

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER (“PROFESSIONAL ADVISERS”).**

The Directors of the ICAV, whose names appear in this Prospectus under the section “Directory” accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## **MANULIFE INVESTMENT MANAGEMENT II ICAV**

(an open-ended umbrella ICAV with segregated liability between its Funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

## **EXTRACT PROSPECTUS FOR SWITZERLAND**

**Dated 27 March 2023**

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The Funds are referred to in the section “Introduction” which lists the Funds existing at the date hereof. The Directors do not anticipate that any active secondary market will develop in Shares of any Fund. The ICAV issues a Supplement to this Prospectus at the time of establishing each Fund. Each Supplement forms part of, and should be read in the context of and together with, this Prospectus.

**This Prospectus is an extract of the prospectus of the ICAV dated 3 October 2022. This prospectus is for investors in Switzerland. It is solely intended for the offer and the distribution of the Shares in the ICAV in or from Switzerland. It only contains information relating to the Funds authorised in Switzerland and does not constitute a prospectus under Irish law.**

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## IMPORTANT INFORMATION

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All capitalised terms used in this Prospectus shall have the meanings given to them in the section “Definitions” unless the context requires otherwise.

### **Investor Responsibility**

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their Professional Advisers in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any currency exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

### **Central Bank Authorisation**

The ICAV is both authorised and supervised by the Central Bank. The Central Bank shall not be liable by virtue of its authorisation of the ICAV or by reason of its exercise of the functions conferred on it by legislation in relation to the ICAV for any default of the ICAV. Authorisation does not constitute a warranty by the Central Bank and the Central Bank shall not be liable for the performance or default of the ICAV. The authorisation of the ICAV is not an endorsement or guarantee of the ICAV by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

### **Investment Risks**

The price of Shares and the income from them may go down as well as up and investors may not get back the amount invested. There can be no assurance that any Fund will achieve its investment objective. Investors should consider the investment risks described in the section “Investment Risks and Special Considerations” before investing in the ICAV or any Fund.

### **Initial Sales Charge**

Where an initial sales charge is payable in respect of a subscription or redemption for a Class of Shares, the resulting difference at any one time between the Subscription Price and Redemption Price means that investment in such Shares should be viewed as a medium to long term investment. Where an initial sales charge applies, it will not exceed 5% of the Net Asset Value of the relevant Class.

### **Redemption Charge**

Shareholders may be subject to a redemption charge calculated as a percentage of redemption monies as specified in the relevant Supplement subject to a maximum of 3%. In the event that a redemption fee is applicable, Shareholders should view their investment as medium to long term.

### **Key Investor Information Document**

Key Investor Information Documents are available for the Funds. In addition to summarising some important information in this Prospectus, the Key Investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained free of charge from the

registered office of the ICAV, which is set out in the section “Directory”, or at [ucits.manulifeim.com](http://ucits.manulifeim.com) prior to a subscription in any Fund.

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

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Shares are offered only on the basis of the information contained in this Prospectus, the relevant Key Investor Information Documents and the latest audited annual accounts and any subsequent half-yearly report when available. The Prospectus, the latest audited annual accounts and any subsequent half-yearly reports will be made available to the public at the registered office of the ICAV.

Any further information or representations given or made by any person should be disregarded and accordingly, should not be relied upon.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale or redemption of the Shares other than those contained in this Prospectus, the relevant Key Investor Information Documents, the relevant Application Form(s) and, once published, the latest published annual report and accounts of the ICAV and any such advertisement, information or representations, if given or made, must not be relied any as having been authorised by the ICAV.

Neither the delivery of this Prospectus, the latest published annual report or accounts of the ICAV (once published) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or in any such report is correct as of any time subsequent to the date thereof or that the affairs of the ICAV have not changed since the date thereof.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

No information or advice herein contained shall constitute advice to a proposed investor in respect of his personal position. Accordingly, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the ICAV. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. To the extent that there is any inconsistency or ambiguity between the English language Prospectus and the Prospectus in another language, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, and the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

This Prospectus should be read in its entirety before making an application for Shares.

## **United States**

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the direct or indirect benefit of any U.S. Person (as defined in Schedule III), except pursuant to registration or an applicable exemption. Neither the ICAV nor the Funds have been or will be registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the ICAV. The ICAV, however, reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Each U.S. Person subscribing for Shares must agree that the ICAV may reject, accept or condition any proposed transfer, assignment or exchange of those Shares. Applicants for Shares will be required to certify whether they are a U.S. Person or U.S. Taxpayer and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors 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 disadvantage which the ICAV might not otherwise have incurred or suffered. See the section “Administration of the ICAV: Compulsory Redemption or Transfer”.

The Shares have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The ICAV, the Manager and the Funds are not currently regulated by the CFTC as a commodity pool under the Commodity Exchange Act. The ICAV, the Manager and/or the Funds may be subject to regulation as a commodity pool in the future.

## **Japan**

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (the “FIEA”) has been made or will be made with respect to the solicitation of the application for the acquisition of the Shares on the ground that where the prospective investor is either (i) not a qualified institutional investor as defined in Article 2, paragraph 3, item 1 of the FIEA (“QII”) or (ii) a QII but the offering to that prospective investor is made in reliance on a small number private placement exemptions that do not exclude the number of QIIs, the solicitation constitutes a “solicitation for a small number of investors” as set forth in Article 23-13, paragraph 4 of the FIEA.

## **Singapore**

The offer of shares of the Fund does not relate to a collective investment scheme which is authorized under Section 286 of the Securities and Futures Act, Ch. 289 of Singapore (“SFA”) or recognized under Section 287 of the SFA, and shares of the Fund are not allowed to be

offered to the retail public. Pursuant to Section 305 of the SFA, read in conjunction of Regulation 32 of and the Sixth Schedule to the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (the "Regulations"), the Fund has been entered into the list of restricted schemes maintained by the Monetary Authority of Singapore for the purposes of the offer of shares in the Fund to be made to relevant persons (as defined in Section 305(5) of the SFA), or, the offer of shares in the Fund is made in accordance with the conditions of Section 305(2) of the SFA. These materials do not constitute an offer or solicitation by anyone in Singapore or any jurisdictions in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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## DIRECTORY

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

Thomas G. Murray (Irish Resident)  
Eimear Cowhey (Irish Resident)  
Adrian Waters (Irish Resident)  
Andrew G. Arnott (U.S. Resident)  
Bernard Letendre (Canadian Resident)  
Christopher Conkey (U.S. Resident)

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

Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

### ***Manager, Investment Manager and Distributor***

Manulife Investment Management (Ireland) Limited  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

### ***Administrator, Registrar and Transfer Agent***

Citibank Europe plc  
1 North Wall Quay  
Dublin 1 D01T8Y1  
Ireland

### ***Depositary***

Citi Depositary Services Ireland Designated  
Activity Company  
1 North Wall Quay  
Dublin 1 D01 T8Y1  
Ireland

### ***Legal Advisors***

Dechert  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

### ***Auditors***

**EY**  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin D02 YA40  
Ireland

### ***ICAV Secretary***

Dechert Secretarial Limited  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

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## DEFINITIONS

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

<b>“1933 Act”</b>	the U.S. Securities Act of 1933 (as amended);
<b>“1940 Act”</b>	the U.S. Investment Company Act of 1940 (as amended);
<b>“Accounting Date”</b>	31 March in each year;
<b>“Accounting Period”</b>	a period ending on the Accounting Date and commencing, in the case of the first such period, on the date of incorporation of the ICAV and, in subsequent such periods, on the day following expiry of the last Accounting Period;
<b>“Accumulating Classes”</b>	Classes in which the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund and which may be identified by the word “Accumulating” in their title;
<b>“Administration Agreement”</b>	the agreement dated 30 September 2022 between the ICAV, the Manager and the Administrator as may be amended, from time to time;
<b>“Administrator”</b>	Citibank Europe plc, or such other person as may be appointed from time to time in accordance with the requirements of the Central Bank to provide administration services to the ICAV;
<b>“ADR”</b>	American Depositary Receipt, a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a non-U.S. stock that is traded on a U.S. exchange;
<b>“ADS”</b>	American Depositary Share, an underlying share that an ADR represents;
<b>“Application Form”</b>	the application form, obtainable from the Administrator, to be completed by subscribers for Shares of any Fund or Class as prescribed by the ICAV from time to time;
<b>“Auditor”</b>	EY or such other person as may be appointed from time to time in accordance with the requirements of the Central Bank to act as auditor to the ICAV;
<b>“Base Currency”</b>	the base currency of a Fund as determined by the Directors; and set out in the relevant Supplement;



<b>“Bond Connect”</b>	the program launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Fund Centre (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit;
<b>“Benefit Plan Investor”</b>	as defined in Schedule III;
<b>“Benchmarks Regulation”</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
<b>“Business Day”</b>	each day on which the Euronext Dublin and New York Stock Exchange are open for regular business and such other day or days as may be determined by the Directors;
<b>“Central Bank”</b>	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the ICAV;
<b>“Central Bank UCITS Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended or consolidated from time to time;
<b>“CFTC”</b>	the U.S. Commodity Futures Trading Commission;
<b>“CIBM”</b>	the China interbank bond market, which is the over-the-counter market for bonds issued and traded in the PRC;
<b>“Class”</b>	any class of Shares each representing interests in a Fund;
<b>“Clearing System”</b>	the National Securities Clearing Corporation (NSCC) or any other clearing system approved by the Directors;
<b>“Code”</b>	the U.S. Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	the U.S. Commodity Exchange Act of 1936 as amended;
<b>“Convertible Securities”</b>	bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A Convertible Security

	entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the Convertible Security matures or is redeemed, converted or exchanged. Additionally, Convertible Securities also include convertible structured notes which are fixed-income debentures linked to equity and contingent convertible notes (CoCos);
<b>“CRS”</b>	the Common Reporting Standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the OECD;
<b>“Currency Class”</b>	the currency of denomination of a Class;
<b>“Data Protection Legislation”</b>	the Data Protection Acts 1988 to 2018, the GDPR and any other laws that apply to the ICAV in relation to the processing of personal data;
<b>“Dealing Day”</b>	unless otherwise stated in the relevant Supplement, each Business Day, or such other Business Day as the Directors may determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each calendar month carried out at regular intervals;
<b>“Dealing Deadline”</b>	in the case of subscriptions and redemptions, 4 pm Dublin time on the relevant Dealing Day or as otherwise may be specified in a relevant Supplement, provided that such time will never be after the relevant Valuation Point;
<b>“Delegated Regulations”</b>	the Commission Delegated Regulation supplementing Directive 2014/91/EU of the European Parliament and of the Council of 17 December 2015 (once finalised and directly effective in Ireland);
<b>“Depositary”</b>	Citi Depositary Services Ireland Designated Activity Company, the depositary to the ICAV or such other person as may be appointed in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	the agreement dated 30 September 2022 between the ICAV, the Manager and the Depositary as may be amended from time to time;
<b>“Dilution Levy”</b>	an adjustment to a Fund’s Net Asset Value to cover market spreads and dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>“Directors”</b>	the directors of the ICAV for the time being and any duly constituted committee thereof;

<b>“Distributing Classes”</b>	Classes in which the Directors intend to declare a dividend in respect of the Shares and which may be identified by the word “Distributing” in their title;
<b>“Distribution Agent”</b>	any sub-distributor, intermediary, dealer and/or professional investor that the Manager enters into contractual arrangements with for the distribution of Shares;
<b>“Duties and Charges”</b>	all stamp and other duties, taxes, governmental charges, brokerage, bank charges, non-U.S. exchange and/or other dealing spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the ICAV or the creation, issue, sale, switch or redemption of Shares or the purchase, switch, exchange, redemption or sale of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion or in the event of the transaction or dealing in respect of which such duties and charges are, or may be, payable, which may include, when calculating Subscription Prices and Redemption Prices, any provision for spreads (to take into account the difference between the price at which assets may be valued for the purpose of calculating the Net Asset Value and the price at which such assets may be acquired or may be sold or realised), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares;
<b>“EDR”</b>	European Depositary Receipt, a negotiable certificate issued by a bank of an EEA Member State representing a specific number of shares of a stock traded on an exchange of another EEA Member State;
<b>“EEA”</b>	the European Economic Area, comprising the Member States, Norway, Iceland and Liechtenstein;
<b>“ERISA”</b>	the U.S. Employee Retirement Income Security Act of 1974, as amended;
<b>“ESMA”</b>	means the European Securities and Market Authority;
<b>“ETF”</b>	exchange traded funds;
<b>“EU”</b>	the European Union;
<b>“FATCA” or "Foreign Account Tax Compliance Act"</b>	Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory

	legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these sections of the Code;
<b>“FDIs”</b>	financial derivative instruments; contracts that derive their value from the value of an underlying asset, reference rate or index;
<b>“Financial Account”</b>	means a “Financial Account” as used in the intergovernmental agreement between the U.S. and Ireland for the purposes of FATCA;
<b>“Financial Institution”</b>	means a “Financial Institution” as defined in FATCA;
<b>“FINRA”</b>	the U.S. Financial Industry Regulatory Authority;
<b>“Fund” or “Funds”</b>	a portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate Fund with segregated liability invested in accordance with the investment objective and policies applicable to such Fund as specified in this Prospectus or any supplement thereto;
<b>“GDPR”</b>	EU General Data Protection Regulation;
<b>“GDR”</b>	Global Depositary Receipt, a bank certificate issued in more than one country for shares in a non-U.S. company;
<b>“Hedged Share Class”</b>	a Class which is not denominated in the Base Currency of a Fund to which a currency hedging strategy is applied;
<b>“High Yield Debt Securities”</b>	Debt securities that are rated BB+ or lower by a rating agency, or are unrated but determined by the Manager (or a Sub-Investment Manager) to be of comparable quality;
<b>“ICAV Act”</b>	Irish Collective Asset-management Vehicle Act 2015;
<b>“ICAV”</b>	Manulife Investment Management II ICAV;
<b>“ICAV Secretary”</b>	Dechert Secretarial Limited, the secretary of the ICAV and the Manager or such other persons as may be appointed from time to time by the ICAV;
<b>“Investment Grade Debt Securities”</b>	Unless otherwise specified in the relevant Supplement, securities that are rated within the four highest grades assigned by rating agencies such as Moody’s Investors Service, Inc. (Aaa, Aa, A, Baa), Standard & Poor’s Ratings Services (AAA, AA, A, BBB), or Fitch Ratings (AAA, AA, A, BBB), or are unrated but determined by

	the Manager (or a Sub-Investment Manager) to be of comparable quality;
<b>“Initial Offer Price”</b>	the price at which a Class of Shares is first offered or at which it is reoffered as specified in the section “Administration of the ICAV: How to Purchase Shares”, or relevant Supplement;
<b>“Instrument”</b>	the instrument of incorporation of the ICAV for the time being in force and as may be modified from time to time;
<b>“Legislation”</b>	the Central Bank UCITS Regulations, the Delegated Regulations, the Regulations and the UCITS Rules or any of the foregoing as the context so requires;
<b>“Management Shares”</b>	a redeemable non-participating share in the capital of the ICAV with a set capital value of €1 issued in accordance with, and having rights provided for, in the Instrument;
<b>“Management Agreement”</b>	the agreement dated 1 May 2019 between the ICAV and the Manager as may be amended from time to time;
<b>“Manager”</b>	Manulife Investment Management (Ireland) Limited or any other person or persons for the time being duly appointed manager in succession to said Manager;
<b>“Member”</b>	a Shareholder or a person who is registered as the holder of one or more Management Shares;
<b>“Member State”</b>	a member state of the EU;
<b>“MiFID II”</b>	the European Union’s markets in financial instruments directive (Directive 2014/65/EU) and any delegated acts and regulations promulgated thereunder;
<b>“MiFID Regulations”</b>	S.I. No 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended from time to time and any regulations or conditions made thereunder by the Central Bank;
<b>“Money Market Instrument”</b>	instruments normally dealt in on the money markets which are liquid, have a value which can be accurately determined at any time and include, but are not limited to, government debt, commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets, and which are further described in the UCITS Rules;
<b>“Net Asset Value” or “NAV”</b>	the Net Asset Value of the ICAV or of a Fund or Class, as appropriate, calculated as described in the section “Determination of Net Asset Value”;

<b>“Net Asset Value per Share”</b>	in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the relevant Fund or Class;
<b>“OECD”</b>	the Organisation for Economic Co-Operation and Development;
<b>“primarily”</b>	when a Fund investment policy states that investments will be made “primarily” in a particular type of security or securities, or in a particular country, region, sector or industry, it generally means that at least two-thirds of this Fund’s net assets (without taking into account cash, Money Market Instruments or other ancillary liquid assets) shall be invested into such security(ies), country, region, sector or industry;
<b>“PRC”</b>	People’s Republic of China;
<b>“Prospectus”</b>	this document and any Supplements or addenda thereto, issued by the ICAV in accordance with the requirements of the Central Bank;
<b>“Redemption Price”</b>	the price payable in respect of redeemed Shares as specified in the section “Determination of Net Asset Value: Redemption Prices” section;
<b>“Regulated Market”</b>	a regulated market as set out in Schedule I;
<b>“Regulation S Securities”</b>	securities that are exempt from registration under the 1933 Act and that may be freely traded among certain non-U.S. institutional buyers such as the Funds;
<b>“REITs”</b>	real estate investment trusts. Investments in REITs will be permitted by a Fund if they qualify as (i) an Underlying Collective Investment Scheme; or (ii) a transferable security in accordance with the UCITS Regulations;
<b>“Rule 144A Securities”</b>	securities purchased in transactions exempt from registration requirements of the 1933 Act pursuant to Rule 144A;
<b>“SEC”</b>	the U.S. Securities and Exchange Commission;
<b>“Share” or “Shares”</b>	a participating share or shares in the ICAV or a Fund, as the context so requires;
<b>“Shareholders”</b>	holders of Shares and each a “Shareholder”;
<b>“Sub-Investment Management Agreement”</b>	an agreement between the Manager and a Sub-Investment Manager to whom the assets of a Fund (or a proportion thereof) are allocated as set out in the

	Supplement for the relevant Fund and as may be amended from time to time;
<b>“Sub-Investment Manager”</b>	the person or persons appointed by the Manager pursuant to a Sub-Investment Management Agreement to provide discretionary investment management and related services on a sub-investment management basis to the ICAV as set out in the Supplement for the relevant Fund and as may be amended from time to time;
<b>“Subscription Price”</b>	the subscription price in respect of Shares of any Class on any Dealing Day as specified in the section “Determination of the Net Asset Value: Calculation of Subscription and Redemption Prices”;
<b>“Supplement”</b>	a supplement including any addenda thereto, which is supplemental to this Prospectus setting out information specific to a Fund;
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulation” or “UCITS Regulations”</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be supplemented or consolidated from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;
<b>“UCITS Rules”</b>	the Central Bank UCITS Regulations and any guidance or Q&A document issued by the Central Bank from time to time pursuant to the Central Bank UCITS Regulations; or any document published by the Central Bank which sets down all of the conditions which the Central Bank imposes on UCITS, their management companies and depositaries;
<b>“Underlying Collective Investment Scheme”</b>	any collective investment scheme which meets the requirements of the UCITS Regulations for investment by a UCITS, pursuant to the restrictions set out therein and, for the avoidance of doubt, includes other Funds, regulated collective investment scheme and regulated non-UCITS domiciled in the EU, Guernsey, Jersey, the Isle of Man or the EEA;
<b>“U.S.”</b>	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“U.S. Person”</b>	a “U.S. Person” as defined in Schedule III herein;

<b>“U.S. Reportable Account”</b>	a Financial Account held by a U.S. Reportable Person;
<b>“U.S. Taxpayer”</b>	a “U.S. Taxpayer” as defined in Schedule III herein; and
<b>“Valuation Point”</b>	the day and time(s) with reference to which the assets and liabilities of each Fund will be valued for the purpose of calculating the Net Asset Value and the Net Asset Value per Share. Unless otherwise stated in the relevant Supplement, the Valuation Point shall be 4pm New York time on the relevant Dealing Day.

In this Prospectus, all references to the “Euro” or “EUR” or “€” are to the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the European Union and any successor currency as determined at the discretion of the Directors, all references to “US Dollars” or “\$” or “US\$” or “USD” are to the lawful currency of the United States of America, all references to “Pounds” or “Pounds Sterling” or “GBP” are to the lawful currency of the United Kingdom, all references to “CHF” or “Swiss Franc” are to the lawful currency of Switzerland, all references to “SEK” or “Swedish Kroner” are to the lawful currency of Sweden and all references to “NOK” or “Norwegian Kroner” are to the lawful currency of Norway.



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## INTRODUCTION

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### Establishment and Incorporation

The ICAV is an open-ended umbrella ICAV with segregated liability between its Funds and is organised under the laws of Ireland as an ICAV pursuant to the ICAV Act. The ICAV is authorised by the Central Bank pursuant to the UCITS Regulations. The ICAV was incorporated on 15 April 2015 under registration number C139800.

The life of the ICAV is unlimited.

The activities of the ICAV are governed by its Instrument and this Prospectus and the details concerning the ICAV contained herein.

The Instrument provides that the ICAV may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund and the assets and liabilities of each Fund are segregated as a matter of Irish law. The value of the Shares of each Fund shall at all times equal their Net Asset Value. The Base Currency of each Fund will be determined by the Directors and will be set out in the Prospectus and/or Supplement for the relevant Fund.

The ICAV has obtained the approval of the Central Bank for the establishment of:

- Manulife U.S. All Cap Core Equity Fund (Supplement No. 1);
- Manulife Strategic Fixed Income Fund (Supplement No. 2);
- Manulife Emerging Markets Debt Fund (Supplement No. 3);

Additional Funds may be established by the ICAV from time to time with the prior approval of the Central Bank.

### Share Classes

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund and there is no segregation of liability between Classes. The Classes of Shares are described more fully in the section "Share Classes". The Directors shall notify the Central Bank regarding the proposed issuance of any additional Classes of Shares in a Fund and clear any such proposals in advance with the Central Bank. Shares of each Class allocated to a Fund will rank *pari passu* with each other in all respects provided that Classes may differ as to certain matters including, without limitation, as to all or any of the following: currency of denomination of the Class, distribution policy, the amount of fees and expenses to be charged (including any Share Class specific expenses), hedging policy and the minimum subscription and redemption amounts.

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## INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

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The ICAV intends to provide investors with a choice of Funds offering different investment objectives. Each Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities, liquid financial assets, collective

investment schemes or other permitted investments in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which a Fund may invest must generally be listed and/or traded on a Regulated Market except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. Details of the range of investments permitted under the UCITS Regulations and the applicable restrictions are set out in Schedule II. The Regulated Markets in which a Fund's investments will be traded are set out in Schedule I.

The assets of each Fund will be invested separately in accordance with the investment objective and policies of the relevant Fund and which are set out in the relevant Supplement.

The investment return to Shareholders in a particular Fund is related to the Net Asset Value of that Fund, which in turn is primarily determined by the performance of the portfolio of investments held by that Fund.

Unless otherwise set out in the relevant Supplement, each Fund may invest up to 10% of its Net Asset Value in Underlying Collective Investment Schemes (which include ETFs), subject to the requirements of the Central Bank and the UCITS Regulations. Such investment in Underlying Collective Investment Schemes includes investing in other Funds. However, a Fund may not invest in another Fund which itself holds Shares in other Funds. Where a Fund invests in another Fund, the investing Fund may not charge an annual management fee in respect of the portion of its assets invested in the other Fund. If a Fund invests in the units or shares of an Underlying Collective Investment Scheme managed by the Manager or by an associated or related company of the Manager (including any Sub-Investment Manager), the Manager or the associated or related company must waive the sales charge or exit charge payable, if any. The Manager will not receive any commission when a Fund invests in such a scheme. However, if any commissions are received by the Manager, the commission must be paid into the property of the relevant Fund.

Each Fund that is permitted to invest globally and/or in emerging markets may invest in:

- Chinese securities traded on a Regulated Market outside of mainland China, or, directly through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect; and
- Russian securities traded on the Moscow Exchange.

Pending investment of the proceeds of a placing or offer of Shares, in accordance with the investment objectives and policies of a Fund as set out in the relevant Supplement, or where market or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading "Investment Restrictions" below, invest in cash deposits, Money Market Instruments and in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated investment grade or better by Moody's or by Standard & Poor's as well as ETFs which are consistent with the investment policies of a Fund (unless otherwise set out in the Supplement, investment in ETFs is subject to a limit of 10% overall investment by a Fund in other collective investment schemes) and equity or bond index futures (futures on major equity or bond indices (as consistent with the relevant Fund's investment policy)).

Each Fund seeks to remain fully invested in accordance with its investment objective. However, in an attempt to respond to adverse market, economic, political, or other conditions, a Fund may take a temporary defensive position by holding some or all of its assets in short-term investments. These investments include cash, commercial paper, Money Market

Instruments, repurchase agreements, Canadian government obligations, U.S. government securities and Euro-denominated government debt securities. A Fund also may hold these types of investments while looking for suitable investment opportunities or to maintain liquidity. Taking a temporary defensive position could prevent a Fund from achieving its investment objective.

A Fund may sell a security if it no longer meets the Fund's investment criteria or for a variety of other reasons, such as to secure gains, limit losses, maintain its duration, redeploy assets into opportunities believed to be more promising, or satisfy redemption requests, among others. A Fund will not be required to sell a security that has been downgraded after purchase; however, in these cases, the relevant Fund will monitor the situation to determine whether it is advisable for the relevant Fund to continue to hold the security. In considering whether to sell a security, a Fund may evaluate factors including, but not limited to, the condition of the economy, changes in the issuer's competitive position or financial condition, changes in the outlook for the issuer's industry, the Fund's valuation target for the security, and the impact of the security's duration on the Fund's overall duration.

Any change in the investment objective or a material change in the investment policies of a Fund will be subject to prior approval on the basis of a majority of votes cast by an ordinary resolution of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. 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.

Non-material changes to the investment policies of a Fund may be implemented from time to time by the Directors if they shall deem it to be in the best interest of the relevant Fund.

A summary of the investment process pursued by each Sub-Investment Manager for the selection of investments in each Fund is outlined in the relevant Supplement.

### **Integration of Sustainability Risks**

The Manager is required, under Article 6(1) (a) of the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) ("**SFDR**") to describe the manner in which sustainability risks are integrated into its investment decision-making process. The Manager has delegated the day to day investment decision-making for each Fund to a Sub-Investment Manager. As such, the Manager relies on each Sub-Investment Manager to consider how to integrate sustainability risks as appropriate into the investment process for each Fund it manages.

The Manager's flexible framework supports implementation across different asset classes, strategies and investment teams, allowing the Sub-Investment Managers to apply the integration approach they consider is most relevant for the Funds they manage on a day to day basis.

