or under the rules of more than one Market, the Manager shall, in its absolute discretion, select the Market, which in its opinion, constitutes the main Market for such investment for the foregoing purposes or the ones which the Manager or its delegate determine provides the fairest criteria in ascribing a value to such security. The value of any investment which is quoted, listed or traded in on a Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Manager,

represent fair market value or of any investment not quoted, listed or traded on a Market, the value thereof shall be the probable realisation value estimated with care and in good faith by

- (i) the Manager; or by
- (ii) a competent person appointed by the Manager, in each case approved, for such purpose, by the Depositary; or
- (iii) any other means provided that the value is approved by the Depositary.

In determining the probable realisation value of any such investment, the Manager may accept a certified valuation thereof provided by a competent independent person or in the absence of any independent person, an affiliate of the Manager (notwithstanding that a possible conflict of interest may arise because the Manager has an interest in the valuation), who in each case shall have been approved by the Depositary to value the relevant securities.

The Instrument of Incorporation further provides that cash and other liquid assets will be valued at their face value with interest accrued, where applicable unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager may consider appropriate in such case to reflect the true value thereof as at the relevant Valuation Point. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued at each Valuation Point at the latest available mid-market dealing price on the Market (or bid price as the case may be) on which these assets are traded or admitted for trading (being the Market which is the sole market or in the opinion of the Manager the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. Forward foreign exchange contracts which are dealt in on a Market shall be valued by reference to the price at which a new forward contract of the same price and maturity could be undertaken provided that if such price is not available, the value of any such forward foreign exchange contracts shall be the settlement price for such contracts at the Valuation Point for the relevant Dealing Day as provided by the counterparty on a daily basis and verified on a weekly basis by a competent person (being independent from the counterparty), approved for such purpose by the Depositary.

The value of any over the counter derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified weekly by a party independent of the counterparty who has been approved, for such purpose, by the Depositary. Alternatively, the value of any over-the-counter derivative contract may be the quotation from an independent pricing vendor such as Bloomberg or equivalent or that calculated by the Manager and shall be valued daily. Where an alternative valuation is used by the Manager, the Manager will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Manager and approved for the purpose by the Depositary, or a valuation by any other means provided that such value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise they must be promptly investigated and explained.

The value of any exchange traded derivatives, share price index, futures contracts and options and other derivative contracts shall be the settlement price, as determined by the Market in question, as at the relevant Valuation Point, provided that where it is not the practice for the relevant Market to quote a settlement price or such settlement price is not available for any reason as at the relevant Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by

- (i) the Manager; or
- (ii) another competent person appointed by the Manager and approved for the purpose by the Depositary; or
- (iii) any other means provided that the value is approved by the Depositary.

The value of units or shares or other similar participation in any collective investment scheme, which provides for the units or shares or other similar participations therein to be redeemed at the option of the holder out of the assets of that undertaking, shall be the latest available net asset value per unit or share as published by the collective investment scheme or other similar participation after deduction of any repurchase charge as at the relevant Valuation Point or if bid and offer prices are published, the latest available mid price.

If in any case a particular value is not ascertainable as provided above or if the Manager shall consider that some other method of valuation better reflects the fair value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Manager in its absolute discretion shall determine, such method of valuation to be approved by the Depositary. The valuation rationale/methodologies used shall be clearly documented.

Notwithstanding the generality of the foregoing, the Manager may with the approval of the Depositary adjust the value of any such security if having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity, dealing costs and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at the relevant Valuation Point.

Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) as determined to be appropriate in the circumstances.

Insofar as Shares are listed on Euronext Dublin, the Net Asset Value will be notified to Euronext Dublin, immediately upon calculation, where applicable.

#### 9.4. **Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and exchange of Shares and the payment of repurchase proceeds during:

- 9.4.1. any period when any of the Markets on which a substantial portion of the investments of the relevant Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- 9.4.2. any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, or the Manager on their behalf, the Net Asset Value of the Fund cannot be fairly calculated; or
- 9.4.3. any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund, or when, for any other reason the current prices on any Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- 9.4.4. any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- 9.4.5. any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund; or
- 9.4.6. any period when the Directors consider it to be in the best interest of the relevant Fund; or
- 9.4.7. following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the ICAV or terminate the relevant Fund is to be considered.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested issue or repurchases of Shares of any class or exchanges of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and to Euronext Dublin (in respect of Shares listed, if any) and will be communicated without delay to the competent authorities in the EU Member States in which

it markets its Shares. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in the European Union, or such other publications as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

#### 9.5. **Form of Shares, Share Certificates and Transfer of Shares**

Shares will be issued in registered form. Purchase contract notes will normally be issued within 48 hours after the allotment of Shares. Confirmations of ownership evidencing entry in the register will normally be issued quarterly (monthly if specifically requested by a Shareholder) upon receipt of all original documentation required by the Administrator. Share certificates shall not be issued.

Shares in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete an Application Form and provide any other documentation reasonably required by the Manager or the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the ICAV as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to:

- (i) a U.S Person (except pursuant to an exemption available under U.S. securities laws); or
- (ii) any person who does not clear such money laundering checks as the Directors may determine or who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or
- (iii) any person which in the opinion of the Directors might result in the relevant Fund incurring any liability to taxation or suffering other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the relevant Fund might not otherwise have incurred, suffered or breached (including but not limited to any person which in the opinion of the Directors might result in the interest in the relevant Fund or the Manager or other Shareholders being subject to US regulatory or legal requirements or being classified as a US Person or commodity pool operator for the purposes of any US laws or regulations where as a result of such classification the Fund or such other person would be required to register, apply for an exemption or otherwise make any filing, application or provide any information to any US regulatory body, authority, organisation, association, government department, exchange or clearing body); or
- (iv) by a minor or person of unsound mind; or
- (v) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount; or
- (vi) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or
- (vii) any person where in respect of such transfer any payment of taxation remains outstanding; or
- (viii) in any other circumstances prohibited by the Instrument of Incorporation as described herein.

Registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for that class of Shares specified in the Supplement for the relevant Fund.

If the transferor is, or is deemed to be, or is acting on behalf of a Taxable Irish Person, the ICAV is entitled to repurchase and cancel a sufficient portion of the transferor's Shares as will enable the ICAV to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.

Holders of the Shares are, subject to the differences between different Classes, entitled to participate equally in the profits and dividends of the relevant Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights and are entitled to one vote each on a poll at all meetings of the Shareholders. Where there are Shares of a different Class in a Fund, the Net Asset Value per Share amongst such Classes may differ to reflect the fact that income has been reinvested or been distributed, that there are differing charges of fees and expenses, that they are designated in different currencies, or that the gains/losses on and costs of different financial instruments employed for currency hedging between the currencies in which the assets of a Fund are designated and the Designated Currency of the Shares are attributed to them. All

references to Shares include a fraction of a Share calculated to the nearest one-hundredth. Save as provided herein, all Shares of each Class within a Fund will rank pari passu.

The ICAV may issue different Classes in each Fund which may be differentiated at the discretion of the ICAV, details of which will be set out in the relevant Supplement. Such Classes may be subject to different fees than those which apply to existing Classes. The fees applying to such Classes may be lower or higher than fees applying to existing Classes or such Classes may not be subject to any fees. The creation of additional Classes in a Fund will be notified to and cleared in advance by the Central Bank.

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued.

#### 9.6. **Notification of Prices**

The up to date issue and repurchase price of each class of Shares in each Fund will be available from the Administrator, and will be published on each Business Day on the Manager's website [www.aegonassetmanagement.com/nl](http://www.aegonassetmanagement.com/nl). Such prices will usually be the prices applicable to the previous Dealing Day's trades.

### 10. **DATA PROTECTION**

Prospective investors should note that by completing the Application Form when subscribing for Shares in a Fund, they will provide the ICAV with personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis and research, and will be disclosed to the ICAV, its delegates and agents. The personal data of prospective investors and registered Shareholders shall be processed in accordance with the Privacy Statement.

Pursuant to applicable data protection legislation, Shareholders have a right of access to their personal data kept by the ICAV and the right to amend and rectify any inaccuracies in their personal data held by the ICAV by making a request in writing to the ICAV.

The ICAV is a Data Controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation.

### 11. **FEES AND EXPENSES**

Particulars of the specific fees and expenses (including performance fees, if any) payable to the Manager, the Distributor, the Administrator and the Depositary are set out in the relevant Supplement, together with details of the following charges if applicable: repurchase charge, exchange charge, cost of hedged Share class and preliminary charge.