The Manager considers sustainability risks in the selection and appointment of new Sub-Investment Managers and carries out ongoing monitoring of each Sub-Investment Manager's approach to the integration of sustainability risks.

The Manager expects each Sub-Investment Manager to, amongst other things:

- a) have the appropriate capabilities to carry out robust integration processes to take into account material sustainability risks;
- b) implement their own detailed sustainability risk policy suitable to the Fund or Funds they manage;

- c) identify, consider and incorporate material sustainability risk to the extent they reasonably consider appropriate as part of their overall ongoing investment process and when carrying out initial due diligence on each investment;
- d) where possible and required by relevant regulations, collect environmental, social and governance (“**ESG**”) data and reporting on their portfolios and produce periodic ESG reporting on the Funds.

Currently, consideration of sustainability risks may not be systematically integrated into the investment decision-making process for certain Funds where the Manager believes, together with the Sub-Investment Manager, that they are of limited relevance (for example in currency investing or in certain classes of derivatives). Where this is the case, it will be disclosed in the Supplement for the relevant Fund.

The Manager’s approach to sustainability is evolving and the disclosures in relation to sustainability will be regularly reviewed and updated as necessary. The Manager is subject to policies on the integration of sustainability risks in the investment decision-making process (together, the “**Sustainability Risk Policy**”). The details of the Sustainability Risk Policy are available on [ucits.manulifeim.com](http://ucits.manulifeim.com) and a copy will be made available free of charge on request.

Unless otherwise indicated in the relevant Supplement for a Fund, investments underlying a particular Fund do not take into account the EU criteria for environmentally sustainable activities.

For each of the Funds, the relevant Sub-Investment Manager does not currently consider adverse impacts of investment decisions on sustainability factors – i.e., the sustainability “outputs” of investment decisions – for their own sake as part of the investment process, because these elements are not part of the Funds’ stated goals and strategies, and a focus on impacts, rather than material risks and returns, could be inconsistent with those goals and strategies.

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## USE OF FINANCIAL DERIVATIVE INSTRUMENTS

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### Use of FDIs

#### *Efficient Portfolio Management*

The ICAV may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, use techniques and instruments for hedging purposes (to protect the Fund’s unrealised gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund’s investment portfolio) or for the purposes of efficient portfolio management (including but not limited to forward currency exchange contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts and swap contracts). The ICAV may also use repurchase/reverse repurchase and securities lending agreements for the purposes of efficient portfolio management. References to a Fund entering into an FDI shall be construed as the ICAV entering into such FDI on behalf of a Fund, where appropriate. A Fund also may use FDIs to seek to enhance returns, spreads or gains, or to efficiently invest excess cash or quickly gain market exposure. A Fund may engage in such transactions on an exchange or in the over-the-counter (“OTC”) market.

The ICAV may engage in such techniques and instruments for the reduction of risk, cost or the generation of additional capital or income for each Fund with an appropriate level of risk,

taking into account the risk profile of the ICAV and the relevant Fund as described in this Prospectus and the general provisions of the UCITS Regulations. For more information, see SCHEDULE IV: "Efficient Portfolio Management".

The use of techniques for efficient portfolio management is not expected to raise the risk profile of a Fund or result in higher volatility.

As is required to be disclosed in this Prospectus in accordance with the requirements of the Central Bank UCITS Regulations, all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Direct and indirect operational costs and fees arising from efficient portfolio management techniques (which shall not include hidden revenue) will be paid to the securities lending agent or counterparty to the relevant agreement, who shall not be related to the ICAV or the Manager.

The types of FDIs that a Fund may use consist principally of:

#### *Futures Contracts and Options on Futures*

A Fund may enter into futures contracts and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security, index or other financial instrument at a specific future date and price on an exchange or the OTC market. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

#### *Warrants and Rights*

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions. Warrants are typically longer-dated options and are generally traded over-the-counter. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

#### *Convertible Securities*

Convertible bonds are bonds that provide the holder of the bond with the option to exchange the bond for a specific number of shares of a company's stock. This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the underlying stock is performing poorly the convertible continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money. A Fund may invest in convertible bonds for the purpose of taking

exposure to companies and issuers that are consistent with the investment policy of the relevant Fund.

Convertible preferred securities are securities that provide the holder of preference shares with the option to exchange the preference shares for a specific number of shares of a company's ordinary shares. This embedded option allows the relevant Fund to maintain its equity investment strategy whilst providing certain elements of fixed income instruments as preference shares often have fixed dividends which are required to be paid before any dividends are paid to the holders of ordinary shares. As such, the relevant Fund can utilise the preferred element of the security where an underlying company's performance is poorer and convert into a company's ordinary shares when the value of same increases appropriately. In addition, the preferred element of the security assists in providing income to the relevant Fund and the pricing structure might also provide value for the portfolio.

Where a Fund invests in Convertible Securities this will be set out in the relevant Supplement of the Fund.

The Convertible Securities in which a Fund may invest may embed a derivative.

#### *Contingent Convertible Securities*

Contingent convertible notes ("CoCos") are a form of hybrid debt security issued by financial institutions that may either convert into equity or have their principal written down on the happening of certain trigger events linked to regulatory capital thresholds. A trigger event may also arise where the issuer's regulatory authority makes a determination that the issuer is non-viable. Such CoCos may embed a derivative. Where a Fund invests in CoCos, this will be set out in the relevant Supplement of a Fund.

#### *Repurchase/Reverse Repurchase Agreements*

A Fund may enter into repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the UCITS Rules.

A repurchase agreement, or sale-and-repurchase agreement, also known as a repo, is the sale of securities together with an agreement for the seller to buy back the securities at a later date. Under a repurchase agreement, a Fund sells securities to a counterparty with an agreement by the relevant Fund to repurchase the securities at the same price, plus interest, at a specified rate.

A reverse repurchase agreement, also known as a reverse repo, is the purchase of securities from a counterparty with an agreement for the purchaser to resell the securities at a later date to the counterparty. Under a reverse repurchase agreement, a Fund buys securities from a counterparty with an agreement by the relevant Fund to resell the securities at the same price, plus interest, at a specified rate. Security is held by the relevant Fund as collateral for the counterparty's repurchase obligation.

For repurchase agreements, a Fund shall ensure that it is able at any time to recall any securities subject to the agreement or to terminate the repurchase agreement into which it has entered. In relation to reverse repurchase agreements, a Fund should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the relevant Fund.

### *Currency Forward Contracts*

A Fund may use non-deliverable currency forward contracts to hedge the risk to the portfolio to exchange price movements. Under some circumstances, a Fund may commit a substantial portion or the entire value of its portfolio to the completion of forward contracts. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time. Currency forward contracts also may be used to increase a Fund's exposure to currencies that the Sub-Investment Manager believes may rise in value relative to the Base Currency of the relevant Fund or to shift a Fund's exposure to currency fluctuations from one country to another.

### *Options*

A Fund may purchase call and put options and write (*i.e.*, sell) covered call and put option contracts in accordance with its investment objective and policies. A "call option" is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A "covered call option" is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A "put option" gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may purchase and sell call and put options in respect of specific securities (or groups or "baskets" of specific securities) or securities indices, currencies or futures. A Fund also may enter into OTC options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Sub-Investment Manager's ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, currency exchange rates or interest rates.

### *Swap Agreements*

A Fund may enter into interest rate (including basis), equity index, credit default, currency, inflation and total return swap agreements, and swaptions (options on swaps). A Fund may enter into these swap transactions for hedging purposes or in an attempt to obtain a particular return when it is considered desirable to do so. A swap transaction involves an agreement between two parties to exchange different cash flows based on a specified or "notional" amount. The cash flows exchanged in a specific transaction may be, among other things, payments that are the equivalent of interest on a principal amount, payments that would compensate the purchaser for losses on a defaulted security or basket of securities, or payments reflecting the performance of one or more specified currencies, securities or indices.

A basis swap is a type of swap where there is an exchange of floating rate payments in the same or different currencies. The floating rates are calculated over different bases; for example, the U.S. Treasury Bill rate. A basis swap is used to help a Fund hedge against its basis risk and for exchanging liquidity.

An inflation swap operates in a similar manner to an interest rate swap except that an inflation swap 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 the 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.

A credit default swap (“CDS”) is a swap used to transfer risk of default on an underlying fixed income security from the holder of the fixed income security to the seller of the swap. If a Fund buys a CDS it will be entitled to receive the value of the fixed income security from the seller of the CDS should the fixed income security’s issuer default on its payment obligations under the fixed income security. Where a Fund sells a CDS it will receive a payment (premium) from the purchaser of the CDS in exchange for the transfer of risk.

A swaption is an option contract which grants the buyer, who pays a fee or premium, the right but not the obligation to enter into a swap agreement (e.g. an interest rate swap) with the issuer on a specified future date. Swaptions may vary as to the underlying swap and may vary as to whether the purchaser of the swaption becomes the payer of the fixed cash flows and receiver of the variable cash flow (payer swaption) or becomes the payer of the variable cash flow and the receiver of the fixed cash flow (receiver swaption).

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, Money Market Instruments or other eligible investments which are consistent with the investment objective and policies of a Fund as set out in the “Investment Policies” section of the Supplement for the relevant Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on Shareholder returns are described in the section “Investment Risks and Special Considerations” under the heading “Hedging, FDIs and Other Strategic Transactions Risk”.

In addition, there may be potential conflicts of interests where the Manager enters into securities lending arrangements that may incur a higher arranging fee which may not be in the best interests of the relevant Fund and its Shareholders or where the Manager contracts with connected parties. Details of the ICAV’s conflicts of interest policy is set out in the section “Conflicts of Interest”.

It is not intended that the counterparties to total return swaps entered into by a Fund assume any discretion over the composition or management of the Fund’s investment portfolio or over the underlying of the FDI, or that the approval of the counterparty is required in relation to any portfolio transactions by the relevant Fund.

#### *Forward Contracts*

A forward contract involves obligations of one party to purchase, and another party to sell, a specific amount of a currency (or a security or other financial instrument) at a future date, at a price established in the contract.

Forward contracts may be structured for cash settlement, rather than physical delivery. A Fund may enter into non-deliverable currency forward contracts (“NDFs”), which are a particular type of cash-settled forward contract that may be used to gain exposure to a non-convertible or relatively thinly traded non-U.S. currency.

With respect to futures contracts or forward contracts that are contractually required to cash settle, a Fund will be permitted to set aside liquid assets in an amount equal to the relevant Fund’s daily marked-to-market net obligation (*i.e.*, the relevant Fund’s daily net liability) under the contracts, if any, rather than such contracts’ full notional value. In the case of futures contracts or forward contracts that are not contractually required to cash settle, a Fund will be obligated to set aside liquid assets equal to such contracts’ full notional value (generally, the total numerical value of the asset underlying a future or forward contract at the time of valuation) during the period of time while the contract positions are open.



### *Participatory Notes*

Participatory notes are financial instruments which may be used by a Fund to gain indirect exposure to various equity markets. Purchasing participatory notes from brokerage firms or banks will give a Fund indirect access to equity securities. This allows a Fund to gain exposure to equities in markets which may not be accessed directly without potentially triggering registration requirements. While participatory notes are often listed on an exchange, they are usually traded on an OTC basis with the issuing broker or bank. Participatory notes on equities usually provide exposure to the underlying equity on a 1:1 basis (*i.e.*, delta 1), they are not bought on margin and they do not embed any derivative elements. Such participatory notes may meet the criteria for transferable securities under UCITS regulations and will then be treated as such and will not be subject to the rules for FDI.

### *To Be Announced (TBA) Securities*

To be announced (TBA) securities are non-cleared, forward-settling government agency (Freddie Mac, Fannie Mae and Ginnie Mae) mortgage-backed securities. The actual mortgage-backed security that will be delivered to fulfil a TBA trade is not designated at the time the trade is made; they are "to be announced" on the Notification Date, 48 hours prior to the established trade settlement date. TBAs are essentially 'placeholders' for the purchase or sale of mortgage pools. TBA trades generally trade three months forward. In a TBA transaction, a seller agrees the issuer, interest rate and terms of the underlying mortgages but to deliver a security at a future date, but does not specify the particular security to be delivered. Instead, the seller agrees to accept any security that meets specified terms. TBA transactions involve the risk that market interest rates will fluctuate from the agreed interest rate for the TBA and the risk that the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss.

### *When-Issued, Delayed Delivery and Forward Commitment Securities*

Each Fund may purchase securities on a when-issued basis or purchase securities on a forward commitment (sometimes called delayed delivery) basis. These transactions are a commitment by the relevant Fund to purchase securities at a future date with the price of the underlying securities and the date when the securities will be delivered and paid for (the settlement date) fixed at the time the transaction is negotiated. When-issued purchases and forward commitment transactions are normally negotiated directly with the other party. When-issued and delayed delivery securities and forward commitments involve the risk that the security the relevant Fund buys will lose value prior to its delivery, the security will not be issued or the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss.

### *Structured Notes*

A Fund may also invest in structured notes (which may embed an option). Structured notes may be used to achieve exposure to markets or securities in which the relevant Fund might otherwise invest and represent derived investment positions whose value at maturity or interest rate is linked to currencies, interest rates, equity securities, indices (including debt or equity indices) or other financial indicators (such as gross domestic product rates or local consumer price index). Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment

directly in the underlying market or security. A Fund bears the market risk of an investment in the underlying investment as well as the credit risk of the issuer.

### *Risk Management*

The Manager operates a risk management process on behalf of each Fund in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that a Fund's investments (including FDI) exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDIs embedded in investments held by a Fund. In particular, the Manager (or Sub-Investment Manager as relevant) will manage exposure risk using either the commitment approach or an absolute Value at Risk ("VaR") methodology in accordance with the Central Bank's requirements.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDIs which the Manager proposes to employ on behalf of the Funds ("Risk Management Process"). Until such time as an updated risk management statement has been approved by the Central Bank; however, the Manager will not use any FDI which is not for the time being included in the Risk Management Process.

Where a Fund is a non-sophisticated user of derivative instruments (e.g., where it uses simple derivatives for non-complex hedging and/or investment strategies), it may utilise the commitment approach. The commitment approach is a mathematical measure used to calculate the global exposure of the relevant Fund in respect of derivative use at a given time which, for Funds utilising the commitment approach, may not exceed the Net Asset Value of that Fund.

VaR is a statistical methodology that attempts to predict, using historical data, the likely scale of losses that might be expected to occur over a given period of time at a given level of confidence. In other words, the absolute VaR approach is a measure of the maximum potential loss due to the market risk over a specified period of time. The historical observation period will not be less than 1 year; however, a shorter observation period may be used if justified (e.g., as a result of significant recent changes in price volatility).

Where applicable, the use of FDI, and the risk management methodology used by a particular Fund will be set out in the relevant Supplement. Where a Fund does not use FDI, the Supplement will confirm this.

### *Class Currency Hedging*

The ICAV or its delegate shall also enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a hedged Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the ICAV. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with the Central Bank's UCITS Regulations. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging. Under-hedged positions must not fall short of 95% of the proportion of net asset value of the Share

Class which is to be hedged and under-hedged positions will be kept under review to ensure it is not carried forward from month to month.

While the ICAV may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

The Funds may implement currency hedging strategies by using spot and non-deliverable forward non-U.S. exchange contracts and currency futures, options and swap contracts.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to currency risk in relation to the Base Currency.

#### *Fund/Portfolio Currency Hedging*

Each Fund generally operates the investment portfolio in USD, which, unless otherwise disclosed, shall constitute the Base Currency of a Fund. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of the relevant Fund, the value of the relevant Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The ICAV may use currency hedging techniques to remove the currency exposure against the Base Currency as applicable in order to limit currency exposure between the currencies of a Fund's investment portfolio and the Base Currency of that Fund; however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than its Base Currency, that Fund's Net Asset Value will be affected by the value of the local currency relative to its Base Currency.

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## **USE OF INDICES / BENCHMARKS**

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Investors should note the Funds are actively managed by the Sub-Investment Managers, meaning that the issuers and securities in which a Fund invests will not be selected by reference to an index, rather will be determined using the Sub-Investment Manager's investment process as described in each Supplement.

However, certain Funds may use indices as "comparator benchmarks" against which the Fund compares performance. Such comparator benchmarks are not used to constrain portfolio composition or as a target for the performance of the relevant Fund. Where a comparator benchmark is used, the relevant comparator benchmark will be identified in the Supplement and/or Key Investor Information Document.

A Sub-Investment Manager may at any time change such comparator benchmark where, for reasons outside of its control, that comparator benchmark has been replaced, or another comparator benchmark may reasonably be considered by the Sub-Investment Manager to

have become a more appropriate standard. Details and past performance of any comparator benchmarks which are used for the purposes outlined above will be included in the Key Investor Information Documents of the relevant Fund.

Separately, in circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the Manager is required to ensure that the benchmark is either provided by a benchmark administrator included in the register maintained by ESMA or is a benchmark which is included in the register maintained by ESMA. The Benchmarks Regulation contains transitional provisions allowing existing benchmark administrators a period of time to apply for authorisation or registration under the Benchmarks Regulation. During that period of time, the Funds are permitted to use such benchmarks in accordance with the Benchmarks Regulation.

As required by the Benchmarks Regulation, the Manager maintains a contingency plan setting out the actions that it would take in the event that a benchmark (as defined by the Benchmarks Regulation) materially changes or ceases to be provided.

As at the date of this Prospectus, benchmarks used by the Funds are provided by a benchmark administrator included in the ESMA Register or the transitional provisions are being availed of by the relevant benchmark administrators.

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## **INVESTMENT RESTRICTIONS**

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Each of a Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the ICAV, the investment restrictions may be changed to take account of any such alterations. Changes to the investment restrictions shall be in accordance with the requirements of the Central Bank and may be subject to prior approval and/or notification of Shareholders. Otherwise Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the ICAV.

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## **BORROWING AND LENDING POWERS**

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The ICAV may borrow up to 10% of a Fund's Net Asset Value at any time for the account of any Fund and the Directors may instruct the Depositary to charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (for example, cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Without prejudice to the powers of the ICAV to invest in transferable securities, Money Market Instruments and other financial instruments referred to in paragraph 1 of Schedule II, the ICAV may not lend to, or act as guarantor on behalf of, third parties.

The ICAV may acquire non-U.S. currency by means of a back to back loan agreement(s). Non-U.S. currency obtained in this manner is not classified as borrowing for the purposes of the UCITS Regulations, provided that the offsetting deposit equals or exceeds the value of the non-U.S. currency loan outstanding.

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## SPECIFIC INVESTMENTS & ADDITIONAL INVESTMENT TECHNIQUES

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Certain of the instruments in which a Fund may primarily invest (as indicated in the relevant Supplement) are further described in “Investment Descriptions” below.

In addition to the primary investment objectives and policies set out in the relevant Supplement, each Fund may invest in other investments and engage in additional investment techniques (as indicated in the relevant Supplement). Descriptions of the use of such instruments and/or techniques are included in “Investment Descriptions” below. Each Supplement sets out the maximum amount of the Net Asset Value of the Fund that will be allocated to these investment techniques (including, where relevant, by way of reference to the use of the term “primarily” as defined in this Prospectus). Each of the investments below will comply with the UCITS Regulations in relation to eligibility of investments and will be managed in such a way so as to ensure there is no impact on the relevant Fund’s ability to redeem Shares on each Dealing Day. Full details of risks associated with these and other investments of the Funds are set out in the section “Investment Risks and Special Considerations” below.

### **Investment Descriptions**

#### **Bank Loans**

Subject to its investment objective and policies, as set out in the relevant Supplement, a Fund may invest in loans which meet the requirements of the Central Bank issued by banks, other financial institutions, and other entities which may provide financing to corporations, partnerships, limited liability companies and other entities to finance leveraged buyouts, recapitalizations, mergers, acquisitions, stock repurchases, debt refinancing and, to a lesser extent, for general operating and other purposes (e.g., to purchase new machinery), but may not originate loans.

A Fund may invest in floating or adjustable rate senior loans which are assignments or participations in loans which are acquired from the banks or brokers who have made the loan or from a member of a lending syndicate. Senior loans are business loans made to borrowers that may be U.S. or non-U.S. corporations, partnerships or other business entities. The interest rates on senior loans periodically are adjusted to a generally recognised base rate such as the London Interbank Offered Rate or the prime rate as set by the U.S. Federal Reserve. Senior loans typically are secured by specific collateral of the borrower and hold the most senior position in the borrower’s capital structure or share the senior position with the borrower’s other senior debt securities. This capital structure position generally gives holders of senior loans a priority claim on some or all of the borrower’s assets in the event of default.

#### **Depository Receipts**

Certain Funds may invest in Depository Receipts, including ADRs, ADSs (where the relevant Fund does not wish to purchase an entire ADR), EDRs and GDRs. Depository Receipts are equity-related instruments that represent a non-U.S. company’s publically traded securities and are traded on local stock exchanges. Funds utilise Depository Receipts to gain exposure to equity securities of non-US issuers, particularly where such instruments represent a benefit to the relevant Fund over direct investment in the underlying equity securities. Although certain depository receipts may reduce or eliminate some of the risks associated with non-U.S. investing, these types of securities generally are subject to many of the same risks as direct investment in securities of non-U.S. issuers.

### Developed Market Debt Securities

Where a Fund otherwise has its primary investment policy in emerging market debt securities, it may also invest in debt securities of corporate and government issuers in developed countries, including the U.S. where they are consistent with assisting the relevant Fund to achieve its investment objective and will be selected in line with the investment process as set out in the relevant Supplement. Where such securities are from the U.S. they may include Rule 144A Securities and Regulation S Securities as set out in the relevant Supplement.

### Developed Market Equity and Equity Related Securities

Where a Fund otherwise has its primary investment policy in emerging market equity and equity related securities, it may also invest in such securities of issuers in developed countries, including the U.S. where they are consistent with assisting the relevant Fund to achieve its investment objective and will be selected in line with the investment process as set out in the relevant Supplement.

### Equity Securities

Where a Fund invests primarily in debt securities, it may also invest in equity securities, including both common and preferred shares of any geographic location and, where indicated, Depositary Receipts. Such equity securities may be directly invested in or may be the result of a conversion exercised on a Convertible Security. Equity securities held by a Fund otherwise investing in debt will be otherwise consistent with the investment objective and policy of the relevant Fund and will be selected utilising the investment process as set out in the relevant Supplement.

### High Yield Debt Securities

Where a Fund invests primarily in Investment Grade Debt Securities, it may also invest in High Yield Debt Securities of any geographic location. Such instruments will be subject to the risks associated with High Yield Debt Securities, including but not limited to liquidity risk. The High Yield Debt Securities in which a Fund invests will be otherwise consistent with the investment objective and policy of the relevant Fund and will be selected utilising the investment process as set out in the relevant Supplement.

### Mortgage Related Securities

A Fund may purchase mortgage related securities as set out in the relevant supplement. The following are descriptions of such securities as purchased by the Funds:

- mortgage “pass through” securities where the principal and interest payments made by the borrower on the underlying mortgages are passed through to investors;
- collateralised mortgage obligations (CMOs) which are debt obligations collateralised by residential or mortgage loans or residential or commercial mortgage pass-through securities. CMOs may be collateralised by whole mortgage loans or private mortgage pass-through securities but more typically are collateralised by portfolios of mortgage pass-through securities guaranteed by Ginnie Mae, Freddie Mac or Fannie Mae;
- residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), which are securities representing an interest in, and secured by, mortgage loans on real property;

- to be announced or “TBA” sale commitments, which are arrangements to sell mortgage-backed securities on a delayed delivery basis (the relevant Fund is the purchaser of such instruments). The term TBA is derived from the fact that the actual mortgage-backed security (only securities guaranteed by Fannie Mae, Freddie Mac, and Ginnie Mae) that will be delivered to fulfil a TBA trade is not designated at the time the trade is made. The securities are “to be announced” 48 hours prior to the established trade settlement date.

#### Non-U.S. Debt Securities (including emerging markets)

Where a Fund otherwise has as its primary investment policy investment in US debt securities, it may also invest in non-U.S. debt securities, including those from issuers in emerging markets, where they are consistent with the investment objective and policy of the relevant Fund and will be selected in line with the investment process as set out in the relevant Supplement.

#### Non-U.S. Equity Securities (including emerging markets)

Where a Fund otherwise has as its primary investment policy investment in US equity securities, it may also invest in non-U.S. equity securities, including those from issuers in emerging markets, where they are consistent with the investment objective and policy of the relevant Fund and will be selected in line with the investment process as set out in the relevant Supplement.

#### Other UCITS and ETFs

A Fund may invest other UCITS and ETFs to gain market exposure to securities consistent with the investment policy of the relevant Fund subject to the requirements of the Central Bank and the limits set out in this Prospectus. In the case of a large subscription, the Manager may select other UCITS or ETFs that are representative of the underlying markets in which the relevant Fund invests in order to invest cash until securities can be purchased with the proceeds. Such securities are sold where they are no longer consistent with or assisting the relevant Fund in achieving its investment objective.

#### Participatory Notes

Please refer to the description of Participatory notes under the section “Use of Financial Derivative Instruments above”.

#### REITs

REITs may be equity and mortgage REITs used for the purposes of gaining current income and capital gains in furtherance of a Fund’s its investment objective. Equity REITs are REITs that invest their assets directly in real property and derive income from, primarily, the collection of rents and may also realise capital gains by selling properties that have appreciated in value. Mortgage REITs invest their assets in real property mortgages and derive income from the collection of interest payments.

#### Structured Notes

Please refer to the description of structured notes under the section “Use of Financial Derivative Instruments above”.

Warrants and Rights

Please refer to the description of warrants and rights under the section “Use of Financial Derivative Instruments above”.

When-issued Securities

Please refer to the description of when-issued securities under the section “Use of Financial Derivative Instruments above”.



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## INVESTMENT RISKS AND SPECIAL CONSIDERATIONS

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The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the ICAV carries with it a degree of risk. There can be no assurance that a Fund will achieve its investment objective and there is potential for an investor to lose some or all of its investment in a Fund. Different risks may apply to different Funds and/or Classes. Prospective investors should review this Prospectus in its entirety carefully and consult with their professional advisers before making an application for Shares.

On its own an investment in a Fund may be deemed speculative and is not intended as a complete investment program. A subscription for Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in a Fund. Investors should review closely the investment objectives and investment strategies to be utilised by the relevant Fund as outlined herein and in the relevant Supplement to familiarise themselves with the risk associated with an investment in a Fund and consult with their financial advisers before making an application for Shares. There is no assurance that a Fund will be able to achieve its investment objective or that a Fund will generate a profit. There is potential for an investor to lose some of all of its investment in a Fund.

The securities and instruments in which each Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

In addition, 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 recent developments in the risk and yield characteristics of the main categories of investments applicable to the relevant Fund.