The ICAV may pay out of the assets of each Fund the fees and expenses payable to the Manager, the Depositary, the Administrator and the Distributor, the fees and expenses of the Delegate and Sub-Delegates of the Depositary which will be at normal commercial rates, the fees and expenses of the Directors (if any, as referred to below), any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, ICAV secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, the fees and expenses of any distributor, data vendor or paying agent or representative appointed in compliance with the requirements of another jurisdiction (in each case at normal commercial rates), any amount payable under indemnity provisions contained in the Instrument of Incorporation or any agreement with any appointee of the ICAV, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal, regulatory and governance advisers and consultancy and fees connected with listing the Shares on Euronext Dublin and registering the ICAV for sale in other jurisdictions, as well as fees for provision of data protection and money laundering services. The costs of printing and distributing this Prospectus, the Supplements, the Key Investor Information Documents, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a

result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the ICAV.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Directors, or the Manager on their behalf, to be attributable to any one Fund, the expense will be allocated by the Directors, or the Manager on their behalf, with the approval of the Depositary, in such manner and on such basis as the Directors, or the Manager on their behalf, in their/its discretion deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors, or the Manager on their behalf, may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

Only Directors who are not employees of the Aegon group of companies will be entitled to remuneration for their services as director provided however that the annual emoluments of any such Director shall not exceed €30,000 or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. Shareholders shall be notified of any change to the fees payable to Directors. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors.

The cost of establishing the ICAV and its initial Funds, Aegon Euro Credits Fund, Aegon ABS Fund and Aegon European High Yield Bond Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it were borne by the Manager. The costs of establishing subsequent Funds will be borne by the relevant Fund and where appropriate details thereof will be set out in the relevant Supplement.

When a Fund invests in the units of other CIS that are managed directly or by delegation, by the Fund's Manager or by any other company with which the Fund's Manager is linked by common management or control or by a substantial direct or indirect holding, the Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS and can only receive a reduced annual management fee (maximum of 0.25 % p.a.) with respect to the holding in that or those other CIS in the Fund.

Any third party research received in connection with investment management services that the Manager provides to the Funds will be paid for by the Manager out of its fees, as relevant in relation to each Fund, and will not be charged to the Funds.

#### 11.1. **Remuneration Policy**

The Manager has in place remuneration policies, procedures and practices as required pursuant to UCITS V (the **Remuneration Policy**). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed to discourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager, the ICAV or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually by the Manager.

Details of the up-to-date Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available at [www.aegonam.com/en/disclosures](http://www.aegonam.com/en/disclosures). A paper copy version of the Remuneration Policy will be made available free of charge upon request.

## 12. **TAXATION**

### 12.1. **General**

**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 advisers as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.**

## 12.2. Ireland

### **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 a declaration 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. An explanation of the term 'intermediary' is set out at the end of this summary.

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) TCA, the ICAV will not deduct Irish tax in respect of the Shareholder's Shares once the declaration 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 for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. 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), such a person is a "Taxable Irish Person" and 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 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 specie* 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 company. 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.

### **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.

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime)..

### **FATCA**

The Hiring Incentives to Restore Employment Act includes provisions generally known as Foreign Account Tax Compliance ("**FATCA**"). The objective of FATCA provisions is to require non-US financial institutions to identify and appropriately report on US taxpayers holding assets outside the US as a safeguard against US tax evasion. 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 US Internal Revenue Service 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 US Internal Revenue Service 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 US Internal Revenue Service specifically identified the ICAV as being a 'non-participating financial institution' for FATCA purposes.

## **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 was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

### *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

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 2019 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2022.

#### *Meaning of 'intermediary'*

An 'intermediary' means a person who:

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

#### **Genuine Diversity of Ownership Condition**

Shares in each of the Funds shall be widely available. The intended categories of investors are those seeking to invest in UCITS including retail investors, institutional investors (including pension funds) and high net worth individual investors. Shares in the Funds are marketed by the Distributor (or its sub-distributors) and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

#### 12.3. **Other Jurisdictions**

The Directors intend to manage the affairs of the ICAV so that it does not become resident outside of Ireland for tax purposes.

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. **Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the ICAV and any investment returns from those Shares.**

#### 13. **OPERATION OF THE SUBSCRIPTION AND REDEMPTION COLLECTION ACCOUNT**

An Umbrella Cash Collection Account has been established. All subscriptions into and redemptions and dividends due from the Funds will be paid into the Umbrella Cash Collection Account.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions payable from a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscription amounts paid into the Umbrella Cash Collection Account will be paid into an account in the name of the relevant Fund on the Settlement Date. 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 to the account from which they were received within five (5) Business Days and as specified in the operating procedure in respect of the Umbrella Cash Collection Account.