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## INVESTMENT RISKS APPLICABLE TO EACH FUND

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### **Risk Factors Not Exhaustive**

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

### **Active Management Risk**

A Fund that relies on the Sub-Investment Manager's ability to pursue the Fund's investment objective is subject to active management risk. The Sub-Investment Manager will apply investment techniques and risk analyses in making investment decisions for a Fund and there can be no guarantee that these will produce the desired results. Notwithstanding any benchmark against which it may be compared, a Fund may buy securities not included in its benchmark or hold securities in very different proportions from its benchmark. To the extent a Fund invests in those securities, its performance depends on the ability of the Sub-Investment Manager to choose securities that perform better than securities that are included in the benchmark.

### **Asian Country Investment Risks**

#### *China*

The Chinese government exercises significant control over China's economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the Chinese government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries could disrupt economic development. China's long-running conflict over Taiwan remains unresolved, while territorial border disputes persist with several neighbouring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the Chinese economy is also vulnerable to developments on the Korean peninsula. Should political tension increase or military actions be precipitated, it could adversely affect the economy and destabilise the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The Chinese government also sometimes takes actions intended to increase or decrease the values of Chinese stocks. The emergence of a domestic consumer class is still at an early stage, making China's economic health largely dependent on exports. China's growing trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China's management of its currency, as well as on some export-dependent sectors. Social cohesion in China is being tested by growing income inequality and larger scale environmental degradation. Social instability could threaten China's political system and economic growth, which could decrease the value of a Fund's investments.

### *China Political and Economic Risks*

China has implemented a series of economic reform programs emphasising the utilisation of market forces in the development of the Chinese economy and a high level of management autonomy since 1978. Although China's economy has experienced significant growth in the past 20 years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the Chinese government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The Chinese government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of a Fund. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the underlying securities in which the relevant Fund may invest.

### *China Accounting and Reporting Risks*

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

### *China Legal and Regulatory System Risks*

The Chinese legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

### *Nationalisation and Expropriation Risks*

The Chinese government renounced various debt obligations and nationalised private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The Chinese government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the Chinese government will not take similar actions in the future.

### *Tax Risk*

Under current regulations in the PRC, foreign investors may invest in A-Shares listed on the Shanghai Stock Exchange (SSE) and Shenzhen Stock Exchange (SZSE) via the Stock Connect, bonds circulated in the China Interbank Bond Market via the Bond Connect and certain other investment products in the PRC.

Under current PRC Enterprise Income Tax Law (“PRC EIT law”) and regulations, any entity considered to be a tax resident of the PRC would be subject to PRC enterprise income tax (“EIT”) at the rate of 25% on its worldwide taxable income. If an entity were considered to be a non-resident enterprise with a “permanent establishment” in the PRC, it would be subject to PRC EIT at the rate of 25% on the profits attributable to the permanent establishment. The ICAV, together with the Manager, intends to operate in a manner that will prevent them from being treated as tax residents of the PRC and from having a permanent establishment in the PRC, though this cannot be guaranteed. It is possible, however, that the PRC could disagree with such an assessment or that changes in PRC tax law could affect the PRC EIT status of the ICAV.

If the entity is a non-PRC tax resident enterprise without permanent establishment in the PRC, the PRC-sourced income (including cash dividends, distributions, interest and capital gains) derived by it from any investment in PRC securities would be subject to PRC withholding income tax (“WHT”) at the rate of 10% unless exempt or reduced under the PRC EIT Law or a relevant tax treaty.

The ICAV may also potentially be subject to PRC value-added tax at the rate of 6% on capital gains derived from trading of PRC securities (including A-Shares). In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively the “Surtaxes”) are imposed based on value-added tax liabilities.

Pursuant to Caishui [2018] No. 108 (“Notice 108”), foreign institutional investors are exempt from EIT on bond interest income derived from November 7, 2018 to November 6, 2021. Such EIT exemption would not be applicable if the bond interest derived is connected with the foreign institutional investors’ establishment or place in the PRC. In respect of bond interest income derived by foreign institutional investors, PRC value-added tax is exempted from November 7, 2018 to November 6, 2021 pursuant to Notice 108. On November 26, 2021, the PRC Ministry of Finance and the PRC State Taxation Administration jointly issued Caishui [2021] No. 34 (“Circular 34”) to formally extend the tax exemption period provided in Circular 108 to December 31, 2025.

Pursuant to Caishui [2014] No. 81 (“Notice 81”), Notice 36 and Caishui [2016] No. 127 (“Notice 127”), foreign investors investing in China A-Shares listed on the SSE through the Stock Connect and those listed on the SZSE through the Stock Connect would be temporarily exempt from PRC EIT and value-added tax on the gains on disposal of such A-Shares. Dividends would be subject to PRC WHT on a withholding basis at 10%, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent tax authority.

Stamp duty under the PRC laws (“Stamp duty”) generally applies to the execution and receipt of taxable documents, which include contracts for the sale of China A-Shares traded on PRC stock exchanges. In the case of such contracts, PRC Stamp Duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%. The sale or other transfer by the Fund of A-Shares will accordingly be subject to PRC Stamp Duty, but the Fund will not be subject to PRC Stamp Duty when it acquires A-Shares.

Aside from the above-mentioned general rules and Notice 108 and Circular 34, the PRC tax authorities have not clarified whether income tax and other tax categories are payable on gains arising from the trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities, of investors through Bond Connect. It is therefore possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realized gains derived from dealing in PRC fixed income securities.

Shareholders should note that the above disclosure has been prepared based on an understanding of the laws, regulations and practice in the PRC in-force as of the date of this Prospectus.

Shareholders should seek their own tax advice on their own tax position with regard to their investment in the relevant Funds.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

### *RMB Risk*

The Funds may invest in assets that are denominated in Chinese renminbi (RMB). In addition to the currency risks set out above, the investment in RMB denominated assets are subject to the following risks.

Investors should be aware that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies.

Currently, RMB is traded in Mainland China and markets outside Mainland China. RMB traded in Mainland China, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside Mainland China, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the respective daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China ("PBOC") each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely.

While CNY and CNH represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces. Any divergence between CNH and CNY may adversely impact investors.

There is no assurance that RMB will not be subject to devaluation, in which case the value of investors' investments in RMB assets will be adversely affected. Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of a Fund. A Fund may be subject to risk of not having sufficient RMB for currency conversion prior to investment.

The PRC government's policies on exchange controls and repatriation restrictions are subject to change, and the Fund's and its investors' position may be adversely affected by such change.

### *Hong Kong*

Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution." The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defence and foreign affairs are the responsibility of the central

government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on a Fund's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is "pegged" to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what affect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

*Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (the "Stock Connect")*

Investors' attention is drawn to Schedule VI. In addition to the country specific risks relating to China above, and other risks applicable to investments by the Funds using Stock Connect apply:

- General Risk

The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Funds. The program requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong, and Shanghai and/or Shenzhen markets through the program could be disrupted.

- Quota Limitations

The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

- Taxation Risk

The Chinese tax authorities announced on 14 November 2014 that gains derived by foreign investors from China A Shares traded through the Stock Connect would be temporarily exempted from Chinese taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in Chinese 'landrich' companies; however, the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the Chinese tax authorities with or without notice and, in a worst case scenario, retrospectively. In addition the Chinese tax authorities may implement other tax rules with retrospective effect which may adversely affect the Funds. If the temporary exemption is withdrawn a foreign investor would be subject to Chinese taxation in respect of gains on China A Shares and the resultant tax liability would be payable by relevant Fund, and thus borne by its investors.

However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

- Legal/Beneficial Ownership

Shares traded on the Shanghai Stock Exchange (“SSE Shares”) or on the Shenzhen Stock Exchange (“SZSE Shares”) held in respect of the Funds will be held by the Trustee/sub-custodian in accounts in the Hong Kong Central Clearing and Settlement System (“CCASS”) maintained by the Hong Kong Securities Clearing Company Limited (“HKSCC”) as central securities depository in Hong Kong. HKSCC in turn holds the SSE Shares or SZSE Shares, as the nominee holder, through an omnibus securities account in its name registered with ChinaClear. The precise nature and rights of the Funds as the beneficial owners of the SSE Shares or SZSE Shares through HKSCC as nominee is not well defined under Chinese law. There is lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership” under Chinese law and there have been few cases involving a nominee account structure in the Chinese courts. Therefore the exact nature and methods of enforcement of the rights and interests of the Funds under Chinese laws are uncertain. Because of this uncertainty, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong it is not clear if the SSE Shares or SZSE Shares will be regarded as held for the beneficial ownership of the Funds or as part of the general assets of HKSCC available for general distribution to its creditors.

- Clearing and Settlement Risk

HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the Chinese securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities regulatory Commission. In the event of a ChinaClear default, HKSCC’s liabilities in SSE Shares and SZSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear’s liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

- Suspension Risk

It is contemplated that the Stock Exchange of Hong Kong (“SEHK”), Shanghai Stock Exchange (“SSE”) and Shenzhen Stock Exchange (“SZSE”) would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Fund’s ability to access the Chinese market will be adversely affected.

- Differences in Trading Day

The Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Chinese market but the Funds cannot carry out any China A Shares trading via the Stock Connect. The Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

- Restrictions on Selling Imposed by Front-end Monitoring

Chinese regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling (“trading day”). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

- Operational Risk

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SSE, SZSE or SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Fund’s ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

- Regulatory Risk

The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Funds may be adversely affected as a result of such changes.

- Recalling of Eligible Stocks

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

- No Protection by Investor Compensation Fund

Investment in SSE or SZSE shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers’ in their obligations. Investments of Funds are not covered by investor protection programs in SSE or SZSE, although for defaults by Hong Kong brokers occurring on or after January 1, 2020, the Hong Kong Investor Compensation Fund will cover losses incurred by investors with a cap at HK\$500,000 per investor with



respect to securities traded on a stock market operated by the SSE and/or SZSE and in respect of which an order for sale or purchase is permitted to be routed through the northbound link of the Stock Connect. Nonetheless, the Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A Shares through the Stock Connect to the extent the losses exceed the compensation cap.

### *Bond Connect*

Certain Funds which can invest in China may invest in the CIBM through the Bond Connect initiative subject to any applicable regulatory limits. The Bond Connect initiative was launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd (“CCDC”), Shanghai Clearing House (“SCH”) and Hong Kong Exchanges and Clearing Limited (“HKEX”) and Central Moneymarkets Unit (“CMU”). This initiative allows eligible foreign investors to invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect (“Northbound Trading Link”). Further details in relation to Bond Connect are set out in Schedule VII.

The Funds seeking to invest in the CIBM through the Bond Connect are subject to the following risks:

*Regulatory Risk:* the Bond Connect is relatively new. Laws, rules, regulations, policies, notices, circulars or guidelines relating to the Bond Connect (the “Applicable Bond Connect Regulations”) as published or applied by any of the Bond Connect Authorities (as defined below) are untested and are subject to change from time to time. There can be no assurance that the Bond Connect will not be restricted, suspended or abolished. If such event occurs, a Fund’s ability to invest in the CIBM through the Bond Connect will be adversely affected, and if the Fund is unable to adequately access the CIBM through other means, the Fund’s ability to achieve its investment objective will be adversely affected. “Bond Connect Authorities” refers to the exchanges, trading systems, settlement systems, governmental, regulatory or tax bodies which provide services and/or regulate Bond Connect and activities relating to Bond Connect, including, without limitation, the PBOC, the HKMA, the HKEx, the CEFTS, the CMU, the CSDCC and the SHCH and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Bond Connect.

*Legal and Beneficial Ownership:* the CMU (i.e. the HKMA) is the “nominee holder” of the bonds acquired by a Fund through the Bond Connect. Whilst the Bond Connect Authorities have expressly stated that investors will enjoy the rights and interests of the bonds acquired through the Bond Connect in accordance with applicable laws, the exercise and the enforcement of beneficial ownership rights over such bonds in the courts in China is yet to be tested. In addition, in the event that the nominee holder (i.e. the HKMA) becomes insolvent, such bonds may form part of the pool of assets of the nominee holder available for distribution to its creditors and the Fund, as a beneficial owner, may have no rights whatsoever in respect thereof.

*Volatility and Liquidity risk:* market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

*Default Risk of Agents:* under the prevailing Applicable Bond Connect Regulations, eligible foreign investors who wish to participate in the Bond Connect may do so through an offshore

custody agent, registration agent or other third parties (as the case may be), who would be responsible for making the relevant filings and account opening with the relevant authorities. A Fund is therefore subject to the risk of default or errors on the part of such agents.

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

### *Taiwan*

The political reunification of China and Taiwan, over which China continues to claim sovereignty, is a highly complex issue and is unlikely to be settled in the near future. The continuing hostility between China and Taiwan may have an adverse impact on the values of investments in both China and Taiwan, or make investments in China and Taiwan impractical or impossible. Any escalation of hostility between China and Taiwan would likely distort Taiwan's capital accounts, as well as have a significant adverse impact on the value of investments in both countries and the region.

Taiwan's growth has to a significant degree been export-driven. While the percentage of Taiwan's exports purchased by the United States has been declining recently, the United States has remained a key export market. Accordingly, Taiwan is affected by changes in the economies of the United States and other main trading partners, by protectionist impulses in those countries and by the development of export sectors in lower-wage economies. In the event that growth in the export sector declines in the future, the burden of future growth will increasingly be placed on domestic demand.

Taiwan has limited natural resources, resulting in dependence on foreign sources for certain raw materials and vulnerability to global fluctuations of price and supply. This dependence is especially pronounced in the energy sector. In recent years, over half of Taiwan's crude oil has been supplied by Kuwait and Saudi Arabia. A significant increase in energy prices could have an adverse impact on Taiwan's economy.

### **Bank Loan Risk**

Subject to its investment objective and policies, as set out in the relevant Supplement, a Fund may invest in loans issued by banks, other financial institutions, and other investors to corporations, partnerships, limited liability companies and other entities to finance leveraged buyouts, recapitalisations, mergers, acquisitions, stock repurchases, debt refinancing and, to a lesser extent, for general operating and other purposes, but may not originate loans. An investment in bank loans involves risk that the borrowers under bank loans may default on their obligations to pay principal or interest when due. In the event a borrower fails to pay scheduled interest or principal payments on a bank loan held by a Fund, the relevant Fund will experience a reduction in scheduled interest or principal payments on a bank loan held by it, the relevant Fund will experience a reduction in its income and a decline in the market value of the bank loan, which will likely reduce dividends and lead to a decline in the net asset value of the relevant Fund. If a Fund acquires a bank loan from another lender, for example, by acquiring a participation, the relevant Fund may also be subject to credit risks with respect to that lender.

Bank loans may be secured with specific collateral. However, there can be no assurance that liquidation of collateral would satisfy the borrower's obligation in the event of non-payment or that such collateral could be readily liquidated. In the event of the bankruptcy of a borrower, the relevant Fund could experience delays and limitations on its ability to realise the benefits of the collateral securing the bank loan. Bank loans are typically structured as floating rate instruments in which the interest rate payable on the obligation fluctuates with interest rate changes. As a result, the yield on bank loans will generally decline in a falling interest rate environment causing the relevant Fund to experience a reduction in the income it receives from a bank loan. Bank loans are generally of below investment grade quality and may be unrated at the time of investment; are generally not registered with the SEC or state securities commissions; and are generally not listed on any securities exchange. In addition, the amount of public information available on bank loans is generally less extensive than that available for other types of assets.

### **Brexit Risk**

The U.K. ceased to be a member of the EU and the EEA on 31 January 2020 (such departure from the EU, "**Brexit**"). On 24 December 2020, a trade agreement was concluded between the EU and the U. K. (the "**TCA**"), which applied provisionally after the end of the transition period ending on 31 December 2020. The TCA formally took effect on 1 May 2021, and now governs the relationship between the U.K. and EU.

Although the TCA covers many issues, such as economic partnership, free trade, law enforcement and judicial co-operation and governance, it is silent on items such as financial services equivalence. As such, there remains uncertainty as to the scope, nature and terms of the relationship between the U.K. and the EU and the effect and implications of the TCA.

The actual and potential consequences of Brexit, and the associated uncertainty, have adversely affected, and for the foreseeable future may adversely affect, economic and market conditions in the U.K., in the EU and its member states and elsewhere, and may also contribute to uncertainty and instability in global financial markets.

This uncertainty may, at any stage, adversely affect the ICAV, its investments and/or the Manager. There may be detrimental implications for the value of the Funds' investments and/or their ability to implement their investment programmes. This may be due to, among other things:

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

The withdrawal of the U.K. from the EU could have a material impact on the U.K.'s economy and its future growth, impacting adversely the Funds' investments in the U.K. It could also result in prolonged uncertainty regarding aspects of the U.K. economy and damage

customers' and investors' confidence. Any of these events could have a material adverse effect on the ICAV.

### **Call Risk**

Some bonds give the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are subject to increased price fluctuation.

### **Change of Law Risk**

The ICAV must comply with regulatory constraints, such as a change in the laws affecting the applicable investment restrictions, which might require a change in the investment policies and objectives followed by a Fund.

### **Changing Distribution Levels Risk**

The distribution amounts paid by a Fund generally depend on the amount of income and/or dividends paid by the Fund's investments. There is no guarantee that a Fund will distribute to Shareholders nor is there a guarantee as to the amount available to be distributed by a Fund to Shareholders.

### **Collateral Management Risk**

In seeking to reduce credit risk through the posting or receiving of collateral in OTC transactions, securities lending agreements and repurchase/reverse repurchase agreements, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

Operational risks: including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Fund to have an incorrect level of margin posted or received.

Legal risks: including risks associated with contracts and change of regulations in the relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Fund from recovering collateral lost or from enforcing its rights in relation to collateral received.

Custody risk: collateral received by the Funds on a title transfer basis will be safekept by the Depositary or by a third party depositary subject to prudential regulation and will be subject to custody risks associated with those entities. Collateral pledged by the Funds will continue to be safekept by the Depositary.

Reinvestment of Cash Collateral: cash collateral that is reinvested may realize a loss, which would reduce the value of the collateral and result in the relevant Fund being less protected if there is a counterparty default.

While commercially reasonable efforts are utilized to ensure that collateral management is effective, such risks cannot be eliminated.

## **Common Reporting Standard (“CRS”) Risk**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institution are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Ireland has implemented the CRS. As a result, the ICAV is required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Investors may be required to provide additional information to the ICAV to enable the ICAV to satisfy its obligations under the CRS. Accordingly, there is a risk that failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the ICAV.

## **Concentration of Investments Risk**

There may be no limits on the concentration of a Fund’s investments in particular countries, regions, securities, industries, or sectors and at times (subject to the investment restrictions) a Fund may hold a relatively small number of securities positions, each representing a relatively large portion of that Fund’s capital. Losses incurred in those positions could have a material adverse effect on the Fund’s overall financial condition. A Fund’s investment portfolio (because of size, investment strategy and other considerations) may be confined to the securities of relatively few countries, regions, issuers or industries.

## **Contracts relating to FDI**

The ICAV, on behalf of a Fund, may enter into swaps and futures agreements with counterparties pursuant to which the relevant Fund may be obligated to deliver collateral (consisting of a combination of cash and permitted securities) to support that Fund’s mark-to-market net loss on existing transactions with (or other net payment obligations to) such counterparties. In each case, the collateral may be held in a manner that grants the counterparty an enforceable security interest in such collateral which, in the event of a default by the relevant Fund, maybe exercised by the counterparty and the debts satisfied out of the assets of the relevant Fund. All activity in relation to the granting of collateral will be in accordance with the Regulations.

## **Convertible Securities Risk**

The market values of Convertible Securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In addition, as the market price of the underlying common stock declines below the conversion price, the price of the convertible security tends to be increasingly influenced by the yield of the convertible security.

## **Credit and Counterparty Risk**

This is the risk that the issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter (OTC) derivatives contract (see “Hedging, FDIs and Other Strategic Transactions Risk”), a counterparty to a repurchase agreement, or a borrower of a Fund’s securities will be unable or unwilling to make timely principal, interest, or settlement payments, or to otherwise honour its obligations. Credit risk associated with investments in fixed-income securities relates to the ability of the issuer to make scheduled payments of principal and

interest on an obligation. A Fund that invests in fixed-income securities is subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing the Fund's share price and income level. Nearly all fixed-income securities are subject to some credit risk, which may vary depending upon whether the issuers of the securities are corporations, U.S. or non-U.S. governments, or their subdivisions or instrumentalities. U.S. government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the United States; supported by the ability to borrow from the U.S. Treasury; supported only by the credit of the issuing U.S. government agency, instrumentality, or corporation; or otherwise supported by the United States. For example, issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Federal Home Loan Banks), although chartered or sponsored by Congress, are not funded by congressional appropriations, and their fixed-income securities, including asset-backed and mortgage-backed securities, are neither guaranteed nor insured by the U.S. government. An agency of the U.S. government has placed Fannie Mae and Freddie Mac into conservatorship, a statutory process with the objective of returning the entities to normal business operations. It is unclear what effect this conservatorship will have on the securities issued or guaranteed by Fannie Mae or Freddie Mac. As a result, these securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds). When a fixed-income security is not rated, the Sub-Investment Manager may have to assess the risk of the security itself. Asset-backed securities, whose principal and interest payments are supported by pools of other assets, such as credit card receivables and automobile loans, are subject to further risks, including the risk that the obligors of the underlying assets default on payment of those assets.

Funds that invest in below-investment-grade securities, also called junk bonds (e.g., fixed-income securities rated Ba or lower by Moody's Investors Service, Inc. (Moody's) or BB or lower by Standard & Poor's Ratings Services (S&P)), at the time of investment, or determined by the Sub-Investment Manager to be of comparable quality to securities so rated, are subject to increased credit risk. The sovereign debt of many non-U.S. governments, including their subdivisions and instrumentalities, falls into this category.

Below-investment-grade securities offer the potential for higher investment returns than higher-rated securities, but they carry greater credit risk: Their issuers' continuing ability to meet principal and interest payments is considered speculative, they are more susceptible to real or perceived adverse economic and competitive industry conditions, and they may be less liquid than higher-rated securities.

In addition, a Fund is exposed to credit risk to the extent that it makes use of OTC derivatives (such as forward currency contracts and/ or swap contracts) and engages to a significant extent in the lending of fund securities or the use of repurchase agreements. OTC derivatives transactions can be closed out with the other party to the transaction. If the counterparty defaults, a Fund will have contractual remedies, but there is no assurance that the counterparty will be able to meet its contractual obligations or that, in the event of default, a fund will succeed in enforcing them. A Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under the relevant contract or that those payments may be delayed or made only after the fund has incurred the costs of litigation. While the Manager intends to monitor the creditworthiness of contract counterparties, there can be no assurance that the counterparty will be in a position to meet its obligations, especially during unusually adverse market conditions.

## Currency Risk – Fund and Share Class

Fund currency risk is the risk that fluctuations in exchange rates may adversely affect the value of a Fund's investments in its Base Currency. Currency risk includes both the risk that currencies in which a Fund's investments are traded, or currencies in which a Fund has taken an active investment position, will decline in value relative to the Base Currency and, in the case of hedging positions, that the Base Currency will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the currency exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by U.S. or non-U.S. governments or central banks, or by currency controls or political developments in the United States or abroad. Certain Funds may engage in proxy hedging of currencies by entering into derivative transactions with respect to a currency whose value is expected to correlate to the value of a currency a Fund owns or wants to own. This presents the risk that the two currencies may not move in relation to one another as expected. In that case, the relevant Fund could lose money on its investment and also lose money on the position designed to act as a proxy hedge. Certain Funds may also take active currency positions and may cross-hedge currency exposure represented by their securities into another non-U.S. currency.

This may result in a Fund's currency exposure being substantially different than that suggested by its securities investments. All Funds with holdings in currencies other than the Base Currency and/or that invest or trade in securities denominated in currencies other than the Base Currency or related derivative instruments may be adversely affected by changes in holdings in currencies other than the Base Currency exchange rates. Derivative transactions in currencies other than the Base Currency (such as futures, forwards, and swaps) may also involve leveraging risk, in addition to currency risk. Leverage may disproportionately increase a Fund's portfolio losses and reduce opportunities for gain when interest rates, stock prices, or currency rates are changing.

Share Class Currency Risk for Hedged Classes is the risk that the currency hedging techniques used may fail to eliminate currency risk for the investor.

Share Class Currency Risk for Unhedged, non-base classes is the risk that currency fluctuations between the base currency of the Fund and the share class will reduce the investor's return if the share class currency depreciates relative to the base class currency.

## Custodial Risk

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depository is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depository is required to return identical assets to those lost or a corresponding amount to the Fund without undue delay.

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

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

The Funds enjoy a strong level of protection in terms of Depository liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that FDIs traded by a Fund OTC will be Non-Custody Assets. Given the framework of Depository liability under the UCITS Regulations, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

### **Cybersecurity Risk**

Intentional cybersecurity breaches include: unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause a Fund, the Manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund's investments to lose value.

In addition to risks to the ICAV and Funds, investors are advised to ensure communication methods with the Administrator and any financial advisers, including the Manager (or a Sub-Investment Manager) and Distribution Agents are secure so as to prevent fraudulent change of details or fraudulent redemption requests from being submitted through, for example, their email accounts.

### **Debt Securities**

All debt securities held by a Fund are subject to certain risks. One risk is that the issuer may not be able to meet its principal or its interest-payment obligations. Another risk is that the value of debt securities generally declines as interest rates rise. The value of debt securities may also decline as a result of a change in market perception of the creditworthiness of the issuer and a change in general market liquidity. Any decline in the value of debt securities as a result of changes in credit quality or future interest rates will generally be greater for securities having longer maturities.

### **Depository Receipts Risk**

Investing in GDRs, EDRs and ADRs presents risks that may not be equal to the risk inherent in holding the equivalent shares of the same companies that are traded in the local markets even though a Fund will purchase, sell and be paid dividends on GDRs, EDRs and ADRs in U.S. dollars. These risks include fluctuations in currency exchange rates, which are affected



by international balances of payments and other economic and financial conditions; government intervention; speculation; and other factors. With respect to certain countries, there is the possibility of expropriation or reorganisation of assets, confiscatory taxation, political and social upheaval, and economic instability. A Fund may be required to pay non-U.S. withholding or other taxes on certain GDRs, EDRs or ADRs that it owns, but investors may or may not be able to deduct their pro-rata share of such taxes in computing their taxable income. GDRs, EDRs and ADRs may be sponsored by the non-U.S. issuer or may be unsponsored. Unsponsored GDRs, EDRs and ADRs are organised independently and without the cooperation of the non-U.S. issuer of the underlying securities. Unsponsored GDRs, EDRs and ADRs are offered by companies which are not prepared to meet either the reporting or accounting standards of the United States. While readily exchangeable with stock in local markets, unsponsored GDRs, EDRs and ADRs may be less liquid than sponsored GDRs, EDRs and ADRs. Additionally, there generally is less publicly available information with respect to unsponsored GDRs, EDRs and ADRs.