Redemptions, including blocked redemptions, 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 Shareholder/investor.

In respect of the Umbrella Cash Account, the obligations of the Depositary with regard to safe-keeping and oversight of the monies in such account shall be as set out in the Regulations.

In accordance with the Central Bank guidance on the establishment by the ICAV in conjunction with the Depositary of a policy to govern the operation of an umbrella cash account, the ICAV has an operating procedure in respect of the Umbrella Cash Collection Account which identifies 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.

#### 14. **GENERAL INFORMATION**

#### 14.1. **Reports and Accounts**

The ICAV's year-end is 31 December in each year. The annual report and audited accounts of the ICAV, in English, will be sent to Euronext Dublin (in respect of Shares listed, if any) and made available to Shareholders within four months after the conclusion of each accounting year. The annual report and audited accounts will be published within four months of 31 December each year. The ICAV will also prepare unaudited semi-annual reports which will be sent to Euronext Dublin (in respect of Shares listed, if any), and made available to Shareholders within two months after 30 June in each year. The semi-annual report will be published within two months of 30 June each year.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the year-end or the end of such semi-annual period.

#### 14.2. **Annual General Meeting**

Pursuant to the Act, the Directors have elected to dispense with the holding of annual general meetings. Notwithstanding this, one or more Shareholders holding, or together holding, not less than 1% of the voting rights in the ICAV, or the auditors of the ICAV, may require the ICAV to hold an annual general meeting in a specific year, by giving notice in writing to the ICAV in the previous year or at least one month before the end of that year and the ICAV shall hold the required meeting.

#### 14.3. **Incorporation and Share Capital**

The ICAV was incorporated and registered in Ireland under the Act as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds on 18 March 2016 with registered number C153036.

The share capital of the ICAV is 1,000,000,000,000 unclassified participating shares of no par value. The minimum issued share capital of the ICAV is 2 shares of no par value. The maximum share capital of the ICAV is 1,000,000,000,000 unclassified shares of no par value.

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance. There are no rights of pre-emption attaching to the Shares in the ICAV.

#### 14.4. **Instrument of Incorporation**

Clause 4.1 of the Instrument of Incorporation provides that the sole object of the ICAV is the collective investment in either or both – (i) transferable securities, (ii) other liquid financial assets referred to in Regulation 68 of the Regulations, of capital raised from the public and which operate on the principle of risk-spreading.

The Instrument of Incorporation contains provisions to the following effect:

##### **Directors' Authority To Allot Shares**

The Directors are generally and unconditionally authorised to exercise all powers of the ICAV to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the ICAV;

##### **Variation of Rights**

The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the ICAV is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons present in person or by proxy and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy;

##### **Voting Rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every

Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share;

### **Alteration of Share Capital**

The ICAV may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe;

The ICAV may also by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into Shares of larger amounts;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amounts or value;
- (iii) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (iv) redenominate the currency of any class of Shares;

### **Directors' Interests**

Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the ICAV nor shall any such contract or any contract or arrangement entered into by or on behalf of any other ICAV in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the ICAV) or a duty which conflicts or may conflict with the interests of the ICAV. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:-

- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the ICAV or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the ICAV or any of its subsidiary or associated companies;
- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the ICAV or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning any offer of shares or debentures or other securities of or by the ICAV or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof; or
- (iv) any proposal concerning any other ICAV in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever.

### **Borrowing Powers**

The Directors (or the Manager or its delegates) may exercise all of the powers of the ICAV to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank;

#### **Delegation to Committee**

The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Instrument of Incorporation regulating the proceedings of Directors so far as they are capable of applying;

#### **Retirement of Directors**

No Director shall be required to retire by rotation and no Director shall be required to retire on account of age;

#### **Directors' Remuneration**

Unless and until otherwise determined from time to time by the ICAV in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. Any such remuneration of the directors will be set out under the heading "FEES AND EXPENSES". The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of Shares of the ICAV or otherwise in connection with the discharge of their duties;

#### **Transfer of Shares**

Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the ICAV incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the ICAV might not otherwise have incurred, suffered or breached, any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding and any transfer in regard to which any payment of taxation remains outstanding.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued and such other evidence as the Directors may require to show the right of the transferor to make the transfer), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint. The Directors may decline to register any transfer of Shares unless the transferor and the transferee have provided the Administrator with such evidence of their identities as the Administrator may reasonably require;

#### **Right of Repurchase**

Shareholders have the right to request the ICAV to repurchase their Shares in accordance with the provisions of the Instrument of Incorporation;

## **Dividends**

The Instrument of Incorporation permits the Directors to declare such dividends on any class of Shares as appear to the Directors to be justified by the profits of the relevant Fund. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund;

## **Funds**

The Directors are required to establish a separate portfolio of assets for each Fund created by the ICAV from time to time, to which the following shall apply:

- (i) for each Fund the ICAV shall keep separate books and records in which all transactions relating to the relevant Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each class in the Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Instrument of Incorporation;
- (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records 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 shall be applied to the relevant Fund;
- (iii) in the event that there are any assets of the ICAV which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, 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 shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated; and
- (iv) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the ICAV in respect of or attributable to that Fund;

## **Fund Exchanges**

Subject to the provisions of the Instrument of Incorporation, a Shareholder holding Shares in any class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day);

## **Winding Up**

The Instrument of Incorporation contains provisions to the following effect:

- (i) If the ICAV shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund, provided that rules in relation to segregated liability between Funds apply;
- (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the ICAV not attributable to any class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the ICAV attributable to each class of Share; and thirdly, any balance then remaining and not attributable to any of the classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the Net Asset Value attributable to each class of Shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of Shares in that class of Shares held by them; and
- (iii) If the ICAV shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any



other sanction required by the Companies Act 2014, divide among the holders of Shares of any class or classes in specie the whole or any part of the assets of the ICAV and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares or different classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the ICAV may be closed and the ICAV dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

- (iv) A Fund may be wound up pursuant to section 37 of the Act and in such event the provisions reflected in this paragraph 14 shall apply mutatis mutandis.

#### **Share Qualification**

The Instrument of Incorporation does not contain a share qualification for Directors.

#### **14.5. Directors' Interests**

Stuart Donald is a Director of the ICAV and an employee of Aegon Asset Management UK plc as Sub-Distributor. Mike Kirby is a director of KB Associates which has been engaged by the Company and the Manager to provide certain monitoring, reporting and other services relevant to the ICAV and is in receipt of remuneration and out of pocket expenses for such services.

#### **14.6. Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the ICAV and are or may be material:

- 14.6.1. **The Depositary Agreement** the material terms of which are set out in the Depositary section above. This Agreement provides that it will continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other(s), although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the ICAV shall with due observance of the applicable requirements of the Central Bank and in accordance with applicable law, rules and regulations, appoint a successor depositary. The Depositary may not be replaced without the approval of the Central Bank; The Depositary Agreement is governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement; The Depositary Agreement contains indemnities in favour of the Depositary excluding matters arising by reason of its failure to satisfy its obligation of due skill, care and diligence, or by reason of its negligence, intentional failure or fraud.
- 14.6.2. **The Administration Agreement** which provides that the appointment of the Administrator will continue for an initial term of 12 months (the **Initial Term**) and any 12 month consecutive period where the ICAV extends the duration of the Administration Agreement by giving the Administrator not less than 3 months' written notice; the Agreement may be terminated by the ICAV or the Administrator in accordance with the Administration Agreement; the Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude any liability caused as a result of the negligence, wilful default or fraud of the Administrator.
- 14.6.3. **The Management Agreement** which provides that the appointment of the Manager will be for an initial term of two years and then for successive periods of one year thereafter unless the Manager or Company terminate the Management Agreement by the giving of at least 90 days' notice in writing, such notice to be given on the final day of the initial term or on the final day of any one year extension thereof, although the Management Agreement may be terminated at any time by notice in writing by either party to the other in certain circumstances as described

in the Management Agreement. The Management Agreement contains certain indemnities in favour of the Manager which are restricted to exclude matters arising by reasons of the fraud, negligence or wilful default of the Manager in the performance or non-performance by the Manager of its obligations or duties under the Management Agreement.