### **Dodd-Frank Wall Street Reform and Consumer Protection Act Risk**

With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) in the United States, there has been extensive rulemaking and regulatory changes that have affected and will continue to affect fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operations and compliance obligations of the Manager and a Fund and increase the amount of time that the Manager spends on non-investment related activities. Until the SEC implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom a Fund interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Manager to execute the investment strategy of a Fund.

### **Economic and Market Events Risk**

Events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both in the U.S. and outside the U.S. Both in the U.S. and outside the U.S. equity and currency markets have been experiencing increased volatility and turmoil, with issuers that have exposure to the real estate, mortgage, and credit markets particularly affected, and it is uncertain whether or for how long these conditions will continue. Banks and financial services companies could suffer losses if interest rates were to rise, exchange rates were to move unexpectedly and substantially or economic conditions deteriorate.

In addition to the unprecedented volatility in financial markets, the reduced liquidity in credit and fixed-income markets may adversely affect many issuers worldwide. This reduced liquidity may result in less money being available to purchase raw materials, goods, and services from emerging markets, which may, in turn, bring down the prices of these economic staples. It may also result in emerging-market issuers having more difficulty obtaining financing, which may, in turn, cause a decline in their stock prices. These events and possible continuing market volatility may have an adverse effect on a Fund.

Recent political turmoil within the United States and abroad may also impact a Fund. Although the U.S. government has honored its credit obligations, it remains possible that the U.S. could default on its obligations. While it is impossible to predict the consequences of such an unprecedented event, it is likely that a default by the U.S. would be highly disruptive to the U.S. and global securities markets and could significantly impair the value of a Fund's investments. Similarly, political events within the U.S. at times have resulted, and may in the future result, in a shutdown of government services, which could negatively affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other securities markets.

Uncertainties surrounding the sovereign debt of a number of European Union countries and the viability of the European Union have disrupted and may continue to disrupt markets around the world. If one or more countries leave the European Union or the European Union dissolves, the world's securities markets likely will be significantly disrupted.

A widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, and affect fund performance. For example, the novel coronavirus disease (COVID-19) has resulted in significant disruptions to global business activity. The impact of a health crisis and other epidemics and pandemics that may arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. Any such impact could adversely affect a Fund's performance, resulting in losses to your investment.

### **Emerging Markets Risk**

Funds that invest a significant portion of their assets in the securities of issuers based in countries with emerging-market economies are subject to greater levels of investment risk than Funds investing primarily in more-developed markets, since emerging-market securities may present market, credit, currency, liquidity, legal, political, and other risks greater than, or in addition to, the risks of investing in developed non-U.S. countries. These risks include: high currency exchange-rate fluctuations; increased risk of default (including both government and private issuers); greater social, economic, and political uncertainty and instability (including the risk of war); more substantial governmental involvement in the economy; less governmental supervision and regulation of the securities markets and participants in those markets; controls on non-U.S. investment and limitations on repatriation of invested capital and on a fund's ability to exchange local currencies for U.S. dollars or any other currency used as a Base Currency of a Fund; unavailability of currency hedging techniques in certain emerging-market countries; the fact that companies in emerging-market countries may be newly organized, smaller, and less seasoned; the difference in, or lack of, auditing and financial reporting standards, which may result in the unavailability of material information about issuers; different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions; difficulties in obtaining and/or enforcing legal judgments in non-U.S. jurisdictions; and significantly smaller market capitalizations of emerging-market issuers.

### **Equity Securities Risk**

Common and preferred stocks represent equity ownership in a company. Stock markets are volatile. The price of equity securities will fluctuate, and can decline and reduce the value of a Fund investing in equities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. The value of equity securities purchased by a Fund could decline if the financial condition of the companies in which a Fund is invested declines, or if overall market and economic conditions deteriorate. Even a Fund that invests in high-quality, or blue chip, equity securities, or securities of

established companies with large market capitalizations (which generally have strong financial characteristics), can be negatively impacted by poor overall market and economic conditions. Companies with large market capitalizations may also have less growth potential than smaller companies and may be less able to react quickly to changes in the marketplace.

A Fund may maintain substantial exposure to equities and generally does not attempt to time the market. Because of this exposure, the possibility that stock market prices in general will decline over short or extended periods subjects the relevant Fund to unpredictable declines in the value of its investments, as well as periods of poor performance.

### **EU General Data Protection Regulation**

The EU General Data Protection Regulation (the “GDPR”) took effect in all EU Member States on 25 May 2018 and replaced previous EU data privacy laws. Although a number of basic existing principles remain the same, the GDPR introduced new obligations on data controllers and rights for data subjects, including, among others:

- accountability and transparency requirements, which requires data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes “explicit” consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (72 hours where feasible).

A breach of the GDPR could expose the ICAV or relevant service provider to regulatory sanction including potentially significant fines. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement). If there is a breach of the GDPR, the ICAV could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

### **Event-Driven Trading Risk**

Event driven trading involves the risk that the special situation identified may not occur as anticipated and that this has a negative impact upon the market price of a security (*e.g.*, where the stock prices of a company rise in anticipation of a patent being granted, but which is not subsequently granted).

### **Exchange-Traded Funds Risk**

Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. An ETF has its own fees and expenses, which are indirectly borne by a Fund.

## **Fixed-income Securities Risk**

Fixed-income securities are generally subject to the following principal types of risk; interest-rate risk; credit quality risk; and investment-grade risk.

*Interest-Rate Risk.* Fixed-income securities are affected by changes in interest rates. When interest rates decline, the market value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the market value of fixed-income securities generally can be expected to decline. The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest-rate risk. There is the possibility that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments.

*Credit Quality Risk.* Fixed-income securities are subject to the risk that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments. If the credit quality of a fixed-income security deteriorates after a Fund has purchased the security, the market value of the security may decrease and lead to a decrease in the value of the Fund's investments. Funds that may invest in lower-rated fixed-income securities, commonly referred to as junk securities, are riskier than Funds that may invest in higher-rated fixed-income securities. Additional information on the risks of investing in investment-grade fixed-income securities in the lowest rating category and lower-rated fixed-income securities is set forth below.

*Investment-Grade Fixed-Income Securities in the Lowest Rating Category Risk.* Investment-grade fixed-income securities in the lowest rating category (such as Baa by Moody's or BBB by S&P and comparable unrated securities) involve a higher degree of risk than fixed-income securities in the higher rating categories. While such securities are considered investment-grade quality and are deemed to have adequate capacity for payment of principal and interest, such securities lack outstanding investment characteristics and have speculative characteristics as well. For example, changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher-grade securities.

## **Geographic Risk**

To the extent that a Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such region may have a greater impact on a Fund's performance relative to a more geographically diversified Fund.

## **Hedging, FDIs, and Other Strategic Transactions Risk**

The ability of a Fund to utilise hedging, FDIs, and other strategic transactions successfully will depend in part on its Sub-Investment Manager's ability to predict pertinent market movements and market risk, counterparty risk, credit risk, interest-rate risk, and other risk factors, none of which can be assured. The skills required to successfully utilise hedging and other strategic transactions are different from those needed to select a fund's securities. Even if the Sub-Investment Manager only uses hedging and other strategic transactions in a Fund primarily for hedging purposes or to gain exposure to a particular securities market, if the transaction is not successful, it could result in a significant loss to a Fund. The amount of loss could be more than the principal amount invested. In addition, there may be an incomplete correlation between the hedge and the opposite position, which may result in increased or unanticipated losses. These transactions may also increase the volatility of a Fund and may involve a small investment of cash relative to the magnitude of the risks assumed, thereby magnifying the impact of any resulting gain or loss. For example, the potential loss from the use of futures

can exceed a Fund's initial investment in such contracts. In addition, these transactions could result in a loss to a fund if the counterparty to the transaction does not perform as promised.

A Fund may invest in FDIs, which are financial contracts with a value that depends on, or is derived from, the value of underlying assets, reference rates, or indexes. FDIs may relate to stocks, bonds, interest rates, currencies, or currency exchange rates, and related indexes. A Fund may use derivatives for many purposes, including for hedging, and as a substitute for direct investment in securities or other assets. FDIs may be used in a way to efficiently adjust the exposure of a fund to various securities, markets, and currencies without a Fund actually having to sell existing investments and make new investments. This generally will be done when the adjustment is expected to be relatively temporary or in anticipation of effecting the sale of fund assets and making new investments over time. Further, since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs have the potential for unlimited loss, regardless of the size of the initial investment. When a Fund uses FDIs for leverage, investments in that Fund will tend to be more volatile, resulting in larger gains or losses in response to market changes. To limit leverage risk, a Fund may segregate assets determined to be liquid or, as permitted by applicable regulation, enter into certain offsetting positions to cover its obligations under FDIs.

The use of FDIs may involve risks different from, or potentially greater than, the risks associated with investing directly in securities and other, more traditional assets. In particular, the use of OTC derivative instruments exposes a Fund to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the transaction with the counterparty or may obtain the other party's consent to assign the transaction to a third party. If the counterparty defaults, the relevant Fund will have contractual remedies, but there is no assurance that the counterparty will meet its contractual obligations or that, in the event of default, the relevant Fund will succeed in enforcing them. For example, because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than a Fund when that Fund seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for a Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. A Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under OTC derivatives contracts or that those payments may be delayed or made only after the relevant Fund has incurred the costs of litigation. While the Manager intends to monitor the creditworthiness of counterparties, there can be no assurance that a counterparty will meet its obligations, especially during unusually adverse market conditions. To the extent a Fund contracts with a limited number of counterparties, that Fund's risk will be concentrated and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on the relevant Fund. FDIs also are subject to a number of other risks, including market risk and liquidity risk. Since the value of FDIs is calculated and derived from the value of other assets, instruments, or references, there is a risk that they will be improperly valued as a result of movements in the value of the underlying asset referenced by the FDIs. FDIs also involve the risk that changes in their value may not correlate perfectly with the assets, rates, or indexes they are designed to hedge or closely track. Suitable FDIs transactions may not be available in all circumstances. The relevant Fund is also subject to the risk that the counterparty closes out the derivatives transactions upon the occurrence of certain triggering events. In addition, the Sub-Investment Manager may determine not to use derivatives to hedge or otherwise reduce risk exposure. The use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to achieving a Fund's investment objective.

The following is a list of certain FDIs and other strategic transactions in which the fund intends to invest and the main risks associated with each of them:

*Credit Default Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), interest-rate risk, risk of default of the underlying reference obligation, and risk of disproportionate loss are the principal risks of engaging in transactions involving credit default swaps.

*Currency Forward Contracts.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), currency risk, and risk of disproportionate loss are the principal risks of engaging in transactions involving currency forward contracts.

*Futures Contracts.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), and risk of disproportionate loss are the principal risks of engaging in transactions involving futures contracts.

*Interest-Rate Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), interest-rate risk, and risk of disproportionate loss are the principal risks of engaging in transactions involving interest-rate swaps.

*Options.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), and risk of disproportionate loss are the principal risks of engaging in transactions involving options. Counterparty risk does not apply to exchange-traded options.

*Swaps.* Counterparty risk, liquidity risk (*i.e.*, the inability to enter into closing transactions), interest-rate risk, settlement risk, risk of default of the underlying reference obligation, and risk of disproportionate loss are the principal risks of engaging in transactions involving swaps.

*Warrants and Rights.* A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

*Convertible Securities.* The market value of a Convertible Security is a function of its "investment value" and its "conversion value." A security's "investment value" represents the value of the security without its conversion feature (*i.e.*, a non-convertible fixed income security). The investment value may be determined by reference to its credit quality and the current value of its yield to maturity or probable call date. At any given time, investment value is dependent upon such factors as the general level of interest rates, the yield of similar non-Convertible Securities, the financial strength of the issuer, and the seniority of the security in the issuer's capital structure. A security's "conversion value" is determined by multiplying the number of shares the holder is entitled to receive upon conversion or exchange by the current price of the underlying security. If the conversion value of a Convertible Security is significantly below its investment value, the Convertible Security will trade like non-convertible debt or preferred stock and its market value will not be influenced greatly by fluctuations in the market price of the underlying security. In that circumstance, the Convertible Security takes on the characteristics of a bond, and its price moves in the opposite direction from interest rates. Conversely, if the conversion value of a Convertible Security is near or above its investment value, the market value of the Convertible Security will be more heavily influenced by fluctuations in the market price of the underlying security. In that case, the Convertible Security's price may be as volatile as that of common stock. Because both interest rates and market movements can influence its value, a Convertible Security generally is not as sensitive

to interest rates as a similar fixed income security, nor is it as sensitive to changes in share price as its underlying equity security. Convertible Securities are often rated below investment grade or are not rated, and they are generally subject to a high degree of credit risk.

Although all markets are prone to change over time, the generally high rate at which Convertible Securities are retired (through mandatory or scheduled conversions by issuers or through voluntary redemptions by holders) and replaced with newly issued convertibles may cause the Convertible Securities market to change more rapidly than other markets. For example, a concentration of available Convertible Securities in a few economic sectors could elevate the sensitivity of the Convertible Securities market to the volatility of the equity markets and to the specific risks of those sectors. Moreover, Convertible Securities with innovative structures, such as mandatory-conversion securities and equity-linked securities, have increased the sensitivity of the Convertible Securities market to the volatility of the equity markets and to the special risks of those innovations, which may include risks different from, and possibly greater than, those associated with traditional Convertible Securities. A Convertible Security may be subject to redemption at the option of the issuer at a price set in the governing instrument of the Convertible Security. If a Convertible Security held by a Fund is subject to such redemption option and is called for redemption, the relevant Fund must allow the issuer to redeem the security, convert it into the underlying common stock, or sell the security to a third party.

As a result of the conversion feature, Convertible Securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on Convertible Securities may be less than that of a common stock equivalent if the yield on the Convertible Security is at a level that would cause it to sell at discount.

In the absence of adequate anti-dilution provisions in a Convertible Security, dilution in the value of a Fund's holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction which increases its outstanding securities.

#### *Contingent Convertible Securities*

A Fund may invest in contingent convertible notes, also known as CoCo bonds. This particular type of bond may incur material losses on the happening of certain trigger events linked to regulatory capital thresholds. A trigger event may also arise where the issuer's regulatory authority makes a determination that the issuer is non-viable. The existence of these trigger events creates a different type of risk from traditional bonds. Accordingly, a Fund may be more likely to suffer a partial or total loss of the principal invested in such CoCo bonds than if invested in more traditional bonds. Alternatively, the CoCo bonds may, on the happening of a trigger event, be converted into shares of the issuing company which may also have suffered a loss in value. Shareholders should note that in certain circumstances, the holder of CoCo bonds may, unlike the classic capital hierarchy, suffer losses ahead of equity holders. CoCo bonds may not have a defined maturity and also have fully discretionary coupons. This means they may be potentially cancelled at the issuer's discretion or at the request of the issuer's regulatory authority. As the CoCo bond is a relatively new structuring, it is uncertain how such instrument will perform in a stressed environment.

#### **High Portfolio Turnover Risk**

Actively trading securities can increase transaction costs (thus lowering performance) and taxable distributions.

## **High Yield Debt Securities Risk**

The general risks of investing in High Yield Debt Securities are as follows:

*Risk to Principal and Income.* Investing in High Yield Debt Securities is considered speculative. While these securities generally provide greater income potential than investments in higher-rated securities, there is a greater risk that principal and interest payments will not be made. Issuers of these securities may even go into default or become bankrupt.

*Price Volatility.* The price of High Yield Debt Securities may be more volatile than securities in the higher-rated categories. This volatility may increase during periods of economic uncertainty or change. The price of these securities is affected more than higher-rated fixed-income securities by the market's perception of their credit quality, especially during times of adverse publicity. In the past, economic downturns or increases in interest rates have, at times, caused more defaults by issuers of these securities and may do so in the future. Economic downturns and increases in interest rates have an even greater effect on highly leveraged issuers of these securities.

*Liquidity.* The market for High Yield Debt Securities may have more limited trading than the market for Investment Grade Credit Securities. Therefore, it may be more difficult to sell these securities, and these securities may have to be sold at prices below their market value in order to meet redemption requests or to respond to changes in market conditions.

*Dependence on the Sub-Investment Manager's Own Credit Analysis.* While the Sub-Investment Manager may rely on ratings by established credit rating agencies, it will also supplement such ratings with its own independent review of the credit quality of the issuer. Therefore, the assessment of the credit risk of High Yield Debt Securities is more dependent on the Sub-Investment Manager's evaluation than the assessment of the credit risk of higher-rated securities.

*Additional Risks Regarding High Yield Debt Securities.* High Yield Debt Securities tend to be more sensitive to individual corporate developments and changes in economic conditions than higher-rated corporate fixed-income securities. Issuers of lower-rated corporate fixed-income securities may also be highly leveraged, increasing the risk that principal and income will not be repaid.

*Additional Risks Regarding Lower-Rated Non-U.S. Government Fixed-Income Securities.* Lower-rated non-U.S. government fixed-income securities are subject to the risks of investing in non-U.S. countries described under "Non-U.S. Securities Risk." In addition, the ability and willingness of a non-U.S. government to make payments on debt when due may be affected by the prevailing economic and political conditions within the country. Emerging-market countries may experience high inflation, interest rates, and unemployment, as well as exchange-rate trade difficulties and political uncertainty or instability. These factors increase the risk that a non-U.S. government will not make payments when due.

## **ICAV Cash Subscriptions and Redemptions Account Risk**

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



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

In the event of the insolvency of another Fund of the ICAV, recovery of any amounts to which the relevant Fund is entitled, but which may have transferred to such Fund as a result of the operation of the ICAV Cash Subscriptions and Redemptions Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the ICAV Cash Subscriptions and Redemptions 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 the relevant Fund.

### **Indemnity Risk**

Under certain circumstances, a Fund might be subject to significant indemnification obligations in favour of the Manager and other service providers. The ICAV will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the relevant Fund has agreed to indemnify them. Any indemnification paid by the relevant Fund would reduce the Net Asset Value of the relevant Fund and, by extension, the value of the Shares.

### **Inflation-Linked Investments Risk**

The Funds may invest in fixed-income securities whose principal value increases or decreases based on changes in an index (such as a consumer price index). Unlike traditional fixed income securities, the principal and interest payments of inflation-linked investments are adjusted periodically based on the inflation rate. The value of a Fund's inflation-linked investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that a Fund's use of these instruments will be successful.

### **Interest Rate Risk**

A Fund may be subject to interest rate risk. Generally, the value of fixed income securities will change inversely with changes in interest rates. As interest rates rise, market value tends to decrease. This risk will be greater for long-term securities than for short-term securities. Unexpected changes in interest rates may adversely affect the value of a Fund's investments, particularly with respect to derivative instruments. FDIs used by a Fund may be particularly sensitive to changes in prevailing interest rates.

## **Issuer Risk**

An issuer of a security purchased by a fund may perform poorly and, therefore, the value of its stocks and bonds may decline and the issuer may default on its obligations. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors.

## **Lack of Operating History Risk**

The past investment performance of the Manager (or a Sub-Investment Manager) cannot be construed as an indication of the future results of an investment in a Fund. Although persons involved in the management of a Fund have had long experience in their respective fields of specialisation, certain Funds at times may be newly established and have no operating or performing history upon which prospective investors can evaluate likely performance. Investors should be aware that the past performance by those involved in the investment management of a Fund should not be considered as an indication of future results.

## **Large Company Risk**

Large-capitalization stocks as a group could fall out of favor with the market, causing the relevant Fund to underperform investments that focus on small- or medium-capitalization stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. For purposes of a Fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the relevant Fund purchases the company's securities. Market capitalizations of companies change over time.

## **Leverage Risk**

Certain of a Fund's transactions (including, among others, forward currency contracts and other FDIs, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions) may give rise to leverage risk. Leverage, including borrowing, may increase volatility in a Fund by magnifying the effect of changes in the value of a Fund's holdings. The use of leverage may cause investors in a Fund to lose more money in adverse environments than would have been the case in the absence of leverage. A Fund may be required to segregate permissible liquid assets to cover its obligations under these transactions and may have to liquidate positions before it is desirable to do so to fulfill its segregation requirements. By setting aside assets equal to only its net obligations under cash-settled futures and forwards contracts, a Fund may employ leverage to a greater extent than if a Fund were required to segregate assets equal to the full notional value of such contracts. There is no assurance that a Fund will be able to employ leverage successfully.

## **Liquidity Risk**

A Fund is exposed to liquidity risk when trading volume, lack of a market maker, or legal restrictions impair the Fund's ability to sell particular securities or close derivative positions at an advantageous market price. Funds with principal investment strategies that involve investments in securities of companies with smaller market capitalizations, non-U.S. securities, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Exposure to liquidity risk may be heightened for Funds that invest in securities of emerging markets and related derivatives that are not widely traded, and that may be subject to purchase and sale restrictions.

## **London Interbank Offered Rate (LIBOR) Risk**

On 27 July 2017, the head of the FCA announced (the “**FCA Announcement**”) that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021 and that planning a transition to alternative reference rates (“**RFRs**”). Since the FCA Announcement, the future of the LIBOR, which is currently calculated for five currencies across seven tenors, and the development of RFRs has been, and remains, high on the global regulatory agenda. Across different financial products and markets, relevant regulators and industry bodies are working to identify RFRs and to manage and raise awareness of the expected transition away from LIBOR to those alternative RFRs.

The ICE Benchmark Administration Limited, the administrator of LIBOR, ceased publishing most LIBOR tenors, including some US \$ LIBOR tenors, on December 31, 2021. The remaining and most liquid US LIBOR tenors are not expected to cease before June 30, 2023.

LIBOR is a “critical benchmark” under Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmarks Regulation**”). The Benchmarks Regulation has already and may further affect how LIBOR, as well as other benchmarks, are calculated and administered. The FCA no longer persuades or compels banks to submit rates for the calculation of LIBOR, expecting to lead to its discontinuance. The FCA, the Central Bank and other regulators are encouraging a transition to the use of alternative interest rates. Benchmark related developments are on-going and fast moving and the potential effects of the move away from LIBOR and other global benchmarks on certain types of investments or products can be difficult to ascertain. There remains uncertainty regarding the future use of LIBOR and the timing of the transition and the nature of the RFRs. Factors to consider include the existing fallback provisions (if any) in relevant contracts and if, how and when new RFRs and fallbacks are adopted for new and legacy products.

It is expected that market participants will transition to the use of alternative reference or benchmark rates prior to the applicable LIBOR publication cessation date. However, although regulators have encouraged the development and adoption of alternative rates, there is currently no definitive information regarding the future utilization of LIBOR or of any particular replacement rate.

Certain proposed replacement rates to LIBOR, are materially different from LIBOR, and changes in the applicable spread for financial instruments transitioning away from LIBOR will need to be made to accommodate the differences. Furthermore, the risks associated with the expected discontinuation of LIBOR and transition to replacement rates may be exacerbated if an orderly transition to an alternative reference rate is not completed in a timely manner.

The assessment of the impact of the cessation of LIBOR is on-going, as are developments relating to the reform of benchmarks generally. The potential effects can be difficult to ascertain meaning uncertainty remains. Although certain of the RFRs are well established, other RFRs are not. Questions remain around the suitability of certain RFRs for different types of financial products and there is on-going uncertainty as to the future use of term rates. Any uncertainties and any associated costs could negatively impact the value of the Fund’s affected investments.

As market participants transition away from LIBOR, LIBOR’s usefulness may deteriorate. The transition process might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies.

## **Medium and Smaller Company Risk**

Market risk and liquidity risk may be pronounced for securities of companies with medium-sized market capitalizations and are particularly pronounced for securities of companies with smaller market capitalizations. These companies may have limited product lines, markets, or financial resources, or they may depend on a few key employees. The securities of companies with medium and smaller market capitalizations may trade less frequently and in lesser volume than more widely held securities, and their value may fluctuate more sharply than those securities. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Investments in less-seasoned companies with medium and smaller market capitalizations may not only present greater opportunities for growth and capital appreciation, but also involve greater risks than are customarily associated with more established companies with larger market capitalizations. These risks apply to all Funds that invest in the securities of companies with smaller- or medium-sized market capitalizations. For purposes of the Fund's investment policies, the market capitalization of a company is based on its capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time. A Fund is not obligated to sell a company's security simply because, subsequent to its purchase, the company's market capitalization has changed to be outside the capitalization range, if any, in effect for a Fund.

## **Merger and Restructuring Risk**

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time a Fund invests in risk arbitrage securities may not be completed on the terms contemplated, resulting in losses to a Fund.

## **MiFID II Regulatory Risk**

The MiFID Regulations transpose into Irish law the MiFID II Directive along with its accompanying regulation, the Markets in Financial Instruments Regulation (“**MiFIR**”) (Regulation 600/2014/EU), (collectively, “**MiFID II**”). The MiFID Regulations and MiFID II took effect on 3 January 2018. MiFID II is a wide ranging piece of legislation that will affect financial market structure, trading and clearing obligations, product governance and investor protection. While MiFIR and a majority of the so-called “Level 2” measures are directly applicable across the European Union (EU) as EU regulations, the MiFID II Directive must be “transposed” into national law by Member States. In the course of the transposition process, individual Member States and their national competent authorities may have introduced requirements over and above those in the European text and which may apply to MiFID II participants that would not otherwise be caught by MiFID II and its implementation may be unclear in scope and subject to differences in regulatory interpretation. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact on market participants including the ICAV, the Manager and any Sub-Investment Managers, the operation of the ICAV and the ability of the Manager and any Sub-Investment Managers to implement a Fund's investment objective.

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

*Mortgage-Backed Securities.* Mortgage-backed securities represent participating interests in pools of residential mortgage loans, which may be guaranteed by the U.S. government, its agencies, or its instrumentalities or those of other governments, depending on the security in question. However, the guarantee of these types of securities relates to the principal and interest payments, and not to the market value of such securities. In addition, the guarantee

only relates to the mortgage-backed securities held by a Fund and not the purchase of Shares of a Fund.

Mortgage-backed securities are issued by lenders, such as mortgage bankers, commercial banks, and savings and loan associations. Such securities differ from conventional debt securities, which provide for the periodic payment of interest in fixed amounts (usually semi-annually) with principal payments at maturity or on specified dates. Mortgage-backed securities provide periodic payments which are, in effect, a pass-through of the interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans. A mortgage-backed security will mature when all the mortgages in the pool mature or are prepaid. Therefore, mortgage-backed securities do not have a fixed maturity and their expected maturities may vary when interest rates rise or fall.