- 14.6.4. **The Sub-Distribution Agreement** provides that it may be terminated by the Global Distributor or Aegon Asset Management UK plc by giving at least 90 days prior written notice to the other party of such termination, although in certain circumstances the Sub-Distribution Agreement may be terminated at any time by notice in writing by either party to the other; the Sub-Distribution Agreement contains certain indemnities in favour of Aegon Asset Management UK plc which are restricted to exclude claims attributable to the fraud, negligence or wilful default in the performance or non-performance by Aegon Asset Management UK plc of its obligations or of its duties thereunder.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Fund.

#### 14.7. **Documents for Inspection**

Copies of the following documents may be obtained from the ICAV and inspected at the registered office of the ICAV during usual business hours during a Business Day at the address shown in the Directory section below:

- 14.7.1. the Instrument of Incorporation of the ICAV;
- 14.7.2. the Prospectus (as amended and supplemental to) and the Supplements;
- 14.7.3. the annual and semi-annual reports relating to the ICAV most recently prepared by the Administrator;
- 14.7.4. details of notices sent to Shareholders;
- 14.7.5. the Regulations;
- 14.7.6. the Central Bank UCITS Regulations; and
- 14.7.7. the key investor information documents (**KIIDs**).

Copies of the Instrument of Incorporation of the ICAV (and, after publication thereof, the periodic reports and accounts) may be obtained from the Administrator free of charge.

#### 14.8. **Dispute Resolution**

Any person who has a complaint to make about the operation of the ICAV can submit his complaint in writing to the address given below:

Citi Fund Services Transfer Agency  
1 North Wall Quay  
Dublin 1  
Ireland

Shareholders may also raise a complaint through the EU Online Dispute Resolution (ODR) portal [www.ec.europa.eu/consumers/odr/](http://www.ec.europa.eu/consumers/odr/) if the complaint relates to Shares that were subscribed by electronic means, including via email. Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Manager or any Fund is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

#### 14.9. **Communications Recording**

Please note that the Manager or the Administrator may record telephone calls and electronic communications for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call or communication. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

## SCHEDULE 1 - MARKETS

Subject to the provisions of the Central Bank UCITS Regulations and with the exception of permitted investments in unlisted securities, the ICAV will only invest in securities listed or traded on the following stock exchanges and regulated markets which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public):

1 (a) any stock exchange or market in Australia, Austria, Belgium, Bulgaria, Canada, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, New Zealand, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, the Netherlands, the United Kingdom and the United States of America.

(b) any stock exchange included in the following list:

Brazil	-	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Channel Islands	-	Channel Islands Stock Exchange
China	-	Shanghai Stock Exchange and Shenzhen Stock Exchange;
	-	Shenzen Stock Exchange
India	-	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Jakarta Stock Exchange and Surabaya Stock Exchange;
Korea	-	Korean Stock Exchange;
Malaysia	-	Kuala Lumpur Stock Exchange;
Mexico	-	Bolsa Mexicana de Valores;
Peru	-	Bolsa de Valores de Lima;
Philippines	-	Philippines Stock Exchange;
Singapore	-	The Stock Exchange of Singapore;
South Africa	-	Johannesburg Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taipei Stock Exchange Corporation;
Thailand	-	The Stock Exchange of Thailand;
Turkey	-	Istanbul Stock Exchange;

(c) any of the following:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (**FCA**) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

KOSDAQ;

NASDAQ;

SESDAQ;

TAISDAQ/Gretai Market;

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Johannesburg Securities Exchange;

The Singapore International Monetary Exchange;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments);

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is:
  - (i) located in an EEA Member State;
  - (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, the United Kingdom or the United States;
  - (iii) the Channel Islands Stock Exchange;
  - (iv) listed at (c) above.
3. The stock exchanges and regulated markets described above are set out herein in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

## SCHEDULE 2 – SUB-DELEGATES

As at the date of this Prospectus, the sub-delegates used by the Depositary in various markets are as follows:

Country	Citibank NA
<b>Argentina</b>	The branch of Citibank N.A., in the Republic of Argentina
<b>Australia</b>	Citigroup Pty. Limited
<b>Austria</b>	Citibank Europe Plc
<b>Bahrain</b>	Citibank, N.A., Bahrain Branch
<b>Bangladesh</b>	Citibank, N.A., Bangladesh Branch
<b>Belgium</b>	Citibank Europe plc
<b>Bermuda</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited
<b>Bosnia-Herzegovina (Sarajevo)</b>	UniCredit Bank d.d.
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank of Botswana Limited
<b>Brazil</b>	Citibank, N.A., Brazilian Branch
<b>Bulgaria</b>	Citibank Europe plc Bulgaria Branch
<b>Canada</b>	Citibank Canada
<b>Chile</b>	Banco de Chile
<b>China A Shares</b>	Citibank (China) Co., Ltd (China A shares)
<b>China B Shanghai</b>	Citibank, N.A., Hong Kong Branch (For China B shares)
<b>China B Shenzhen</b>	Citibank, N.A., Hong Kong Branch (For China B shares)
<b>China Hong Kong Stock Connect</b>	Citibank, N.A., Hong Kong Branch