When interest rates fall, homeowners are more likely to prepay their mortgage loans. An increased rate of prepayments on a Fund's mortgage-backed securities will result in an unforeseen loss of interest income to the relevant Fund as it may be required to reinvest assets at a lower interest rate. Because prepayments increase when interest rates fall, the prices of mortgage-backed securities do not increase as much as other fixed-income securities when interest rates fall.

When interest rates rise, homeowners are less likely to prepay their mortgage loans. A decreased rate of prepayments lengthens the expected maturity of a mortgage-backed security. Therefore, the prices of mortgage-backed securities may decrease more than prices of other fixed-income securities when interest rates rise.

The yield of mortgage-backed securities is based on the average life of the underlying pool of mortgage loans. The actual life of any particular pool may be shortened by unscheduled or early payments of principal and interest. Principal prepayments may result from the sale of the underlying property, or the refinancing or foreclosure of underlying mortgages. The occurrence of prepayments is affected by a wide range of economic, demographic, and social factors and, accordingly, it is not possible to accurately predict the average life of a particular pool. The actual prepayment experience of a pool of mortgage loans may cause the yield realized by the fund to differ from the yield calculated on the basis of the average life of the pool. In addition, if a Fund purchases mortgage-backed securities at a premium, the premium may be lost in the event of early prepayment, which may result in a loss to the relevant Fund.

Prepayments tend to increase during periods of falling interest rates, while during periods of rising interest rates, prepayments are likely to decline. Monthly interest payments received by a fund have a compounding effect, which will increase the yield to shareholders as compared to debt obligations that pay interest semi-annually. Because of the reinvestment of prepayments of principal at current rates, mortgage-backed securities may be less effective than U.S. Treasury bonds of similar maturity at maintaining yields during periods of declining interest rates. Also, although the value of debt securities may increase as interest rates decline, the value of these pass-through types of securities may not increase as much, due to their prepayment feature.

*Collateralized Mortgage Obligations (CMOs).* A Fund may invest in mortgage-backed securities called CMOs. CMOs are issued in separate classes with different stated maturities. As the mortgage pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. By investing in CMOs, a Fund may manage the prepayment risk of mortgage-backed securities. However, prepayments may cause the actual maturity of a CMO to be substantially shorter than its stated maturity.

*Asset-Backed Securities.* Asset-backed securities include interests in pools of debt securities, commercial or consumer loans, or other receivables. The value of these securities depends

on many factors, including changes in interest rates, the availability of information concerning the pool and its structure, the credit quality of the underlying assets, the market's perception of the servicer of the pool, and any credit enhancement provided. In addition, asset-backed securities have prepayment risks similar to mortgage-backed securities.

### **Non-U.S. Market Risk**

A Fund's investments in securities issued or guaranteed by non-U.S. governmental entities, non-U.S. corporate entities, and U.S. entities with economic ties to non-U.S. markets generally involve special risks that can increase the likelihood that a Fund may lose money. For example, as compared with issuers or guarantors organized and operated in the U.S., these entities may be more vulnerable to economic, political, and social volatility and subject to less government supervision, lack of transparency, inadequate regulatory and accounting standards, and non-U.S. taxes. In addition, these securities also may be subject to inadequate exchange control regulations, higher transaction and other costs, reduced liquidity, and delays in settlement to the extent they are traded on non-U.S. exchanges or markets. Non-U.S. securities also may be subject to thin trading volumes and reduced liquidity, which may lead to greater price fluctuations. These and other factors can materially adversely affect the prices of non-U.S. securities held by a Fund, impair a Fund's ability to buy or sell securities at its desired price or time, or otherwise adversely affect a Fund's operations. Emerging Market Securities generally are more volatile than other non-U.S. securities, and are subject to greater liquidity, regulatory, and political risks.

### **Non-U.S. Securities Risk**

Funds that invest in securities traded principally in securities markets outside the United States are subject to additional and more varied risks, as the value of non-U.S. securities may change more rapidly and extremely than the value of U.S. securities. The securities markets of many non-U.S. countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities may not be subject to the same degree of regulation as U.S. issuers. Reporting, accounting, and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. There are generally higher commission rates on non-U.S. portfolio transactions, transfer taxes, higher custodial costs, and the possibility that non-U.S. taxes will be charged on dividends and interest payable on non-U.S. securities, some or all of which may not be reclaimable. Also, for lesser-developed countries, nationalization, expropriation, or confiscatory taxation, adverse changes in investment or exchange control regulations (which may include suspension of the ability to transfer currency or assets from a country), political changes, or diplomatic developments could adversely affect a fund's investments. In the event of nationalization, expropriation, or other confiscation, the fund could lose its entire investment in a non-U.S. security. All Funds that invest in non-U.S. securities are subject to these risks. Some of the non-U.S. risks are also applicable to Funds that invest a material portion of their assets in securities of non-U.S. issuers traded in the United States.

### **OECD BEPS Risk**

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting ("BEPS") and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. On 5 October 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on 8 October 2015. On 24 November 2016, more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax

treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect for a specific tax treaty at certain times after all parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the ICAV will have investments, in the countries where the ICAV is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the ICAV.

### **Operational Risk**

The ICAV is subject to risks caused by factors external to the instruments in which the Funds invest, such as system failures, poorly functioning technology, human error and processing mistakes, or defective organisation, internal processes or misconduct of employees of a third-party service provider. Such failures could have a negative impact on the Funds.

### **Participatory Notes**

Participatory notes involve risks that are in addition to the risks normally associated with a direct investment in the underlying equity securities. A Fund is subject to the risk that the issuer of the participatory note (*i.e.*, the issuing bank or broker-dealer), which is the only responsible party under the note, is unable or refuses to perform under the participatory note. While the holder of a participatory note is entitled to receive from the issuing bank or broker-dealer any dividends or other distributions paid on the underlying securities, the holder is not entitled to the same rights as an owner of the underlying securities, such as voting rights. Participatory notes are also not traded on exchanges, are privately issued, and may be illiquid. To the extent a participatory note is determined to be illiquid, it would be subject to the Fund's limitation on investments in illiquid securities. There can be no assurance that the trading price or value of participatory note will equal the value of the underlying value of the equity securities they seek to replicate.

### **Preferred Stock Risk**

Preferred stock generally has a preference as to dividends and liquidation over an issuer's common stock but ranks junior to debt securities in an issuer's capital structure. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

### **Prepayment of Principal Risk**

Many types of debt securities, including floating-rate loans, are subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment risk can offer less potential for gains when the credit quality of the issuer improves.

### **Real Estate Investment Trust Risk**

REITs are pooled investment vehicles that invest in income producing real property or real property related loans or interests. Investment in REITs subjects the relevant Fund to the risks associated with direct ownership of real estate, such as a decline in the value of real estate and both general and local economic conditions.

## **Redemption Risk**

A Fund may need to sell its holdings in order to meet Shareholder redemption requests. A Fund could experience a loss when selling securities to meet redemption requests if the relevant Fund does not have adequate levels or sources of liquidity and redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices for the securities sold, or when the securities a Fund wishes to or is required to sell are illiquid.

## **Reliance on Management Risk**

Investment decisions will be made for each Fund by the Sub-Investment Manager, subject to the policies of the relevant Fund. The success of a Fund will depend on the ability of the Sub-Investment Manager to identify suitable investments and to dispose of such investments at a profit. The strategies used and investments selected by the Sub-Investment Manager may fail to produce the intended result and a Fund may not achieve its investment objective. The investments selected for a Fund also may not perform as well as other investments that were not selected for a Fund. As a result, a Fund may suffer losses or underperform other funds with the same investment objective or strategies, even in a rising market.

There can also be no assurance that all of the personnel of the Sub-Investment Manager will continue to be associated with the Sub-Investment Manager for any length of time. The loss of the services of one or more employees of the Sub-Investment Manager could have an adverse impact on a Fund's ability to realise its investment objectives.

## **Repurchase/Reverse Repurchase Agreement Risk**

Repurchase and reverse repurchase agreements are subject to counterparty risk. In the case of a repurchase agreement, the counterparty may fail to repurchase its securities which may cause the relevant Fund to suffer delays and incur costs in exercising its rights under the agreement. In addition, if the securities held by the Fund as collateral for the repurchase agreement go down in market value, this may cause a loss to the Fund.

In the case of a reverse repurchase agreement, the counterparty may fail to return the securities sold to the counterparty by the relevant Fund which may cause the Fund to lose money if it is unable to recover the securities and the value of the collateral held (including if the value of the investments made with cash collateral is less than the value of the securities).

## **Rule 144A Securities and Regulation S Securities Risk**

Rule 144A Securities and Regulation S Securities may involve a high degree of business and financial risk and may result in substantial loss. These securities may be less liquid than publicly listed or traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised for these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publically traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publically traded. A Fund's investment in illiquid securities is subject to the risk that should the relevant Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the relevant Fund could be adversely affected.

## **Russian Investments Risk**

Certain markets in central and eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical



securities may not exist in certain countries (such as Russia); as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established.

When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity securities that are listed or traded on level 1 or level 2 of the Russian Trading Systems Stock Exchange ("RTS") or Moscow Stock Exchange ("MICEX"). The Depositary's liability extends to its unjustifiable failure to perform its obligations or its improper performance of them and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the relevant Fund will have to pursue its rights directly against the issuer and/or its appointed registrar. The aforesaid risks in relation to safekeeping of securities in Russia may exist, in a similar manner, in other central and eastern European countries in which a Fund may invest.

### **Sector Risk**

When a Fund's investments are focused in one or more sectors of the economy, they are not as diversified as the investments of most Funds and are far less diversified than the broad securities markets. This means that focused funds tend to be more volatile than other Funds, and the values of their investments tend to go up and down more rapidly. In addition, a Fund which invests in particular sectors is particularly susceptible to the impact of market, economic, regulatory, and other factors affecting those sectors disproportionately.

### **Securities Lending Risk**

Where a Fund enters into a securities lending agreement, in the event of bankruptcy or other default of a borrower of portfolio securities, a Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the relevant Fund seeks to enforce its rights thereto, (b) possible sub-normal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In an effort to reduce these risks, the Manager will monitor the creditworthiness of the firms to which a Fund lends securities. Although not a principal investment strategy, a Fund may engage in securities lending to a significant extent.

## **Segregated Liability Risk**

The ICAV is an umbrella structure with segregated liability between its Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some or all liabilities of another Fund, for example, on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the ICAV, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which may not recognise the principle of segregation of liability between Funds.

## **Sovereign Debt Risk**

Bonds issued or guaranteed by governments or governmental entities (commonly referred to as “sovereign debt”) present risks not associated with investments in other types of bonds. Sovereign debt securities are subject to the risk that the relevant sovereign government or governmental entity may delay or refuse to pay interest or repay principal on its debt, due, for example, to cash flow problems, insufficient currency reserves, political considerations, the size of its debt relative to the economy, or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a sovereign government or governmental entity defaults, it may ask for maturity extensions, interest rate reductions, or additional loans. There is no legal process for collecting sovereign debt that is not repaid nor are there bankruptcy proceedings through which all or part of the unpaid sovereign debt may be collected. In the past, emerging market sovereign governments and governmental entities have refused to honour their payment obligations on issued or guaranteed bonds.

## **Stripped Debt Securities Risk**

The Funds may purchase stripped bonds, which are securities created by separating bonds into their principal and interest components and selling each piece separately. The yield to maturity on a stripped debt security is extremely sensitive not only to changes in prevailing interest rates but also to the rate of principal payments (including prepayments) on the underlying assets. A rapid rate of principal prepayments may have a measurably adverse effect on the Funds’ yields to maturity to the extent it invests in bonds that pay interest only. If the assets underlying the interest only bond experience greater than anticipated prepayments of principal, the Funds may fail to recoup fully their initial investments in these securities. Conversely, bonds which pay principal only tend to increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The secondary market for stripped securities may be more volatile and less liquid than that for other debt securities, potentially limiting the Funds’ ability to buy or sell those securities at any particular time.

## **Structured Notes Risk**

A Fund may invest in structured products which represent derived investment positions based on relationships among different markets or securities. A structured product may be considered to be leveraged to the extent its interest rate varies by a magnitude that exceeds

the magnitude of the change in the index rate. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on the structured product is derived by linking return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which a Fund may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. A Fund may invest in a class of structured product that is either subordinate or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products. Structured products are typically sold in private placement transactions and there may not be an active trading market for structured products. As a result, certain structured products in which the relevant Fund invests may be deemed illiquid.

### **Suspension Risk**

Investors are reminded that, in certain exceptional circumstances, their right to purchase and sell Shares may be suspended (see the section “Determination of the Net Asset Value: Temporary Suspension of Valuation of the Shares and of Sales and Redemptions”).

### **Tax Risk**

Each of the Funds may invest in securities that produce income or capital gains that are subject to withholding and other taxes in respect of income or gains derived from its investments in underlying investee countries. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of subscribing, holding, selling, converting or otherwise disposing of Shares in the Funds under the laws of jurisdictions in which they may be subject to taxes. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Funds and to its investors may change from time to time. In addition, developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests. The ICAV may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The ICAV may not, therefore, be able to reclaim any foreign withholding tax suffered by it in particular countries. If this position changes and the ICAV obtains a repayment of foreign tax, the Net Asset Value of the ICAV will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment. A summary of some of the Irish tax consequences applicable to the Funds is set out in the section “Taxation”. However, Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Funds or all categories of investors, some of whom may be subject to special rules.

### **Unlisted Securities Risk**

Unlisted securities tend to be more volatile and have a higher risk profile than listed securities. There being no recognised market for unlisted securities, it may be difficult for the relevant Fund to obtain reliable information about the value of any such security, or the extent of the risks to which it is exposed or to dispose of any such security quickly and/or on terms advantageous to the relevant Fund.

The attention of investors is drawn to the fact that valuation of unlisted securities and difficult to value securities depends on subjective factors and can be difficult to establish with accuracy. The Administrator may be relying on valuations of unlisted or difficult to value

securities provided by the Manager or its delegate. This could lead to potential conflicts of interest on the part of the Manager whose fees will, as will the return to investors, increase as the value of the relevant Fund increases. However, the Manager will endeavour to resolve such conflicts by valuing such unlisted or difficult to value securities based on their probable realisation value with prudence and good faith.

### **U.S. Foreign Account Tax Compliance Act (“FATCA”)**

Pursuant to FATCA, the ICAV (and each Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned non-U.S. investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the ICAV (or a Fund) to U.S. withholding taxes on certain U.S.-source income. Pursuant to an intergovernmental agreement between the United States and Ireland, the ICAV (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. reportable account information directly to the Irish government. Shareholders may be requested to provide additional information to the ICAV to enable the ICAV (or each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder’s interest in its Shares. The ICAV may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the ICAV could become subject to US FATCA withholding tax in respect of its U.S. source income if the U.S. Internal Revenue Service specifically identified the ICAV as being a ‘non-participating financial institution’ for FATCA purposes. Any such U.S. FATCA withholding tax would negatively impact the financial performance of the ICAV and all Shareholders may be adversely affected in such circumstances. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the ICAV (and each Fund). The administrative cost of compliance with FATCA may cause the operating expenses of the ICAV (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the ICAV (or each Fund) to provide to the Irish government (for exchange with the U.S. Internal Revenue Service) private and confidential information relating to certain investors. See section headed “Taxation.”

### **When-Issued and Delayed-Delivery Securities Risk**

A Fund may purchase securities on a when-issued or delayed-delivery basis. The value of the security on its settlement date may be more or less than the price paid as a result of changes in interest rates and market conditions. If the value of such a security on its settlement date is less than the price paid by the relevant Fund, the value of the Fund's shares may decline.

### **Zero Coupon Bonds Risk**

A Fund may invest in zero coupon bonds. The market prices of these bonds generally are more volatile than the market prices of securities that pay interest on a regular basis. Since the relevant Fund will not receive cash payments earned on these securities on a current basis, the relevant Fund may be required to make distributions from other sources. This may result in higher portfolio turnover rates and the sale of securities at a time that is less favourable.

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## MANAGEMENT AND ADMINISTRATION

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### **The Directors**

The Directors of the ICAV are as set out below.

#### **Thomas G. Murray, Chairman and Organisational Effectiveness Director (Irish Resident)**

Mr. Murray has worked in investment banking and financial services for over 25 years. He is a non-executive director of several regulated collective investment vehicles and management companies. He currently serves as a non-executive director of funds promoted by Deutsche Bank, Russell Investments, Old Mutual and Barclays. In addition, Mr. Murray is a non-executive director of Skillsoft, the leading e-learning company and Touax, an international leasing group. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980. He was also a member of the National Futures Association between 1990 and 1992. During 2011, Mr. Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland.

Between 2004 and 2008, Mr. Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high profile transactions including the initial IPO of Aer Lingus. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licensed to operate in the International Financial Services Centre, Dublin. Initially, Mr. Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk control systems for the proprietary trading division. In 1990 Mr. Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr. Murray was appointed Treasury Director in which role he served for 4 years. Prior to joining Gandon between 1981 and 1987, Mr. Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

#### **Eimear Cowhey (Irish Resident)**

Eimear Cowhey has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006, she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999 she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Ms. Cowhey is a qualified Irish lawyer with a Diploma in Accounting and Finance, Diploma in Company Direction (IoD), Certificate in Financial Services Law and is in the course of achieving Chartered Director status from the IoD (London).

Ms. Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an

expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairman of Irish Funds and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

#### **Adrian Waters (Irish Resident)**

Adrian Waters is a Fellow of The Institute of Chartered Accountants in Ireland. He has been awarded Chartered Director status by the UK Institute of Directors. He is the Principal of Fund Governance Solutions, an independent funds consultancy. He has 20 years' experience in the offshore funds industry. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President, Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. He is an independent director of several other offshore funds.

#### **Andrew G. Arnott (U.S. Resident)**

Andrew Arnott is Head of Wealth and Asset Management, United States & Europe and President and Chief Executive Officer of John Hancock Investment Management (a company of Manulife Investment Management). He is responsible for retail, retirement, and institutional asset management across all businesses and channels. He has more than 25 years of experience in the asset management industry. Since 2012, Mr. Arnott has led all aspects of John Hancock Investment Management's business, from investments, sales, marketing, finance, and product development to operations and technology. In 2014, Mr. Arnott was appointed President of the John Hancock funds, with general responsibility for overseeing day-to-day management of fund business and operations, serving as Chief Executive Officer of all funds, acting as liaison between management and the funds' Board of Trustees, and presiding over Trustee and shareholder meetings. In addition, Mr. Arnott is a member of the Board of Directors of Manulife Investment Management I PLC, as well as Manulife Investment Management II ICAV, through which Manulife Investment Management offers UCITS funds to investors in Europe and Latin America. In his prior position as Executive Vice President and Chief Operating Officer of Investment Management Services, Mr. Arnott was responsible for developing and managing the network of subadvisor asset management relationships across the John Hancock and Manulife platforms in the United States and Asia.

Mr. Arnott holds a B.S. in Business Administration from Boston University and an M.S. in Finance from Northeastern University. He holds FINRA Series 6, 7, 24, and 63 licenses. Mr. Arnott also serves on the Boards of the Boys & Girls Clubs of Boston, The Boston Foundation, and the Mt. Mansfield Education Foundation.

#### **Bernard Letendre (Canadian Resident)**

Bernard Letendre brings more than 25 years of experience in the financial services industry to his role as Global Head of Strategy and Product for Manulife Investment Management. In this role, Mr. Letendre is responsible for the firm's global investment product portfolio as well as having overall accountability for strategy for the global wealth and asset management

business. Previously, he oversaw the firm's wealth and asset management business in Canada, one of three key regions in which Manulife Investment Management operates globally. Prior to that, he was managing director of Manulife Private Wealth and held leadership positions at BMO Private Banking, Standard Life, and Investors Group. Mr. Letendre holds a Bachelor of Laws (LL.B.) as well as a Master of Laws (LL.M.) from the University of Montreal and has been a member of the Quebec Bar since 1993. He joined the company in 2009.

### **Chris Conkey (U.S. Resident)**

Chris Conkey is the President, Chief Executive Officer and Global Chief Investment Officer of Manulife Investment Management – Public Markets. In this role, he is responsible for the development and execution of all long-term strategic, financial and operating plans of the public market asset manager. He is also responsible for all aspects of the firm's public market investment processes and outcomes, including development and implementation of the firm's investment philosophy, risk management and investment performance of equity, fixed income and solutions-oriented strategies. Mr. Conkey is a member of Manulife's Global Wealth and Asset Management Leadership Team and brings 31 years of investment management experience to his role. Before joining Manulife, he was chief investment officer of Evergreen Investment Management Company, where he had overall management responsibility for \$180 billion in assets. He was also the chair of the Investment Strategy Committee, and led several distinct teams in managing fixed income, equity and alternatives strategies.

Prior to his role as CIO, Mr. Conkey spent three years as Evergreen's equity chief investment officer, following a merger between Keystone Investments and Evergreen. He spent 13 years at Keystone, where he held several investment management positions, culminating with the role of president and chief investment officer. Chris holds the Chartered Financial Analyst designation.

Mr. Conkey is a graduate of Clark University (BA in Economics, 1982) and Boston University (MBA, 1987).

### **The Manager**

The ICAV has appointed the Manager to act as manager to the ICAV and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the ICAV. The Manager is a private company limited by shares, was incorporated in Ireland on 4 October 2018 under the registration number 635225 and is wholly owned by The Manufacturers Life Insurance Company. The Manager has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes.

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

## *Management Agreement*

By an agreement (the “Management Agreement”) dated 1 May 2019 between the ICAV and the Manager, the Manager has agreed to act as the manager, investment manager and distributor of the ICAV. Details of the fees payable to the Manager are set out in the “FEES AND EXPENSES” section. The Management Agreement may be terminated by either party on not less than 90 days’ notice in writing. The Management Agreement may be terminated forthwith by written notice given by either party to the other in certain circumstances. The Manager is indemnified by the ICAV from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from wilful misfeasance, bad faith or negligence on the part of the Manager or of any delegate, servant or agent) which may be imposed on, incurred by or asserted against the Manager in performing its obligations under the Management Agreement.

The directors of the Manager are:

### **Thomas Murray (Chairman, Irish Resident)**

See biography for Mr. Murray above.

### **Eimear Cowhey (Irish Resident)**

See biography for Mrs. Cowhey above.

### **Andrew Arnott (U.S. Resident)**

See biography for Mr. Arnott above.

### **Bernard Letendre (Canadian Resident)**

See biography for Mr. Letendre above.

### **Yves Wagner (Luxembourg Resident)**

Dr. Wagner holds a “Doctorat ès Sciences Economiques” (PhD) from the University of Aix-Marseille III, France. He started his career as a teacher at the University of Aix-Marseille, and as a “Professeur-Associé” at the University of Perpignan. He started his non-academic career with Banque Générale du Luxembourg where he became Director of Asset Management, before becoming the Chief Executive Officer and Board member of Fortis Investments, Luxembourg. He finally left the Fortis Group in order to found “The Directors’ Office”. He continued to be active in the academic field, teaching at different Universities and Business Schools, being Board member of the “Centre Universitaire” (Luxembourg), publishing Research Papers, and teaching in professional institutes (“Institut de Formation Bancaire”, IFBL, “Agence pour le Transfert de Technologies Financières”, ATTF, and the “Académie Bancaire Européenne” (ABE) where he became President). He has been an advisor to the Luxembourg School of Finance (LSF), a business school of the University of Luxembourg. Dr. Wagner was for many years the chairman of the Luxembourg Society of Financial Analysts (ALGAFI) and Board Member of the European Federation of Financial Analysts Societies (EFFAS).

Dr. Wagner is a Partner of The Directors’ Office, a leading practice of independent Directors in Luxembourg. He has both an academic and professional career. He is Doctor in Economic Science and started working as a university professor. After a career within the Fortis Group, he co-founded “The Directors’ Office”.



## **Angela Billick (Irish Resident)**

Ms. Billick is Head of Investment Product for Europe and Americas cross-border as part of Manulife's Wealth and Asset Management division. Ms. Billick is responsible for retail, retirement and institutional products for these two key markets.

Ms. Billick brings a wealth of industry experience to her role including more than 22 years of experience in the asset management industry. Since 2015, Ms. Billick headed up John Hancock Investment Management' cross-border product development and in April 2018 assumed her broader responsibilities within Manulife Wealth and Asset Management.

In her most recent roles, Ms. Billick led cross-border product development for Nuveen and its Irish funds -- after leading strategic initiatives for the COO of Soros Fund Management and its offshore investment vehicles. Reporting to the head of the BNP Paribas' US division and as a member of its executive committee, Ms. Billick oversaw US strategy, marketing and product development the firm's international asset management services for four years after starting with the firm as a sales professional for two years. Between 2001 and 2005, Ms. Billick led a team at Seligman Advisors responsible for the product, marketing and operations of both the firm's Luxembourg funds and wealth advisory products. Ms. Billick began her financial services career with Davis Selected Advisors in 1996, two years later reported to the COO and assumed responsibility for product and operations of its Luxembourg range. Between 1992 and 1996, Ms. Billick worked full-time within the non-for-profit and health care industries.

Ms. Billick has earned an MBA in Finance from New York University's Stern School of Business and BA in Mathematics and Philosophy from St. John's College. Ms. Billick is a member of the ICI Global Atlantic steering committee, is a regular speaker at industry conferences such as the Irish Fund Industry Association and is a Global Angel with 100 Women in Finance. Ms. Billick participates in numerous non-for-profit organizations focused on fiscal literacy, health and poverty.

## ***Remuneration Policy of the Manager***

The Manager is subject to remuneration policies, procedures and practices (together, the "**Remuneration Policy**"). The Remuneration Policy complies with the UCITS Regulations regarding remuneration and is designed to ensure that the Manager's remuneration practices, for those staff in scope of the applicable rules: (i) are consistent with and promote sound and effective risk management; (ii) do not encourage risk taking and are consistent with the risk profiles, prospectus or articles of association of the ICAV and its Funds; (iii) do not impair the Manager's compliance with its duty to act in the best interests of those Funds; and (iv) include fixed components of remuneration. When applying the Remuneration Policy, the Manager will comply with the Regulations in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the Manager's activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of the Fund, which it does to the Sub-Investment Managers, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and accordingly the individual delegates may be afforded differing levels of responsibilities and remuneration.

The details of the Remuneration Policy (including how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits) are available on [ucits.manulifeim.com](http://ucits.manulifeim.com) and a copy will be made available free of charge on request.

## **The Sub-Investment Managers and Investment Advisers**

The Manager may delegate certain investment management or advisory functions to Sub-Investment Managers and/or investment advisers and details of such entities, where appointed, will be set out in the relevant Supplement for the relevant Fund or provided to Shareholders on request and will be published in the periodic reports.

### **The Administrator**

The Manager has appointed Citibank Europe plc as administrator pursuant to the Administration Agreement.

The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administrator subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Manager, will be responsible for administration of the ICAV's affairs including calculating the Net Asset Value and the Net Asset Value per Share and the preparation of the accounts of the ICAV and will also be responsible for processing subscription and redemption applications and transfer instructions received by the ICAV in respect of Shares; acting as registrar and transfer agent in respect of Shares and preparing annual reports to Shareholders.

The Administration Agreement is described in more detail below.

#### *Administration Agreement*

By an agreement (the "Administration Agreement") dated 30 September 2022 between the ICAV, the Manager and the Administrator, the Administrator will act as administrator and registrar to the ICAV.

Details of the fees and expenses payable to the Administrator are set out in the section "Fees and Expenses".

The Administration Agreement may be terminated by a party on 90 days' notice in writing or immediately if a party: (i) goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by another party) or has a receiver or examiner appointed or be unable to pay its debts as they fall due; (ii) shall commit any material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 30 days after the service of written notice requiring it to be remedied; or (iii) ceases to be recognized by the Central Bank or under any applicable law so that it is no longer permitted to carry out its obligations under the Administration Agreement.

The Administration Agreement contains an indemnity in favour of the Administrator against all actions, proceedings and claims and against all reasonable costs, damages and expenses arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of their obligations and duties hereunder and from and against all taxes on profits or gains of the ICAV which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Administrator, its delegates, servants or agents is or are guilty of negligence, fraud, bad faith, wilful default or recklessness in the performance or non-performance of its duties and obligations under the Administration Agreement.

## The Depositary

The ICAV has appointed Citi Depositary Services Ireland Designated Activity Company to act as the depositary pursuant to the Depositary Agreement.

The Depositary is a designated activity company incorporated in Ireland. The principal activity of the Depositary is to act as depositary of the assets of collective investment schemes. The Depositary is regulated by the Central Bank. The Depositary may not delegate its fiduciary duties.

The Depositary acts as the depositary of the ICAV and, in doing so, shall comply with the provisions of the Legislation and the terms of the Depositary Agreement. In this capacity, the Depositary's duties include among others, the following:

- (a) ensuring that the ICAV's cash flows are properly monitored, and that all cash of the ICAV has been booked in cash accounts opened in the name of the ICAV or in the name of the Depositary, acting on behalf of the ICAV with a regulated bank;
- (b) safekeeping the assets of the ICAV, which includes: (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verifying ownership of such assets and the maintenance of a record accordingly (the "Safekeeping Function");
- (c) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with the Prospectus and the Instrument;
- (d) ensuring that the value of the Shares is calculated in accordance with the Prospectus and the Instrument;
- (e) carrying out the instructions of the ICAV, unless they conflict with the Legislation, the Prospectus and the Instrument;
- (f) ensuring that in transactions involving each of the ICAV's assets any consideration is remitted to the ICAV within time limits which are acceptable market practice in the context of the particular transaction; and
- (g) ensuring that the ICAV's income is applied in accordance with the Prospectus and the Instrument.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Regulations (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, Citibank N.A. New York, responsibility for the safekeeping of the ICAV's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule V.

The information in this section will be kept up to date and is available to Shareholders upon request. The Depositary Agreement is described in more detail below.

### *Depositary Agreement*

By an agreement dated 30 September 2022 between the ICAV, the Manager and the Depositary pursuant to which the Depositary was appointed as depositary of the ICAV's assets subject to the overall supervision of the Directors.

The Depositary Agreement may be terminated by a party on not less than 90 days' written notice (or such shorter notice as the other parties may agree to accept). In addition, the Depositary Agreement may be terminated immediately by a party under certain circumstances provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed. If within a period of 90 days' from the date on which the Depositary notifies the ICAV and the Manager of its desire to retire or from the date on which the ICAV notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the ICAV (or the Manager on behalf of the ICAV) shall apply to the High Court for an order to wind up the ICAV or convene an extraordinary general meeting of the Shareholders of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV.

The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties. The Depositary may extend the benefit of the above indemnity to any third party sub-custodian appointed by it in accordance with the Depositary Agreement.

### **Paying Agents and Local Representatives**

The Directors, the Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the ICAV, any Fund and/or the marketing of any of its Shares in any jurisdictions. Where an investor chooses or is obliged under local regulations to subscribe/redeem via an intermediary entity rather than directly to the Administrator, the investor bears a credit risk against the intermediary entity with respect to (i) subscription payments prior to the transmission of such payment to the Depositary for the account of the relevant Fund and (ii) redemption payments payable by such intermediate entity to the Shareholder. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. The fees of such paying agents and local representatives will be borne by the ICAV and will be at normal commercial rates.

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## **FEES AND EXPENSES**

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### **Establishment Costs**

The preliminary expenses incurred in the formation of the ICAV and the initial Funds amounting to approximately USD\$600,000 will be discharged out of the assets of the ICAV and will be amortised over the first five financial years of the ICAV's operation and amortised and allocated among the Funds on a basis deemed fair and equitable by the Directors. The Directors may in their absolute discretion, following consultation with the Depositary, shorten the period over which said expenses are amortised.

The preliminary expenses incurred in the establishment of each new Fund or Class will be charged to the respective Fund. The Directors may, in their absolute discretion, allocate between new Funds a proportion of the establishment costs of the ICAV and may allocate between Classes the establishment expenses attributable to a Fund and/or Class. Such expenses may be adjusted by the Directors, following consultation with the Depositary, at any time subsequent to the establishment of new Funds or Classes.

This practice, while standard, is not in accordance with International Financial Reporting Standards and, although this is not anticipated by the Directors, could lead to a divergence between the published Net Asset Value per Share, which is calculated in accordance with this Prospectus, and the Net Asset Value per Share included in the financial statements, which is calculated in accordance with International Financial Reporting Standards.

### **Directors' Remuneration**

The Instrument provides that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. However, Directors affiliated with Manulife Wealth and Asset Management are not entitled to a fee. The aggregate amount of Directors' remuneration in any one year shall not exceed €150,000 without the approval of the Directors. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

### **Manager Fees**

The fees and expenses of the Manager shall be specified in the Supplement for the relevant Fund.

The Manager may from time to time and at its sole discretion and out of its own resources decide to waive some or all of its management fee and/or performance fee applicable to a specific Class or the relevant Fund as a whole or it may share, or rebate some or all of such fees with/to intermediaries or Shareholders (any such rebates or fee sharing will take place outside of the relevant Fund).

### **Administration and Depositary Fees**

The fees and expenses of the Administrator and the Depositary shall be specified in the Supplement for the relevant Fund.

### **Initial Sales Charge**

Details of any applicable initial sales charge shall be specified in the Supplement for the relevant Fund and in the section "Share Classes".

### **Redemption Charge**

Details of any applicable redemption charge shall be specified in the Supplement for the relevant Fund.

### **Other Expenses**

The ICAV will bear all costs and expenses incurred in relation to its ongoing operation including, without limitation, all its operating costs, expenses, or those incurred by the Manager, the Administrator, the ICAV Secretary and the Depositary in connection with the

ongoing management, administration and operation of the ICAV and other costs including but not limited to:

- (a) out-of-pocket expenses incurred by the Manager, the Depositary, the ICAV Secretary and the Administrator in the performance of their duties to the ICAV on such basis as may be determined by the Directors from time to time;
- (b) all clerical expenses and stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the ICAV, a Fund or any Class of Shares or on creation, issue or redemption of Shares or any Class Shares or arising in any other circumstance;
- (c) all brokerage, stamp, fiscal and purchase or fiscal and sale charges and expenses arising on any acquisition or disposal of investments;
- (d) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of ICAV, a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (e) all expenses incurred in the collection of income and administration of the ICAV;
- (f) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (g) all taxation payable in respect of the holding of or dealings with or income from the ICAV's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (h) all commissions, charges, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments of any nature whatsoever and including any non-U.S. exchange options, financial futures or of any other FDIs or the provision of cover or margin thereof or in respect thereof or in connection therewith;
- (i) all stationery, telephone, facsimile, printing, translation and postage costs in connection with the preparation, publication and distribution of the Net Asset Value, the Net Asset Value per Share, any cheques, warrants, tax certificates, statements, accounts and reports made, issued or dispatched;
- (j) all legal and other professional advisory fees incurred by the ICAV, including but not limited to the fees and expenses of the ICAV's auditors and ICAV secretarial fees, and professional consulting fees;
- (k) any statutory fees payable, including any fees payable to the Companies Registration Office, the Central Bank or to any regulatory authority or fiscal authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration, tax reporting and costs of qualifying the Shares for favourable tax treatment in any of the jurisdictions where the Shares are marketed and other requirements of each such regulatory or fiscal authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;

- (l) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (m) any interest on any borrowings of the ICAV;
- (n) all expenses and fees relating to any periodic update of the Prospectus or any other documentation relating to the ICAV;
- (o) all fees and expenses of the Directors and any Directors' insurance premia;
- (p) the costs of winding up the ICAV, a Fund or terminating any Class; and
- (q) all costs and expenses incurred by the ICAV and any of their appointees which are permitted by the Instrument (including all set up expenses).

Notwithstanding the above, the Manager may in its discretion pay certain expenses on behalf of the ICAV.

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## SHARE CLASSES

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The following is a description of the Classes of Shares being offered. Each Class may, as more fully described below, may: (i) have a different currency of denomination; (ii) be targeted to different types of investors, e.g., direct institutional investors, financial intermediaries, platforms, wealth management platforms, insurance dedicated funds, sovereign wealth funds etc.; (iii) have different minimum investment requirements ; (iv) have a different fee structure relating to specific services offered to investors eligible for such Class or structured to be competitive in a particular target market or jurisdiction; (v) have a different distribution policy; (vi) have a different distribution channel; or (vii) be available to certain types of investors in certain jurisdictions.

A more detailed description of the Classes of Shares offered for each Fund is included in the relevant Fund Supplement. Certain Classes of Shares may not be available for each Fund and may not be available in an investor's country of domicile or residence.

Shares can be either described as Distributing or Accumulating Shares. The Directors intend to distribute all of the distributable income attributable to Distributing Shares. No distribution of dividends shall be made for Accumulating Shares, and the income attributable to those Shares will be reflected in the increased value of the Shares.

The purchase proceeds of the various Share Classes of a Fund are invested in one common underlying pool of investments but the Net Asset Value of each Share Class will be different as a result of the differences in the issue price, fee structure and dividend policy between different Classes.

In relation to Currency Classes other than those denominated in the Base Currency, the Net Asset Value of the Class concerned will be calculated and published in the Class Currency and subscription proceeds for such Classes are to be paid by Shareholders (and redemption proceeds are paid to redeeming Shareholders) in such Class Currency.

Classes may be designated as hedged or unhedged classes.

### **Investment in Classes**

#### *Class A Shares*

Class A Shares are available for retail investors where the Funds are registered or where otherwise permissible. Class A Shares may be subject to an initial sales charge of up to 5% of the amount subscribed which may be deducted by or paid to the intermediary. The sales charge may be waived in whole or in part by the intermediary either for individual investors or a group of investors. The balance of the amount subscribed after the deduction of any applicable sales charge will then be applied to the purchase of Shares in the relevant Fund. A portion of the ongoing management fee for Class A Shares may be paid to intermediaries and/or platforms. Such payments will only be made in compliance with MiFID II in the European Union or any other applicable legislation.

#### *Class W Shares*

Class W Shares are available at the discretion of the Manager. Purchases of Class W Shares are not subject to any initial sales charges. A portion of the ongoing management fee charged for Class W Shares may be paid to intermediaries and/or platforms. Such payments will only be made in compliance with MiFID II in the European Union any other applicable legislation.



### *Class I Shares*

Class I Shares are an institutional Share Class and are available at the discretion of the Manager. Class I Shares are not subject to any initial sales charge. A portion of the ongoing fees for Class I Shares may be paid for platform services. Such payments will only be made in compliance with MiFID II in the European Union or any other applicable legislation.

### *Class E Shares*

Class E Shares may be offered to certain institutional and financial intermediary investors at the discretion of the Manager. Purchases of Class E Shares are not subject to any sales charges.

### *Class X Shares*

Class X Shares may only be offered to institutional investors or affiliates of the Manager at the discretion of the Manager. Class X Shares are, inter alia, designed to accommodate an alternative charging structure whereby a fee for the management of the assets attributable to Class X Shares of a Fund is levied and collected by the Manager directly from an investor who is a client of the Manager and who has entered into a specific agreement with the Manager. These fees will, therefore, not be payable out of the net assets of the relevant Fund attributable to Class X Shares. As a result, the annual Management Fee in the Fees and Expenses tables in the relevant Supplement is listed as "None." Class X Shares will, however, bear their pro-rata share of any other applicable expenses such as registrar, transfer, corporate, domiciliary, administration, custodian, audit and regulatory fees and charges as well as any applicable taxes and other charges and expenses as further described herein under "Fees and Expenses". Purchases of Class X Shares are not subject to any sales charge.

### **Classes with Performance Fees**

In certain Funds, a performance related Management Fee (the "**Performance Fee**") may be applicable. Where this is the case, the Share Classes to which the Performance Fee will be charged will be designated by including a "p" in the Share Class name and all other terms applicable to such Share Class will remain the same.

### **Minimum Initial Investment**

Where a Class is offered in the relevant Supplement, the minimum initial investment requirements set out below in relation to the relevant Class apply to all variations of such Class, unless specifically stated otherwise in the relevant Supplement.

Where Class types other than those listed below are available for a particular Fund, the details of such Class will be set out in the relevant Supplement.

The Manager is authorised by the Directors to accept and instruct the Administrator to process subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment. The discretion of the Manager in this regard will take account of the best interests of the Fund.

<b>Class</b>	<b>Currency</b>	<b>Minimum Initial Investment</b>
A	USD	1,000

	GBP	1,000
	EUR	1,000
	CHF	1,000
	SEK	10,000
	AUD	1,000
	SGD	1,000
W	USD	100,000
	GBP	100,000
	EUR	100,000
	CHF	100,000
	SEK	1,000,000
	AUD	100,000
	SGD	100,000
I	USD	1,000,000
	GBP	1,000,000
	EUR	1,000,000
	CHF	1,000,000
	SEK	10,000,000
	AUD	1,000,000
	SGD	1,000,000
E	USD	10,000,000
	GBP	10,000,000
	EUR	10,000,000
	CHF	10,000,000
	SEK	100,000,000
	AUD	10,000,000
	SGD	10,000,000

X	USD	Upon Application
	GBP	Upon Application
	EUR	Upon Application
	CHF	Upon Application
	SEK	Upon Application
	AUD	Upon Application
	SGD	Upon Application

### **Profile of a Typical Investor and Target Market Identification**

The Central Bank requires the ICAV to disclose in the relevant Supplement of each Fund the profile of a typical investor for whom that Fund is designed.

MiFID II requires the Manager and Distribution Agents to disclose to Shareholders and potential Shareholders, on an ex-ante and ex-post basis, a reasonable estimation of all costs and charges related to an investment in a Class of Shares of a Fund (e.g., management fees, custodian fees, exit and entry charges, research charges, etc.). The Manager intends to provide Distribution Agents with the requisite information for such Distribution Agents to comply with their point of sale obligations under MiFID II.

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## **ADMINISTRATION OF THE ICAV**

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### **Eligible Shareholders**

Shares in some of the Funds may be available for purchase by a limited category of U.S. Persons that meet certain qualifications. For more information, please contact the Manager for details.

### **How to Purchase Shares**

The terms and conditions applicable to the subscription for Shares including the initial offer period, the Initial Offer Price, and minimum initial investment are set out in the Supplement for the relevant Fund.

### **Subscriptions Following the Initial Offer Period**

Following the close of the initial offer period, investors may apply to subscribe for Shares in respect of each Dealing Day at the Subscription Price for the relevant Class calculated as at the Valuation Point in respect of the relevant Dealing Day.

The Subscription Price for the relevant Class will be calculated in accordance with the procedures referred to in the section "Determination of Net Asset Value: Calculation of Subscription and Redemption Prices".

In order to receive Shares at the Subscription Price for the relevant Dealing Day, the Application Form must be received by the Administrator in good order by the Dealing Deadline (or such earlier or later time as the Directors may determine in exceptional circumstances and

in respect of specific applications only) provided however that all applications must be received prior to the Valuation Point. Any initial Application Form sent by facsimile must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

Subsequent facsimile subscription requests may be processed without the need to submit original subscription documentation, provided cleared funds in respect of the subscription are received by the Administrator no later than the third Business Day after the relevant Dealing Day or such other time as the Directors may determine provided that the application is received prior to the Valuation Point.

Applicants should be aware that if they fail to pay subscription monies to the ICAV or if payment in respect of a subscription has not been received by the relevant deadline as set out in the relevant Supplement, the issue of Shares may be cancelled and/or the subscriber may be charged for any loss, cost, expense (including interest) suffered by the ICAV or relevant Fund as a result of such failure to pay or late settlement of subscription monies. The interest that may be borne in by a subscriber shall be the cost of borrowing to the relevant Fund plus, at the discretion of the Directors, interest at normal commercial rates for each late settlement transaction. The Directors reserve the discretion to require receipt of subscription monies on the Dealing Day that the Shares are to be issued and the Directors may exercise this discretion, for example, with respect to new investors in a Fund. In exercising this discretion, the Directors will take into account legal considerations, timing matters and other considerations. Investors will be notified in advance, should the Directors exercise this discretion.

The Directors may limit or close, permanently or on a temporary basis, subscriptions for Shares of a Fund or any Class in their discretion.

### **Subscription Procedure**

Application for Shares of each Class should be made by written application using the Application Form available from the Administrator or by such other electronic means (including applications via a Clearing System but not including email) as the Directors and the Administrator shall approve. Applicants should subscribe for Shares in accordance with the instructions contained in the Application Form. Signed original Application Forms, duly completed, should be sent to the ICAV c/o the Administrator in accordance with the instructions contained in the Application Form. Application Forms sent by facsimile or by other electronic means (which shall not include email) approved by the Directors will be processed; however, a block will be placed on the account of such investors for redemptions until such time as the Administrator receives a signed Application Form and supporting anti-money laundering documentation.

It is the responsibility of the investor or his or her agent to ensure that Application Forms are correctly completed and monies submitted in accordance with the terms of this Prospectus. Applications not in accordance with the terms of the Prospectus may be rejected without notice. Amendments to an investor's registration details and payment instructions will only be made following receipt of original written instructions, or in circumstances where the Shareholder's application was submitted via a Clearing System, by other electronic means approved by the Administrator. Applications will be irrevocable unless the Directors otherwise agree. Any subsequent application may be sent by fax or other electronic means. Applications by facsimile will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator, the ICAV or any of its delegates.

In exceptional circumstances, at the discretion of the Directors, subscriptions may be accepted in a currency other than the relevant Class Currency, provided the ICAV and the Administrator

have been provided with reasonable advance notice of same. Where this occurs, a currency conversion will take place on subscription at prevailing exchange rates and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. This may result in a delay in processing the application within the normal dealing cycle for a Fund and in such circumstances the subscription will normally be processed with respect to the next Dealing Day after cleared funds are available following the currency conversion. The value of the Share expressed in the Class Currency will be subject to exchange rate risk in relation to the Base Currency. All exchange rate risk, as well as any transaction costs (at standard market rates), in relation to such transactions is borne by the relevant investor.

The ICAV has standing arrangements in place for subscription monies to be paid by telegraphic transfer as specified in the Application Form available from the Administrator.

In accordance with the Instrument, the ICAV has established a subscription and redemptions accounts for each currency in which subscriptions and redemptions are available (as described in relation to currencies in which Classes are available in each Supplement) at the level of the ICAV and in the name of the ICAV (the "ICAV Cash Subscription and Redemption Account"), and has not established such accounts at individual Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from the relevant Fund will be channelled and managed through the ICAV Cash Subscriptions and Redemptions Account. The **Directors** will ensure that at all times the records of this account identify the cash as belonging to the individual Funds of the ICAV.

The ICAV has segregated liability between its Funds and accordingly in the event of the insolvency of a Fund, only Shareholders of the insolvent Fund will be affected.

The ICAV is under no obligation to consider the allotment and issue of Shares to an applicant unless and until it has received the relevant subscription documentation including the completed original Application Form for initial applications by the Dealing Day or such other time as the Directors may determine provided that the application is received prior to the Valuation Point. Cleared funds are required to be received by the third Business Day after the relevant Dealing Day.

The ICAV may issue fractional Shares rounded to two decimal places. Fractional Shares may be issued to the nearest one hundredth of a Share and shall not carry any voting rights at general meetings of the ICAV and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

### **Right to Reject Applications**

The Directors reserve the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest at its own risk within a reasonable period following the closing of the initial offer period, or, in respect of subsequent applications, the relevant Dealing Day. Where applications are accepted, notification of the allotment and issue of Shares of the relevant Classes will be sent as soon as possible after the closing of the initial offer period and following the completion of the Net Asset Value computation after the relevant Dealing Day for subsequent issues.

### **Anti-Money Laundering Procedures**

#### *Verification of Identity*

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. The Administrator, working in conjunction with the

designated anti-money laundering reporting officer of the ICAV, will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce an original certified copy of a passport or identification card together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Existing Shareholders may be required to provide additional or updated identification documents from time to time pursuant to the ICAV's ongoing client due diligence requirements relevant to anti-money laundering legislation.

#### *Right to Reject Applications for Anti-Money Laundering purposes*

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator on behalf of the ICAV and the Directors may each refuse to accept the application and subscription monies and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the Shareholder fails to produce such information). None of the ICAV, the Directors, the Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. 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 be obliged to refuse to pay or delay payment of redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### *Termination of Relationship*

Where an investor/Shareholder does not provide completed AML documentation within a reasonable period of time after subscription, the Directors may terminate the relationship with such shareholder and redeem the Shareholder's Shares.

Where such failure to provide AML documentation is associated with a suspicion of money-laundering, the Directors will not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

#### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the ICAV's register of Shareholders in which all issues, redemptions, conversions, and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares will be in registered form. The Administrator will not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be conclusive evidence of ownership and an extract report of a Shareholder's own entry will be available for inspection by Shareholders upon reasonable notice at the registered office of the ICAV during normal business hours.

#### **In Specie or In Kind Subscriptions**

The Directors, at their discretion, reserve the right to accept or reject subscriptions to be satisfied by way of in specie or in kind transfers of assets, the nature of which shall be within the investment policy and restrictions of the relevant Fund.

Any in specie or in kind subscription that meets the investment criteria will be valued by the Directors in accordance with the valuation procedures of the ICAV set out in the section "Determination of the Net Asset Value".

The Directors reserve the right to decline to register any prospective investor on the register of Shareholders until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. Unless otherwise determined by the Directors, any in specie or in kind transfer will be at the investor's risk and the costs of such a transfer will be borne by the investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction, and the number of Shares to be issued will not exceed the amount that would be issued if cash equivalent of investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### **How to Redeem Shares**

Requests for redemption of Shares should be addressed to the ICAV c/o the Administrator so that an original repurchase request (which may be in writing, by fax, or such other electronic means in accordance with the requirements of the Central Bank) is received by the Administrator no later than the Dealing Deadline. This notice period may be waived by the Directors in exceptional circumstances provided the request is received prior to the Valuation Point.

Requests for redemption by fax may only be processed where payment is made to the bank account specified in the Application Form.

Other than in the event of a temporary suspension of the determination of the Net Asset Value, or where otherwise determined by the Directors, requests for redemption once made may not be withdrawn.

Redemption requests are not required to be accepted or payment made in respect thereof unless cleared funds have been received and completed documents (including the Application Form and documentation relating to anti-money laundering prevention checks) are in place in relation to original subscriptions and the anti-money laundering procedures have been completed. No interest is payable to Shareholders in respect of any delay in paying such monies.

The amount payable to a Shareholder upon redemption will be paid in the relevant Class Currency generally within 3 Business Days of the relevant Dealing Day and in any event within 10 Business Days of the Dealing Deadline. Where a currency conversion will be required to take place on redemption, it will be made at the discretion of the Administrator at prevailing exchange rates at a point prior to the payment of the redemption proceeds but subsequent to the redemption request having been received. The value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency and any other relevant currency where the redemption proceeds are payable in another currency. All exchange rate risk, as well as any transaction costs (at standard market rates), is borne by the relevant Shareholder.

The ICAV or its delegate will, if required by the laws of any relevant jurisdiction, make a withholding from any redemption proceeds payable to a redeeming Shareholder.

Partial redemptions of Shareholdings may be effected.

## **Deferral of Redemption Requests**

The Directors reserve the right to refuse to redeem Shares of the ICAV where the redemptions made and requested in respect of a Dealing Day would otherwise exceed 10% of the Net Asset Value of the relevant Fund as at such Dealing Day. If they so refuse, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

The Instrument provides that the Directors may set limits on the number of Shares that the ICAV will be obliged to redeem lower than the prescribed levels outlined above, from time to time, in accordance with the requirements of the Central Bank. This power may be exercised by the Directors and acting in the best interests of Shareholders, with the consent of the Depositary, in extraordinary market circumstances.

## **In Specie or In Kind Redemptions**

The Directors may, with the consent of the redeeming Shareholder, satisfy any request for redemption of Shares in whole or in part by the transfer in specie or in kind to such Shareholder of assets of a Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any expenses of the transfer. Where such request for redemption represents 5% or more of the Net Asset Value of a Fund, the Directors may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind by way of the transfer of shares, securities and/or other assets of a Fund's portfolio having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash. In this event the Fund will, if requested, sell the assets on behalf of the Shareholder. The costs of effecting such transfer or sale shall be deducted from the redemption proceeds. In the case of a redemption in specie or in kind, the asset allocation will be subject to the prior approval of the Depositary in accordance with the requirements of the Central Bank.

## **Compulsory Redemption or Transfer**

The ICAV may compulsorily redeem all of the Shares of the ICAV if the Net Asset Value of the ICAV is less than USD 200,000,000 or compulsorily redeem all of the Shares of a Fund if the Net Asset Value of that Fund is less than USD 10,000,000.

The ICAV has the right at any time compulsorily to redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (ii) by any person who does not supply any information or declaration required under the Instrument or the Application Form; (iii) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the ICAV or a Fund; or (iv) 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 circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the ICAV or Fund or the Shareholders as a whole or of any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the ICAV or Fund or the Shareholders as a whole or of any Class might not otherwise have incurred or suffered.



Any such compulsory redemption or compulsory transfer shall, as determined by the Directors taking due account of the interests of the remaining Shareholders of a Fund or Class, be made at a price equal to the Redemption Price less interest accrued or costs or penalties, if any.

The ICAV may apply the proceeds of such compulsory redemption or transfer in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. Each Shareholder will indemnify and keep the ICAV indemnified against loss arising to the ICAV by reason of the ICAV becoming liable to account for tax on the occurrence of an event giving rise to a charge to taxation.