<b>Clearstream ICSD</b>	Clearstream Banking S.A.
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco Nacional de Costa Rica
<b>Croatia</b>	Privedna banka Zagreb d.d.
<b>Cyprus</b>	Citibank Europe plc, Greece Branch
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka
<b>Denmark</b>	Citibank Europe plc
<b>Egypt</b>	Citibank, N.A., Egypt
<b>Estonia</b>	Swedbank AS
<b>Euroclear</b>	Euroclear Bank SA/NV
<b>Finland</b>	Nordea Bank AB (publ), Finnish Branch
<b>France</b>	Citibank Europe plc
<b>Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	Citibank Europe plc
<b>Ghana</b>	Standard Chartered Bank of Ghana Limited
<b>Greece</b>	Citibank Europe plc, Greece Branch
<b>Hong Kong</b>	Citibank NA Hong Kong Branch
<b>Hungary</b>	Citibank Europe plc Hungarian Branch Office
<b>Iceland</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>India</b>	Citibank NA Mumbai Branch
<b>Indonesia</b>	Citibank, N.A., Jakarta Branch

<b>Ireland</b>	Citibank NA London Branch
<b>Israel</b>	Citibank, N.A., Israel Branch
<b>Italy</b>	Citibank Europe plc
<b>Jamaica</b>	Scotia Investments Jamaica Limited
<b>Japan</b>	Citibank N.A. Tokyo Branch
<b>Jordan</b>	Standard Chartered Bank Jordan Branch
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Korea (South)</b>	Citibank Korea Inc.
<b>Kuwait</b>	Citibank NA Kuwait Branch
<b>Latvia</b>	Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS
<b>Lithuania</b>	Swedbank AS, based in Estonia and acting through its Lithuanian branch "Swedbank" AB
<b>Luxembourg</b>	only offered through the ICSDs- Euroclear & Clearstream
<b>Macedonia</b>	Raiffeisen Bank International AG
<b>Malaysia</b>	Citibank Berhad
<b>Malta</b>	Citibank is a direct member of Clearstream Banking, which is an ICSD.
<b>Mauritius</b>	The Hong Kong & Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de Mexico, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Netherlands</b>	Citibank Europe plc
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Nigeria</b>	Citibank Nigeria Limited



<b>Norway</b>	Citibank Europe Plc
<b>Oman</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank, N.A., Citibank Europe Plc Pakistan Branch
<b>Panama</b>	Citibank, N.A., Panama Branch
<b>Peru</b>	Citibank del Peru S.A
<b>Philippines</b>	Citibank, N.A., Philippine Branch
<b>Poland</b>	Bank Handlowy w Warszawie SA
<b>Portugal</b>	Citibank Europe Plc
<b>Qatar</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe plc, Dublin - Romania Branch
<b>Russia</b>	AO Citibank
<b>Saudi Arabia</b>	The Hong Kong & Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.
<b>Serbia</b>	UniCredit Bank Srbija a.d.
<b>Singapore</b>	Citibank, N.A., Singapore Branch
<b>Slovak Republic</b>	Citibank Europe plc pobočka zahraničnej banky
<b>Slovenia</b>	UniCredit Banka Slovenia d.d. Ljubljana
<b>South Africa</b>	Citibank NA South Africa branch
<b>Spain</b>	Citibank Europe plc,
<b>Sri Lanka</b>	Citibank, N.A., Sri Lanka Branch
<b>Sweden</b>	Citibank Europe plc, Sweden Branch
<b>Switzerland</b>	Citibank NA London branch