### *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the form must be submitted to the Administrator in writing or via fax. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in the ICAV, the transferee must complete an Application Form and comply with the relevant anti-money laundering procedures.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would otherwise infringe the restrictions on holding Shares outlined above or otherwise be inconsistent with the terms of this Prospectus. Transfers of Shares will now generally not be permitted in the United States or to any U.S. Person except as permitted pursuant to an exemption under the 1933 Act. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the ICAV or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require showing the right of the transferor to make the transfer.

### **Withholdings and Deductions**

The ICAV may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident (see the section "Taxation" below for further details). The ICAV reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The ICAV reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Irish Revenue Commissioners.

### **Conversion / Exchange of Shares**

Solely with the consent of the Manager (or any delegate), a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class (if available) on any Valuation Day on giving notice to the Administrator in such form as the Manager or its delegate may require subject to the following limitations:

Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund or Class and subscribing for the Shares of the other Fund or Class with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{[(A \times B - (Tc)) \times C]}{D}$$

where:

- NS = the number of Shares in the new Fund to be allotted;
- A = the number of the Shares in the original Fund to be converted;
- B = the Redemption Price of the Shares in the original Fund to be converted on the relevant Dealing Day;
- C = the currency conversion factor (if any) as determined by the Directors as representing the effective rate of exchange on the relevant Business Day between the Base Currency of the original Fund or Class Currency and the new Fund (where the base currencies or class currencies are different);
- D = the Subscription Price per Share in the new Fund applicable to subscription applications received on the relevant Dealing Day plus; and
- Tc = a conversion fee (where applicable) incurred in connection with the proposed transaction which shall not in any event exceed 3% of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the relevant Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Manager, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted. Any conversion will take place at prevailing exchange rates as the value of the Shares expressed in the Class Currency in which the Shareholder wishes to have the Shares converted to and will be subject to exchange rate risk in relation to the Base Currency.

### **Excessive Trading**

Investment in the Funds is intended for medium to long-term purposes only. The Manager will take reasonable steps to seek to prevent excessive short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The ICAV reserves the right to reject any application for Shares (including any conversion or transfer requests) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the ICAV may refuse a subscription order (or to execute a transfer request) if the Manager believes it would be unable to invest the money effectively in accordance with a Fund's investment policy or a Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Manager's excessive trading policy are not deemed accepted by the Manager and may be cancelled or revoked by the Manager on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in a Fund in accordance with their own investment mandate or investment strategies. The Manager will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Manager will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Manager, (where possible from the reports provided by the Administrator to assist in the analysis), will endeavour to monitor "round trips". A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Manager may limit the number of round trips carried out by a Shareholder.

### **Data Protection Information**

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

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

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

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

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

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

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## **DISTRIBUTION POLICY**

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Under the Instrument, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund as further described below. The amount available for distribution in respect of any Accounting Period or part thereof shall be the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (*i.e.*, realised gains net of realised and unrealised losses) or net realised and unrealised gains (*i.e.*, realised and unrealised gains net of realised and unrealised losses) during the Accounting Period, subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Instrument.

The distribution policy of a Fund will be as set out in the relevant Supplement.

For all Accumulating Classes, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund.

Any change to the distribution policy of a Fund will be notified in advance to Shareholders and will be noted in an addendum or a revision to the Prospectus.

Any dividends payable (and not applied to the purchase of further Shares of the relevant Class) will be paid by electronic transfer at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Fund. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out in the section "Administration of the ICAV: Anti-Money Laundering Procedures".

No dividends, returns of capital or other amounts payable to any Shareholder shall bear interest against the ICAV.

Any failure to supply the ICAV, the Manager or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of any dividend payments. In such circumstances, any sums payable by way of dividends to Shareholders shall remain an asset of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which such dividend will be paid.

All unclaimed amounts payable as aforesaid by the ICAV on behalf of the relevant Fund may be invested or otherwise made use of for the benefit of the relevant Fund until claimed. Payment by the ICAV of any unclaimed amount payable in respect of a Share into a separate account shall not constitute the ICAV as a trustee in respect thereof. Any dividend or return of capital unclaimed after 6 years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Fund, without the necessity for any declaration or other action by the ICAV.

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## DETERMINATION OF NET ASSET VALUE

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### Calculation of Net Asset Value

Except when the determination of the Net Asset Value has been temporarily suspended in the circumstances set out in the section "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" below, the Net Asset Value of the assets of the ICAV will be calculated as at the Valuation Point and rounding the resulting total to six decimal places (or such other number of decimal places as the Directors in consultation with the Administrator may determine) in respect of each Dealing Day or more frequently if required by the Directors.

The Net Asset Value of a Fund is the value of assets less the total liabilities of a Fund. These assets include the sum of all cash, accrued interest and the value of all investments held by the ICAV which, in each case, are attributable to a Fund. Total liabilities include borrowings and amortised expenses, all accrued expenses and any contingencies (including tax) for which reserves are determined to be required which, in each case, are attributable to a Fund.

The method of calculating the value of the assets of a Fund is as follows:-

- (a) the value of an investment which is quoted, listed or normally dealt in on a Regulated Market shall be the last traded price (or if no last traded price is available the latest bid price) on such Regulated Market as at the Valuation Point provided that:
  - i. if an investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that investment unless the Directors (with the approval of the Depositary) otherwise determine;
  - ii. in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the

opinion of the Directors, may not be representative, the value thereof shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depositary; and

- iii. in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such investment provided the Depositary ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof.
- (b) the value of any investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depositary;
- (c) the value of prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are 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 Directors may consider appropriate in such case to reflect the true value thereof;
- (d) the value of cash (in hand or deposit) is valued at face/nominal value plus accrued interest from the date on which the same were acquired or made;
- (e) the value of units or shares in collective investment schemes (other than those valued pursuant to paragraph (a) above) shall be valued at the latest available Net Asset Value as published by the relevant collective investment scheme or (if bid and offer prices are published) the latest published bid price;
- (f) the value of exchange traded FDIs shall be based on the settlement price, as determined by the market in question, as at the 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 Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depositary;
- (g) the value of forward non-U.S. exchange contracts which are dealt on a Regulated Market shall be calculated by reference to freely available market prices at which a new forward contract of the same size, currency and maturity could be effected at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in the same manner as over the counter FDI outlined in paragraph (h) below;
- (h) the value of any over the counter ("OTC") FDI shall be:
  - i. the valuation from the counterparty provided that such valuation is provided on a daily basis and verified at least weekly by a person

independent of the counterparty and who is approved for the purpose by the Depositary; or

- ii. where an alternative valuation is used (*i.e.*, a valuation that is provided by a competent person, firm of association (including the Manager or its delegate) appointed by the Directors and approved for that purpose by the Depositary, the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation for Securities Commission) and AIMA (the Alternative Investment Management Association). Any such valuation shall be reconciled to that of the counterparty on a monthly basis and if significant differences arise the ICAV shall arrange for these to be investigated promptly and seek explanations from the relevant parties.
- (i) the value of forward non-U.S. exchange and interest rate swap contracts shall be valued in accordance with paragraph (h) above or, alternatively, by reference to freely available market quotations.
  - (j) the value of certificates of deposit, where they do not fall under (a) above shall be valued if the Directors deem it necessary by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk at the Valuation Point or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative in the opinion of Directors of the value of such certificates of deposit, at the probable realisation value estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the directors and approved for the purpose by the Depositary;
  - (k) short-term money market funds shall be valued using the amortised cost method of valuation only in relation to Funds which comply with the Central Bank's requirements for short term money market funds and where a review of the amortised cost method of valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines;
  - (l) money market instruments may be valued on an amortised basis only in accordance with the Central Bank's requirements; and
  - (m) the Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraph (a) to (m) above, or if such valuation is not representative of an asset's fair market value, the Directors (or their delegate) are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that the Directors deem it necessary and any alternative method of valuation is approved by the Depositary.

The Net Asset Value of the assets of a Fund will be expressed in the Base Currency. The value of any assets or liabilities expressed in terms of currencies other than the Base Currency will be translated into the Base Currency of the relevant Fund at prevailing market rates as determined by the Administrator.

None of the Directors, the ICAV, the Manager, the Depositary or the Administrator shall have any liability in the event that any price or valuation used in good faith in connection with the above procedures proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the ICAV.

### **Calculation of Net Asset Value per Share**

The Net Asset Value of a Fund calculated as provided above shall be allocated between each Class in accordance with the respective values in the Base Currency, represented by subscriptions and redemptions of Shares of each Class received or made from time to time and as further adjusted for any dividends paid.

Where different entitlements, costs or liabilities apply in respect of different Classes, these are for this purpose excluded from the initial calculation of the Net Asset Value and shall be applied separately to the Net Asset Value allocated to each relevant Class. The portion of the Net Asset Value attributable to each Class shall then be converted into the relevant Class Currency (if different) at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant Class in issue as at the relevant Valuation Point in order to calculate the Net Asset Value per Share of the relevant Class.

### **Publication of the Prices of the Shares**

The most-up-to-date Net Asset Value per Share of each Fund will be made available at: [ucits.manulifeim.com](http://ucits.manulifeim.com) on each Dealing Day. In addition, the most-up-to-date Net Asset Value per Share of each Fund is available on request from the Administrator during normal business hours.

### **Calculation of Subscription and Redemption Prices**

#### *Subscription Prices*

The price at which Shares of each Class may be subscribed on a Dealing Day is the Subscription Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant Dealing Day of a subscription.

The Subscription Price per Share of each Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day; and
- (b) adding thereto a provision for any Duties and Charges, if the Directors so determine;
- (c) in the case of Hedged Share Classes, adding thereto or deducting therefrom (as the case may be) the cost and gains/losses of any currency hedging transaction effected in respect of such Class; and
- (d) in the event of subscription applications exceeding redemption requests for the relevant Fund on any Dealing Day and if the Directors so determine, adding thereto such provision representing a Dilution Levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund.



### *Redemption Prices*

The price at which Shares may be redeemed on a Dealing Day is the Redemption Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant Dealing Day for the redemption.

The Redemption Price per Share of the relevant Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day; and
- (b) deducting therefrom any Duties and Charges, if the Directors so determine;
- (c) in the case of Hedged Share Classes, adding thereto or deducting therefrom (as the case may be) the cost and gains/losses of any currency hedging transaction effected in respect of such Class; and
- (d) in the event of requests for redemption exceeding subscription applications for the relevant Fund on any Dealing Day and if the Directors so determine, deducting therefrom such provision representing a Dilution Levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund.

The Subscription Price and the Redemption Price of Shares of each Class is available from the Administrator on request.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

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

- (a) any period (other than ordinary holiday or customary weekend closings) when any market or Regulated Market is closed which is the main market for a significant part of such Fund's investments, or when trading thereon is restricted or suspended;
- (b) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of such Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (c) any period when, in the opinion of the Directors, for any reason the prices of any investments of such Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;
- (d) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of such Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (e) any period when the volume of requests for the redemption of Shares on any Dealing Day would, in the opinion of the Directors, require the sale of a substantial proportion of the liquid assets of the portfolio of such Fund to the detriment of the remaining Shareholders;

- (f) any period when, in the opinion of the Directors, for any reason the latest Net Asset Value preceding the notice of suspension is determined not to be reliable;
- (g) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from such Fund's account;
- (h) any period following the service on the Shareholders of a notice to consider a resolution to wind up the ICAV or close such Fund;
- (i) upon mutual agreement between the ICAV and the Depository for the purpose of winding up the ICAV; or
- (j) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the ICAV or such Fund.

Notice of any such suspension and notice of the termination of any such suspension shall be published by the ICAV in such manner as the Manager may deem appropriate to notify the persons likely to be affected thereby and given without delay and in any event within the same Business Day to the Central Bank. All reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

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## CONFLICTS OF INTEREST

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The Manager, the Administrator and the Depository (including their delegates and affiliates), any of their respective directors, members, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the ICAV. In particular, Interested Parties may provide services similar or identical to those provided to the ICAV to other entities and shall not be liable to account for any profit earned from any such services. The Directors shall endeavour to procure that such parties shall at all times have due regard to their duties owed to the ICAV. For example, an Interested Party may acquire investments in which a Fund may invest on behalf of other clients and the Interested Party. However, where the Manager could (i) allocate an investment between two or more funds or accounts which it manages (including a Fund) or (ii) make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal, having regard to, inter alia, factors such as cash availability and portfolio balance. In addition, other client accounts and Interested Parties may take differing or opposite transaction for accounts.

A Fund may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person.

An Interested Party may provide professional services to the ICAV (provided that no Interested Party shall act as auditor to the ICAV) or hold Shares and buy, hold or deal in any investments for their own accounts notwithstanding that similar investments may be held by a Fund. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of a Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of a Fund effected by it for the account of a Fund, provided that in each case the terms are no less beneficial to a Fund than a transaction involving a disinterested party and any commission shall be in line with market practice.

Where the “competent person” valuing unlisted securities is a related party to the ICAV possible conflict of interests which may arise include the fact that a valuation provided by that entity may result in it obtaining a higher fee where its fee is based on a percentage of the Net Asset Value of the ICAV. Where it is a party related to the OTC counterparty (even one which, in accordance with the requirements of the Central Bank, constitutes an independent unit within the counterparty’s group and which does not rely on the same pricing models employed by the counterparty) possible conflicts of interest which may arise include the fact that a valuation provided by that entity may result in a greater or lesser exposure for the counterparty, including related margin requirements. In these scenarios reconciliations will take place on a monthly basis and significant differences arising will be promptly investigated and explained at that stage but accordingly there is a risk of differences arising and persisting in the interim leading to the risks highlighted above.

There is no prohibition on transactions with the ICAV by Interested Parties including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the ICAV and none of them shall have any obligation to account to the ICAV for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions (i) are consistent with the best interests of the ICAV and Shareholders in a Fund; (ii) are conducted on an arm’s length basis; and (iii) are subject to:

- (a) a certified valuation by a person approved by the Depositary (or, in the case of a transaction entered into by the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms on an organised investment exchanges under their rules; or
- (c) where (a) and (b) are not practical, execution on terms which the Depositary is (or, in the case of a transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions are conducted at arm’s length and in the best interests of Shareholders.

In the event of a conflict of interest arising, the Directors will endeavour to ensure that it is resolved fairly. There are no other agreements in place involving the Directors acting in a personal capacity other than those disclosed in this document.

The directors of the Manager are satisfied that no actual or potential conflict of interest arises as a result of the Manager managing other funds. However, if any conflict of interest should arise, the directors of the Manager will endeavour to ensure that it is resolved fairly and in the interest of Shareholders.

The Manager or a Sub-Investment Manager may, in the course of its business have potential conflicts of interest with the ICAV. The Manager or a Sub-Investment Manager will, however, have regard in such event to its obligations under their respective agreements 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 use best efforts to resolve such conflicts fairly.

The Manager and each Sub-Investment Manager have adopted a policy intended to restrict and monitor all personal trading by their employees (including its delegates and affiliates) in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by the Manager and the Sub-Investment Managers and their other clients.

The Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Manager or to a Fund. No such payments will be made unless the referred investors are advised of the arrangement and all applicable securities laws are complied with.

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

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## **SOFT COMMISSIONS**

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The Manager (or its delegate) may make use of commission arrangements to enable it to obtain specialist services the benefits of which assist in the provision of investment services to the Funds and which are not available from traditional broking services. Such services may include access to research or pricing facilities. All transactions undertaken on a soft commission basis will be subject to the fundamental rule of best execution by the broker/counterparty and will also be disclosed in the subsequent relevant semi-annual reports and annual reports of the ICAV.

Soft commission arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager (or its delegate) in exchange for brokerage business from the Manager's (or its delegate's) managed accounts and investment funds. Although the brokers involved in soft commission arrangements do not necessarily charge the lowest brokerage commissions, the Manager (or its delegate) will nonetheless enter into such arrangements where the brokers have agreed to provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Details of any such soft commission arrangements will be disclosed in the period reports of the relevant Fund.

The Manager (or its delegate) intends to enter into soft commission arrangements in accordance with industry standards when it is of the view that the arrangements enhance the quality of the provision of the investment services to the ICAV. While such arrangements are designed to be for the benefit of its clients, not all soft commission arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, a Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the relevant Fund. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of a Fund. If a Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the relevant Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

For Funds to which the Manager has appointed Manulife Investment Management (Europe) Limited as sub-investment manager, Manulife Investment Management (Europe) Limited will be required to comply with equivalent provisions to that of MiFID II in relation to the use of dealing commissions from 3 January 2018.

Unless otherwise stated in a Supplement, Manulife Investment Management (Europe) Limited expects to use full service execution brokers who may, in addition to routine order execution, facilitate the provision of research to Manulife Investment Management (Europe) Limited either from the broker itself or a third party research provider (“third party research”).

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## TAXATION

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### TAXATION IN IRELAND

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

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

#### **Taxation of the ICAV**

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

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

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

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the ICAV will not deduct any Irish tax in respect of the Shareholder’s Shares once the declaration set out in the application form accompanying this Prospectus has been received by the ICAV confirming the Shareholder’s non-resident status. This 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) of the Taxes Consolidation Act of Ireland ("TCA"), the ICAV will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus 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. Qualifying companies (within the meaning of section 110 TCA).
15. 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 in the ICAV without requiring the ICAV to deduct or account for Irish tax.

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

If this declaration is not received by the ICAV in respect of a Shareholder, the ICAV will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish

resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

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

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

#### *Distributions by the ICAV*

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

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

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

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

#### *Redemptions and Transfers of Shares*

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

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

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

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

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

### *Eighth Anniversary' Events*

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

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

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

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

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

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

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

### *Share Exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the ICAV 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 ICAV. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

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

## FATCA

### *Application of FATCA to the ICAV*

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder ("FATCA") impose a reporting regime and may impose a 30 per cent withholding tax on certain U.S. source payments, including interest (and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income and (effective 1 January 2019) the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends (collectively "Withholdable Payments"), if paid to certain non-U.S. financial institutions (any such foreign (non-U.S.) financial institutions, an "FFI") that fail to enter into, or fail to comply with once entered into, an agreement with the U.S. Internal Revenue Service to provide certain information about their U.S. accountholders, including direct and indirect holdings. The ICAV expects that it will constitute an FFI.

The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "IGA"). Provision was included in Finance Act 2013 for the implementation of the Irish IGA which also permits regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 effective from 1 July 2014. An FFI (such as the ICAV) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding tax under FATCA with respect to U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends (i.e. Withholdable Payments) that it receives. Further, an FFI that complies with the terms of the IGA will not be required to withhold under FATCA on payments it makes to accountholders of

such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes).

The ICAV (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the ICAV may have as a result of the IGA or any legislation promulgated in connection with the agreement and investors will be deemed, by their Shareholding to have authorized the automatic disclosure of such information by the ICAV (or any nominated service provider) or any other person to the relevant tax authorities.

The ICAV (or any nominated service provider) will agree that information (including the identity of any Shareholder) supplied for purposes of FATCA compliance is intended for the ICAVs (or any nominated service provider) use for purposes of satisfying FATCA requirements and the ICAV (or any nominated service provider) will agree, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the ICAV may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

#### *Application of FATCA to Investors*

Each existing and prospective investor in the ICAV is expected to provide the Administrator with such information as the Administrator may deem necessary to determine whether such Shareholder qualifies as a Reportable Account for FATCA purposes or otherwise qualifies for an exemption.

Each prospective investor should consult their own tax advisor regarding application of FATCA to this investment and the documentation that may need to be provided to the ICAV.

#### **Common Reporting Standard**

The Common Reporting Standard (CRS) framework was first released by the OECD in February 2014 as a result of significant political will demonstrated by the G20 members. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. Less than six months later, on 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters ("the Standard") was published, involving the use of 2 main elements, the Competent Authority Agreement (CAA) and the Common Reporting Standard (CRS). The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries. The OECD leveraged FATCA to design the CAA and CRS and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

The CRS contains the reporting and due diligence that underpins the automatic exchange of financial account information. A jurisdiction implementing the CRS must have rules in place that require financial institutions to report information consistent with the scope of reporting and to follow due diligence procedures as set out in the Standard.

The financial institutions covered by the standard include custodial institutions, depository institutions, investment entities (including funds) and specified insurance companies, unless they present a low risk of being used for evading tax and are excluded from reporting. The

financial information to be reported with respect to reportable accounts includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations), and the standard includes a requirement to look through passive entities to report on the relevant controlling persons.

The due diligence procedures to be performed by reporting financial institutions for the identification of reportable accounts are described in detail in the Standard. They distinguish between individual accounts and entity accounts. New investors will be required to complete self-certifications confirming various tax matters, including their tax residence.

The Standard also describes the rules and administrative procedures an implementing jurisdiction is expected to have in place to ensure effective implementation of, and compliance with, the CRS.

A group of 55 countries, including Ireland committed to the early adoption of the CRS (known as the "Early Adopter Group") with the first data exchanges taking place in September 2017. All EU Member States (with the exception of Austria) are members of the Early Adopter Group.

The CRS replaced the previous European information sharing regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

### **Financial transaction tax**

Eleven European Union Member States are proposing to implement a financial transaction tax ("FTT"), which is currently being discussed. In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a participating Member State, or where the financial instrument is issued in a participating Member State. The FTT is currently set to be levied at a minimum rate of 0.1% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the eleven participating Member States, as well as certain financial institutions located outside the European Union. The proposed FTT was due to take effect from 1 January 2014, although now has been delayed until late 2017 or beyond, initially with shares and certain derivatives being within the scope of tax. Other instruments, products and derivatives may come within the scope of the tax at a later date.

There are currently eleven participating Member States, which are Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. The proposal is still being discussed and so the precise timing and ultimate form of any legislation and related regulations implementing the proposed FTT are not yet fully known. The UK had launched a challenge in relation to the FTT, although the Court of Justice of the European Union found that challenge to be premature. The European Council's legal service has issued a legal opinion finding that the application of the FTT to a financial institution established outside the participating Member States due to it transacting with a person established within a participating Member State, is unlawful. However, the European Commission's own legal advisers have since rebutted that conclusion. As the FTT proposals develop, further challenges may be made.

Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of

certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy and other EU member states may introduce a similar tax. Participating EU member states which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

### *Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is proposals develop, further challenges may be made.

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### **Meaning of Terms**

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

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

*Meaning of 'Ordinary Residence' for individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

*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.

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## STATUTORY AND GENERAL INFORMATION

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### 1. Incorporation, Registered Office, Share Capital and Accounts

- (a) The ICAV was incorporated in Ireland on 15 April 2015 as an open-ended umbrella ICAV with segregated liability between its Funds under registration number C139800.
- (b) The registered office of the ICAV is as stated in the Directory at the front of this Prospectus.
- (c) The authorised share capital of the ICAV is 500,000,000,000 redeemable Shares of no par value and 300,000 redeemable Management Shares of €1.00 each. Management Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the ICAV. The Directors have the power to allot Shares in the capital of the ICAV on such terms and in such manner as they may think fit.
- (d) The ICAV's year-end is 31 March in each year. The annual report and audited accounts of the ICAV or the Funds (as relevant) will be published within 4 months after the conclusion of each Accounting Date. The ICAV will also prepare a semi-annual report and unaudited accounts which will be published within 2 months after the six month period ending on 30 September in each year. The annual report and semi-annual report will, upon request, be supplied to subscribers and Shareholders free of charge and will be made available at the office of the ICAV.
- (e) As at the date of this Prospectus, the ICAV has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.

### 2. Variation of Share Rights and Pre-Emption Rights

- (a) The rights attaching to the Shares issued in any Fund or Class may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Fund or Class, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that Fund or Class.
- (b) A resolution in writing signed by all the Shareholders and holders of Management Shares for the time being entitled to attend and vote on such resolution at a general meeting of the ICAV shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the ICAV duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares.

### **3. Voting Rights**

The rights conferred on Shareholders by virtue of their shareholdings are governed by the Instrument, the general law of Ireland and the ICAV Act.

The following rules relating to voting rights apply:

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of Management Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote, save with respect to Shares that are designated as non-voting Shares.
- (c) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the ICAV or by one or more Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Management Shares shall be entitled to one vote in respect of all Management Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office of the ICAV, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the ICAV send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (g) To be passed, ordinary resolutions of the ICAV or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the ICAV or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Instrument.

### **4. Meetings**

- (a) In accordance with the ICAV Act, the Directors may convene extraordinary general meetings of the ICAV at any time. The Directors may also convene an annual general meeting in each year, or may waive such annual general meeting on notice to Shareholders. The Directors do not, unless otherwise notified in advance to Shareholders, intend to hold an annual general meeting in any financial year.
- (b) Where an annual general meeting is convened, not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special

resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.

- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the rights of Shares in a Fund or Class shall be two Shareholders holding or representing by proxy Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the relevant Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall, save as otherwise specified with respect to meetings of Funds or Classes and subject to the ICAV Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Class is tabled.

## **5. Transfer of Shares**

Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may from time to time specify an initial charge for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer as at the Valuation Point on the Dealing Day immediately preceding the date of the transfer.

The Directors may decline to register any transfer of Shares if:

- (a) In consequence of such transfer the transferee (being an initial investor in the relevant Fund) would hold less than the minimum subscription;
- (b) All applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- (c) The instrument of transfer is not deposited at the registered office of the ICAV or such other place as the Directors may reasonably require, accompanied by (i) the certificate, if any, for the Shares to which it relates (if any), (ii) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, (iii) such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, an Application Form duly completed by the proposed transferee, information and declarations of the type which may be requested from an applicant for Shares in a Fund; and (iv) such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
- (d) They are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the ICAV, a Fund, a Class or to Shareholders of the ICAV as a whole or of any Fund or Class.



If requested to do so by the Directors a transferee shall be required to deliver to the ICAV such certificates, opinions, statements or other evidence required by the Directors for any of the aforementioned purposes.

The registration of transfers may be suspended for such periods as the Directors may determine, provided always that any specific registration may not be suspended for more than 30 days.

## 6. Communications and Notices to Shareholders

Communications and notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand:	The day of delivery or the next following working day if delivered outside usual business hours.
Post:	48 hours after posting.
Fax:	The day on which a positive transmission receipt is received.
Electronically:	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice:	The day of publication in a daily newspaper circulating in the country or countries where Shares are marketed.