<b>Taiwan</b>	Citibank Taiwan Limited
<b>Tanzania</b>	Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd
<b>Thailand</b>	Citibank, N.A. Bangkok Branch
<b>Tunisia</b>	Union Internationale de Banques
<b>Turkey</b>	Citibank, A.S.
<b>Uganda</b>	Standard Chartered Bank of Uganda Limited
<b>Ukraine</b>	JSC Citibank
<b>UAE- Abu Dhabi Securities Exchange</b>	Citibank NA UAE
<b>United Arab Emirates DFM</b>	Citibank NA UAE
<b>United Arab Emirates NASDAQ Dubai</b>	Citibank NA UAE
<b>United Kingdom</b>	Citibank NA London branch
<b>United States</b>	Citibank NA New York offices
<b>Uruguay</b>	Banco Itau Uruguay S.A.
<b>Vietnam</b>	Citibank NA Hanoi Branch

### SCHEDULE 3 – ADDITIONAL INFORMATION FOR SWISS INVESTORS

**Swiss Representative:**

CACEIS (Switzerland) SA, Route de Signy 35, 1260 Nyon, Switzerland.

**Swiss Paying Agent:**

CACEIS Bank, Paris, succursale de Nyon / Suisse, Route de Signy 35, 1260 Nyon, Switzerland.

**Publications:**

The Net Asset Value of the Shares of each Fund, together with an indication “commissions excluded” will be published daily on [www.fundinfo.com](http://www.fundinfo.com).

Publications in Switzerland relating to the ICAV or the Fund(s), in particular the publication of amendments to the instrument of incorporation and the prospectus, shall be made on [www.fundinfo.com](http://www.fundinfo.com).

**Location where the relevant documents may be obtained:**

The prospectus for Switzerland, the instrument of incorporation, the key investor information documents (KIIDs) as well as the annual and semi-annual reports of the ICAV may be obtained free of charge from the Swiss Representative.

**Payment of retrocessions and rebates:**

The ICAV and/or 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:

- Setting up processes for subscribing, holding and safe custody of the Shares;
- Keeping a supply of marketing and legal documents, and issuing the said;
- Forwarding or providing access to legally required publications and other publications;
- Performing due diligence in areas such as money laundering and client identification, ascertaining client needs and distribution restrictions;
- Operating and maintaining an electronic distribution and/or information platform;
- Drawing up fund research material;
- Central relationship management;
- Subscribing Shares as a "nominee" for several clients;
- Mandating and monitoring additional distributors.

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.

In the case of distribution activity in or from Switzerland and as far as foreseen in the supplement for a Fund, 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 AEGON Investment Management B.V. 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 and its agents are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
- the amount of the fees generated by the investor;
- the investment behavior 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 and its agents must disclose the amounts of such rebates free of charge.

#### **Place of performance and jurisdiction:**

In respect of the shares distributed in and from Switzerland, the place of performance and the place of jurisdiction is at the registered office of the Swiss Representative.

#### **Fees and Expenses**

Shareholder's attention is drawn to the section in the Prospectus entitled "Fees and Expenses".

## **SCHEDULE 4 - DIRECTORY**

AEGON ASSET MANAGEMENT EUROPE ICAV

70 SIR JOHN ROGERSON'S QUAY

DUBLIN 1

IRELAND

### **DIRECTORS**

MIKE KIRBY

BRONWYN WRIGHT

STUART DONALD

### **MANAGER & GLOBAL DISTRIBUTOR**

AEGON INVESTMENT MANAGEMENT B.V.

AEGONPLEIN 50

2591 TV,

DEN HAAG

THE NETHERLANDS

### **DEPOSITARY**

CITI DEPOSITARY SERVICES IRELAND DESIGNATED ACTIVITY COMPANY

1 NORTH WALL QUAY

DUBLIN 1

IRELAND

### **ADMINISTRATOR**

CITIBANK EUROPE PLC

1 NORTH WALL QUAY

DUBLIN 1

IRELAND

### **AUDITORS**

PRICEWATERHOUSECOOPERS

1 SPENCER DOCK

NORTH WALL QUAY

DUBLIN 1

IRELAND

**IRISH LEGAL ADVISERS TO THE ICAV**

MATHESON

70 SIR JOHN ROGERSON'S QUAY

DUBLIN 2

IRELAND

**SECRETARY**

MATSACK TRUST LIMITED

70 SIR JOHN ROGERSON'S QUAY

DUBLIN 2

IRELAND

**SUB-DISTRIBUTOR:**

AEGON ASSET MANAGEMENT UK PLC

3 LOCHSIDE CRESCENT

EDINBURGH

EH12 9SA