## 7. Directors

The following is a summary of the principal provisions in the Instrument relating to the Directors:-

- (a) Unless otherwise determined by an ordinary resolution of the ICAV in general meeting, the number of Directors shall not be less than two nor more than nine;
- (b) A Director need not be a Shareholder;
- (c) The Instrument contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation;
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the ICAV or any ICAV in which the ICAV is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment;
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the ICAV or the discharge of their duties and may be entitled to additional

remuneration if called upon to perform any special or extra services to or at the request of the ICAV;

- (f) A Director may hold any other office or place of profit under the ICAV, other than the office of Auditor or a position within the Depositary, in conjunction with his office of Director, on such terms as to tenure of office or otherwise as the Directors may determine;
- (g) No Director shall be disqualified by his office from contracting with the ICAV as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the ICAV in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the ICAV for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made; and
- (h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the ICAV and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer, shareholder, member, partner, employee, agent or otherwise. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the ICAV or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the ICAV for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director shall be vacated in any of the following events namely:
  - (i) if he resigns his office by notice in writing signed by him in accordance with the requirements of the Central Bank and left at the registered office of the ICAV;
  - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) in the opinion of a majority of the Directors, he becomes incapable by reason of unsound mind of discharging his duties as a Director;
  - (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;

- (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
- (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (vii) if he is removed from office by ordinary resolution of the ICAV.

## **8. Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the ICAV and the Funds are set out below.

- (a) The Directors or companies of which they are officers or employees, including the Manager, may subscribe for Shares in a Fund. Their applications for Shares will rank pari passu with all other applications.
- (b) No Director has any interest, direct or indirect, in the promotion of or in any assets, or any options in respect of such assets, which are proposed to be acquired, disposed of by or leased to a Fund and no Director has a material interest in any contract or arrangement entered into by a Fund which is unusual in nature or conditions or significant in relation to the business of such Fund, nor has any Director had such an interest since the ICAV was incorporated other than:
  - (i) Andrew G. Arnott who is a director of the Manager, which receives fees in respect of its services to the ICAV. Mr Arnott is also a member of an affiliate of the Manager;
  - (ii) Bernard Letendre who is a director of the Manager, which receives fees in respect of its services to the ICAV. Mr Letendre is also a member of an affiliate of the Manager;
  - (iii) Christopher Conkey is a member of an affiliate of the Manager, which receives fees in respect of its services to the ICAV;
  - (iv) Thomas Murray who is a director of the Manager, which receives fees in respect of its services to the ICAV; and
  - (v) Eimear Cowhey who is a director of the Manager, which receives fees in respect of its services to the ICAV.

## **9. Winding Up**

- (a) The ICAV may be wound up if:
  - (i) within a period of three months from the date on which (a) the Depositary notifies the ICAV of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the ICAV in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary, and no new Depositary has been appointed (the appointment of the replacement Depositary and the replacement Depositary being subject to the prior approval of the Central Bank) with the approval of the Central Bank, the Directors shall instruct the ICAV's

secretary to forthwith convene an extraordinary general meeting of the ICAV at which there shall be proposed an ordinary resolution to wind up the ICAV in accordance with the provisions in the Instrument. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the ICAV's authorisation by the Central Bank;

- (ii) the Shareholders resolve by special resolution to wind up the ICAV.
- (b) In the event of a winding up, the liquidator shall apply the assets of the ICAV on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (c) The assets available for distribution among the Shareholders shall be applied in the following priority:
- (i) firstly, in the payment to the Shareholders of each Fund or Class of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Fund or Class held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the holders of Management Shares of sums up to the nominal amount paid up thereon out of the assets of the ICAV not comprised within a Fund's investment portfolio provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within such Fund;
  - (iii) thirdly, in the payment to the Shareholders of each Fund or Class of any balance then remaining in the ICAV, in proportion to the number of Shares held in the relevant Fund or Class; and
  - (iv) fourthly, any balance then remaining and not attributable to any Class shall be apportioned between the Funds or Classes pro-rata to the Net Asset Value of each Fund or Class or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (d) The liquidator may, with the authority of an ordinary resolution of the ICAV, divide among the Shareholders (pro rata to the value of their respective shareholdings in the ICAV) 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 provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the ICAV may be closed and the ICAV dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the ICAV to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the ICAV shall receive from the Transferee Company Shares or units in the Transferee Company of equivalent value to their shareholdings in the ICAV, subject to any requirements of the Central Bank.

- (e) The Shareholders of any Fund may, by way of special resolution, and subject to the requirements of the Central Bank, authorise the amalgamation/merger of the relevant Fund with another Fund or any other collective investment schemes or schemes, which amalgamation/merger may involve the redemption of Shares of the relevant Fund and in the case of an amalgamation/merger with a collective investment scheme other than a Fund, may involve the transfer of the whole or part of the assets of the relevant Fund to the depositary/trustee (who may or may not be regulated by the Central Bank) or the relevant collective investment scheme.
- (f) Notwithstanding any other provision contained in the Instrument, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the ICAV, the secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the ICAV at which there shall be presented a proposal to appoint a liquidator to wind up the ICAV and if so appointed, the liquidator shall distribute the assets of the ICAV in accordance with the Instrument.

## **10. Termination of the ICAV, Funds or Classes**

The Directors, in their sole and absolute discretion, may terminate the ICAV, a Fund or a Class in any of the following events:-

- (a) If at any time the Net Asset Value of the ICAV, a Fund or Class shall be less than such amount as may be determined by the Directors in respect of that Fund or Class as disclosed in this Prospectus;
- (b) The ICAV, a Fund or a Class shall cease to be authorised or otherwise officially approved;
- (c) If there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the ICAV, a Fund or Class;
- (d) If there is any change in material aspects of the business, in the economic or political situation relating to the ICAV, a Fund or Class which the Directors consider would have material adverse consequences on the investments of the ICAV, a Fund or Class; or
- (e) If the Directors shall have resolved that it is impracticable or inadvisable for the ICAV, a Fund or Class to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the above events shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this clause or otherwise.

## **11. Indemnities and Insurance**

The Directors (including alternates), ICAV Secretary and other officers of the ICAV and its former directors and officers shall be indemnified by the ICAV against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The ICAV acting through the Directors is empowered under the Instrument to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the ICAV insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **12. Allocation of Assets and Liabilities**

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

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

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

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

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

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

Separate records shall be maintained in respect of each Fund.

## **13. Material Contracts**

The following contracts have been entered into and are, or may be, material:

- (a) Management Agreement;
- (b) Administration Agreement; and
- (c) Depositary Agreement.

#### **14. Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (except public holidays) at the registered office of the ICAV:

- (a) the certificate of incorporation and Instrument;
- (b) the Prospectus (as amended and supplemented);
- (c) the Key Investor Information Documents;
- (d) the annual and semi-annual reports relating to the ICAV when available;
- (e) the Legislation; and
- (f) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Instrument (as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the ICAV may be obtained, free of charge, upon request at the registered office of the ICAV.

The ICAV may provide certain additional reports (including in relation to certain performance measures, risk measures or general portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the ICAV, upon the execution of a confidentiality agreement and/or non-use agreement.

## Schedule I

### REGULATED MARKETS

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. **With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment by each Fund is restricted to these stock exchanges and markets.** The Central Bank does not issue a list of approved stock exchanges or markets.

(a) without restriction in any stock exchange which is:

- located in any Member State of the European Union; or
- located in a Member State of the EEA
- located in any of the following countries:-

Australia  
Canada  
Japan  
New Zealand  
Hong Kong  
Switzerland  
United States of America  
United Kingdom

(b) without restriction in any of the following:-

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electrónico S.A.
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange
Bangladesh	Chittagong Stock Exchange Ltd.
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	BM&F BOVESPA S.A.
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electrónica de Chile
Chile	Bolsa de Valparaiso
China, Peoples' Republic of	Shenzhen Stock Exchange
China, Peoples' Republic of	Shanghai Securities Exchange
China, Peoples' Republic of	Shanghai-Hong Kong Stock Connect
China, Peoples' Republic of	Shenzhen-Hong Kong Stock Connect
China, Peoples' Republic of	China Interbank Bond Market via Bond Connect
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange
India	Bombay Stock Exchange, Ltd.
India	National Stock Exchange
Indonesia	Indonesia Stock Exchange



Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Securities Exchange
Korea	Korea Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities Berhad
Malaysia	Bursa Malaysia Derivatives Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Mexico	Mercado Mexicano de Derivados
Morocco	Bourse de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Muscat Securities Market
Pakistan	Islamabad Stock Exchange
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Exchange
Russian Federation	Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS)
Saudi Arabia	Tadawul Stock Exchange
Saudi Arabia	Saudi Arabian Monetary Agency
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
Singapore	CATALIST
South Africa	JSE Limited
South Africa	South African Futures Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange
Taiwan (Republic of China)	Gre Tai Securities Market
Taiwan (Republic of China)	Taiwan Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange
Tunisia	Bourse des Valeurs Mobilières de Tunis
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange
Ukraine	Persha Fondova Torgoveln Systema
Ukraine	Ukrainian Interbank Currency Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
UAE	Dubai Financial Market
United Kingdom	London Stock Exchange
Uruguay	Bolsa de Valores de Montevideo
Uruguay	Bolsa Electrónica de Valores del Uruguay SA
Vietnam	Ho Chi Minh Stock Exchange
Vietnam	Hanoi Stock Exchange
Vietnam	Unlisted Public Companies Market (UPCOM)
Zambia	Lusaka Stock Exchange

- (c) for the purposes of investment in Russia and the States of the Russian Federation a Fund may invest in the Moscow Exchange (the former MICEX-RTS Exchange);

(d) without restriction in any of the following:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Non-U.S. Exchange and Bullion” dated April, 1988 (as amended from time to time);

AIM – the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;

the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);

the Over-the-Counter market in the United States of America conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority (FINRA) and by banking institutions regulated by the US Controller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

NASDAQ in the United States of America;

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; and

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(e) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State;
- in the United Kingdom;
- in a Member State in the European Economic Area (the European Union, Norway, Iceland and Liechtenstein);
- in Asia, on the
  - Bursa Malaysia Derivatives Berhad
  - Hong Kong Exchanges & Clearing;
  - Jakarta Futures Exchange;
  - Korea Futures Exchange;
  - Korea Stock Exchange;
  - Kuala Lumpur Options and Financial Futures Exchange;
  - National Stock Exchange of India;
  - Osaka Mercantile Exchange;

- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER)

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich)

in Turkey on Turkish Derivatives Exchange

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex U.S.;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

- in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

- (f) for the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

## Schedule II

### INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

<b>1</b>	<b>Permitted Investments</b>
<b>1.1</b>	Investments of a UCITS are confined to:  Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs
<b>1.6</b>	Deposits with credit institutions
<b>1.7</b>	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4	<p>The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.</p> <p><b>Prior to making investments in line with this provision, the ICAV will seek approval of the Central Bank.</b></p>
2.5	<p>The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.</p>
2.6	<p>The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.</p>
2.7	<p>Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:</p> <p>(a) 10% of the NAV of the UCITS; or</p> <p>(b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.</p>
2.8	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>-</li> <li>- deposits, and/or</li> <li>-</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	<p>The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.</p>
2.10	<p>Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.6, 2.7 and 2.8. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.</p>

2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	<p>A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.</p> <p>The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
3	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	A UCITS may acquire no more than: <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul>
<b>5.3</b>	5.1 and 5.2 shall not be applicable to: <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>

<b>5.4</b>	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
<b>5.7</b>	Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of investment funds; or</li> </ul> financial derivative instruments.
<b>5.8</b>	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	The UCITS global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
<b>6.3</b>	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that  The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

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



## Schedule III

### U.S. DEFINITIONS

#### “U.S. Person”

A “U.S. Person” for the purpose of this Prospectus is a person who is: (a) a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of a “Non-United States person” as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of “U.S. person” in Rule 902 and qualifies as a “Non-United States person” under CFTC Rule 4.7.

“U.S. person” under Rule 902 of Regulation S under the 1933 Act includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a non-U.S. entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any non-U.S. jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, “U.S. person” under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or

branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered “Non-United States persons”:

- (a) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States persons; and
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

#### **“U.S. Taxpayer”**

“U.S. Taxpayer” includes (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor who is not a U.S. Person may nevertheless be considered a “U.S. Taxpayer” under U.S. federal income tax laws.

#### **“Benefit Plan Investor”**

“*Benefit Plan Investor*” is used as defined in U.S. Department of Labor (“DOL”) Regulation 29 C.F.R. §2510.3-101 and Section 3(42) of ERISA (collectively, the “Plan Asset Rule”) and includes (i) any employee benefit plan subject to Part 4, Subtitle B of Title I of ERISA; (ii) any plan to which Code Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a

medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 per cent. or more of a class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

## Schedule IV

### EFFICIENT PORTFOLIO MANAGEMENT

In addition to making investments in FDIs, the ICAV may employ other techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. These techniques and instruments will be used in the best interest of the Shareholders.

Such techniques and instruments are set out below and are subject to the following conditions:

Repurchase/reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice. All assets received by a UCITS in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down below.

Unless otherwise specified in the relevant Supplement a Fund may lend, for securities lending, or sell, for repurchase agreements, any securities within a portfolio. In securities lending, the Fund will lend securities to broker-dealers and banks in order to generate additional income for the relevant Fund. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the relevant Fund.

It is typically expected that, where permitted, 0-20% the net asset value of available instruments a relevant Fund may be subject to repurchase/reverse repurchase agreements or securities lending subject to a maximum of 100% of the net asset value.

Solely where described in a Supplement, a Fund may utilize total return swaps in accordance with its investment policy. Where the investment policy provides that total return swaps are to be used as part of the primary investment policy, the Fund may invest in total return swaps up to 100% of its net assets with an expected range of usage in line with the percentage of long and short exposure of the relevant Fund otherwise such instruments are limited to 1/3 of the net assets of the relevant Fund. The underlying instruments permitted for total return swaps are as set out under "Swaps" in the section "Use of Financial Derivative Instruments" and in each Supplement.

#### *Collateral*

For the purposes of limiting the Funds' credit risk in respect of FDI transactions or repurchase/reverse repurchase agreements, collateral may be received from, or posted to, counterparties on behalf of the Funds. Collateral will normally comprise cash and/or securities provided such collateral complies with the requirements of the Central Bank. Collateral received must at all times meet with the following criteria:

**Asset Types:** Collateral received may include any form of asset which is an eligible asset for a UCITS, including cash, Money Market Instruments and short term securities, provided always that it also complies with the other criteria set out below.

**Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of UCITS Regulation 74.

**Valuation:** Collateral received should be valued on at least a mark-to-market daily basis to ensure that margin is sufficiently covered and assets that exhibit high price volatility should

not be accepted as collateral unless suitably conservative haircuts are in place in accordance with the policy set out below.

**Issuer Credit Quality:** Collateral received should be of high quality.

**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.

**Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. 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. By way of derogation from this requirement, the Funds may be fully collateralised using transferable securities and money market instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country or a public international body of which one or more Member States belongs provided the Funds should receive securities from at least 6 different issues and securities from any single issue shall not account for more than 30% of the relevant Fund's net asset value. It is expected that the Funds will receive collateral of more than 20% of the net asset value of each Fund in transferable securities or money market instruments issued by the U.S Government, UK Government and the Canadian Government; however, the Funds may take collateral from any Member State or other body meeting the above criteria.

**Immediately Available:** Collateral received should be capable of being fully enforced by the relevant Fund at any time without reference to or approval from the counterparty.

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

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

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

- deposits with relevant institutions;
- high-quality government bonds;
- reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the relevant Fund is able to recall at any time the full amount of cash on an accrued basis;
- short-term money market funds, as defined in the European Securities and Markets Authority Guidelines on a Common Definition of European Money Market Funds.

In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

The level of collateral will be sufficient to limit the Funds' exposure to a counterparty within the UCITS rules and will be determined by the Manager after applying appropriate haircuts to minimise the risk of loss to the Funds.

A Fund receiving collateral for 30% or more of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and

exceptional liquidity conditions to enable the relevant Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

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

Where necessary, the Manager (or Sub-Investment Manager) will apply haircuts to collateral in accordance with its documented haircut policy and will vary depending on the class of assets received. When applying a haircut, the Manager considers characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of the collateral, adjusted in light of the haircut policy, shall equal or exceed, in value, at all times, the relevant counterparty exposure.

All counterparties to FDI transactions or repurchase/reverse repurchase agreements will be with a counterparty which meets the counterparty requirements under the UCITS Rules as to legal status and origin. The counterparty to a repurchase/reverse repurchase agreement or securities lending agreement must have a minimum credit rating of A-2 or equivalent, or must be deemed by the Manager to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the ICAV is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent. Where a counterparty was subject to a credit rating by an agency registered or supervised by the European Securities and Markets Authority, that rating shall be taken into account during the credit assessment process. Where a counterparty is downgraded to A-2 or below (or a comparable rating), a new credit assessment of the counterparty will be undertaken without delay.

Where there is a novation of a counterparty to an OTC FDI contract, the counterparty must be one which meets the requirements of the UCITS Rule or is a central counterparty authorized, recognized or pending recognition by the European Securities and Markets Authority under the European Market Infrastructure Regulation, or an entity classified as a derivatives clearing organization by the Commodity Futures Trading Commission or a clearing agency by the SEC.

The ICAV will ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

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

If the ICAV enters into a repurchase agreement, it will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

*Safekeeping*

Collateral received on a title transfer basis should be held in custody by the trustee. For other types of collateral arrangements, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Assets pledged in such transactions by the Funds continue to be safekept by the Depositary.

Schedule V

**LIST OF SUB-CUSTODIANS**

Market	Sub-custodian
<b>Argentina</b>	<b>The Branch of Citibank, N.A. in the Republic of Argentina</b>
<b>Australia</b>	<b>Citigroup Pty. Limited</b>
<b>Austria</b>	<b>Citibank Europe plc</b>
<b>Bahrain</b>	<b>Citibank, N.A., Bahrain Branch</b>
<b>Bangladesh</b>	<b>Citibank, N.A., Bangladesh Branch</b>
<b>Belgium</b>	<b>Citibank Europe plc</b>
<b>Bermuda</b>	<b>The Hong Kong &amp; Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Bermuda Limited</b>
<b>Bosnia-Herzegovina (Sarajevo)</b>	<b>UniCredit Bank d.d.</b>
<b>Bosnia-Herzegovina: Srpska (Banja Luka)</b>	<b>UniCredit Bank d.d.</b>
<b>Botswana</b>	<b>Standard Chartered Bank Botswana Limited</b>
<b>Brazil</b>	<b>Citibank, N.A., Brazilian Branch</b>
<b>Bulgaria</b>	<b>Citibank Europe plc, Bulgaria Branch</b>
<b>Canada</b>	<b>Citibank Canada</b>
<b>Chile</b>	<b>Banco de Chile</b>



<b>China B Shanghai</b>	<b>Citibank, N.A., Hong Kong Branch (For China B shares)</b>
<b>China B Shenzhen</b>	<b>Citibank, N.A., Hong Kong Branch (For China B shares)</b>
<b>China Hong Kong Stock Connect</b>	<b>Citibank, N.A., Hong Kong Branch</b>
<b>Clearstream ICSD</b>	
<b>Colombia</b>	<b>Cititrust Colombia S.A. Sociedad Fiduciaria</b>
<b>Costa Rica</b>	<b>Banco Nacional de Costa Rica</b>
<b>Croatia</b>	<b>Privedna Banka Zagreb d.d.</b>
<b>Cyprus</b>	<b>Citibank Europe plc, Greece Branch</b>
<b>Czech Republic</b>	<b>Citibank Europe plc, organizacni slozka</b>
<b>Denmark</b>	<b>Citibank Europe plc</b>
<b>Egypt</b>	<b>Citibank, N.A., Egypt</b>
<b>Estonia</b>	<b>Swedbank AS</b>
<b>Euroclear</b>	<b>Euroclear Bank SA/NV</b>
<b>Finland</b>	<b>Citibank Europe plc</b>
<b>France</b>	<b>Citibank Europe plc</b>
<b>Georgia</b>	<b>JSC Bank of Georgia</b>
<b>Germany</b>	<b>Citibank Europe plc</b>
<b>Ghana</b>	<b>Standard Chartered Bank Ghana Limited</b>

<b>Greece</b>	<b>Citibank Europe plc, Greece Branch</b>
<b>Hong Kong</b>	<b>Citibank N.A., Hong Kong Branch</b>
<b>Hungary</b>	<b>Citibank Europe plc, Hungarian Branch Office</b>
<b>Iceland</b>	<b>Islandsbanki hf</b>
<b>India</b>	<b>Citibank, N.A. Mumbai Branch</b>
<b>Indonesia</b>	<b>Citibank, N.A., Jakarta Branch</b>
<b>Ireland</b>	<b>Citibank N.A., London Branch</b>
<b>Israel</b>	<b>Citibank, N.A., Israel Branch</b>
<b>Italy</b>	<b>Citibank Europe plc</b>
<b>Jamaica</b>	<b>Scotia Investments Jamaica Limited</b>
<b>Japan</b>	<b>Citibank N.A., Tokyo Branch</b>
<b>Jordan</b>	<b>Standard Chartered Bank Jordan Branch</b>
<b>Kazakhstan</b>	<b>JSC Citibank Kazakhstan</b>
<b>Kenya</b>	<b>Standard Chartered Bank Kenya Limited</b>
<b>Korea (South)</b>	<b>Deutsche Bank AG Citibank Korea Inc.</b>
<b>Kuwait</b>	<b>Citibank N.A., Kuwait Branch</b>
<b>Latvia</b>	<b>Swedbank AS, based in Estonia and acting through its Latvian branch, Swedbank AS</b>
<b>Lithuania</b>	<b>Swedbank AS, based in Estonia and acting through its Lithuanian branch, Swedbank AB</b>

<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 Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb S.A.
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Citibank Europe plc
<b>New Zealand</b>	Citibank, N.A., New Zealand Branch
<b>Namibia</b>	Standard Bank of South Africa Limited acting through its agent, Standard Bank Namibia Limited
<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., Pakistan Branch
<b>Panama</b>	Citibank N.A., Panama Branch
<b>Peru</b>	Citibank del Perú, S.A.

<b>Philippines</b>	<b>Citibank, N.A., Philippine Branch</b>
<b>Poland</b>	<b>Bank Handlowy w Warszawie S.A.</b>
<b>Portugal</b>	<b>Citibank Europe plc</b>
<b>Qatar</b>	<b>The Hong Kong &amp; Shanghai Banking Corporation Limited acting through its agent, HSBC Bank Middle East Limited</b>
<b>Romania</b>	<b>Citibank Europe plc, Dublin – Romania Branch</b>
<b>Russia</b>	<b>AO Citibank</b>
<b>Saudi Arabia</b>	<b>The Hong Kong &amp; Shanghai Banking Corporation Limited acting through its agent, HSBC Saudi Arabia Ltd.</b>
<b>Serbia</b>	<b>UniCredit Bank Srbija a.d.</b>
<b>Singapore</b>	<b>Citibank, N.A., Singapore Branch</b>
<b>Slovak Republic</b>	<b>Citibank Europe plc pobočka zahraničnej banky</b>
<b>Slovenia</b>	<b>UniCredit Banka Slovenia d.d. Ljubljana</b>
<b>South Africa</b>	<b>Citibank N.A., South Africa Branch</b>
<b>Spain</b>	<b>Citibank Europe plc</b>
<b>Sri Lanka</b>	<b>Citibank, N.A. Sri Lanka Branch</b>
<b>Sweden</b>	<b>Citibank Europe plc, Sweden Branch</b>
<b>Switzerland</b>	<b>Citibank N.A., London Branch</b>
<b>Taiwan</b>	<b>Citibank Taiwan Limited</b>
<b>Tanzania</b>	<b>Standard Bank of South Africa acting through its affiliate Stanbic Bank Tanzania Ltd</b>
<b>Thailand</b>	<b>Citibank, N.A., Bangkok Branch</b>
<b>Tunisia</b>	<b>Union Internationale de Banques</b>
<b>Turkey</b>	<b>Citibank, A.Ş.</b>
<b>Uganda</b>	<b>Standard Chartered Bank of Uganda Limited</b>

<b>Ukraine</b>	<b>JSC Citibank</b>
<b>UAE – Abu Dhabi Securities Exchange</b>	<b>Citibank N.A., UAE</b>
<b>United Arab Emirates DFM</b>	<b>Citibank N.A., UAE</b>
<b>United Arab Emirates NASDAQ Dubai</b>	<b>Citibank N.A., UAE</b>
<b>United Kingdom</b>	<b>Citibank N.A., London Branch</b>
<b>United States</b>	<b>Citibank N.A., New York offices</b>
<b>Uruguay</b>	<b>Banco Itaú Uruguay S.A.</b>
<b>Vietnam</b>	<b>Citibank N.A., Hanoi Branch</b>

## Schedule VI

### THE STOCK CONNECT

The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEX”), SZSE, SSE and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE or SZSE by routing orders to SSE or SZSE respectively. Under the Southbound Trading Link investors in China will be able to trade certain stocks listed on the SEHK. Under a joint announcement issued by the SFC and China Securities Regulatory Commission on 10 November 2014, the Stock Connect commenced trading on 17 November 2014. Under the Stock Connect, the Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE or SZSE.

For the SSE, these include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

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

Investors eligible to trade shares that are listed on the STAR Market of SSE under Northbound trading will be limited to institutional professional investors. The SSE does not permit ETFs as eligible securities.

For the SZSE, these include all constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalization of not less than RMB 6 billion and all the SZSE listed A shares which have corresponding H shares listed on SEHK, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and
- (b) SZSE-listed shares which are under “risk alert board” or under delisting arrangement.

Investors eligible to trade shares that are listed on the ChiNext Board of SZSE under Northbound trading will be limited to institutional professional investors.

The SZSE will include ETFs as eligible securities.

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

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota (“Aggregate Quota”), together with a daily quota (“Daily Quota”). Northbound trading and Southbound trading will be subject to a separate set of Aggregate and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC and is currently set at RMB300 billion. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The Northbound Daily Quota is set at RMB52 billion for each of SZSE and SSE respectively. HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the SZSE or SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SZSE and SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SZSE and SSE securities.

In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the Funds may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

In accordance with the UCITS requirements, the Depositary shall provide for the safekeeping of a Fund's assets in China through its global custody network. Such safekeeping is in accordance with the conditions set down by the Central Bank which provides that there must be legal separation of non-cash assets held under custody and that the Depositary through its delegates must maintain appropriate internal control systems to ensure that records clearly identify the nature and amount of assets under custody, the ownership of each asset and where documents of title to each asset are located.

## Schedule VII

### BOND CONNECT

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd (“CCDC”), Shanghai Clearing House (“SCH”), and Hong Kong Exchanges and Clearing Limited (“HKEX”) and Central Moneymarkets Unit (“CMU”).

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the “Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])” issued by the PBOC on 21 June 2017,
- (ii) the “Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect” issued by the Shanghai Head Office of PBOC on 22 June 2017; and
- (iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the Northbound Trading Link. There will be no investment quota for the Northbound Trading Link. Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Eligible foreign investors may submit trade requests for bonds circulated in the CIBM through the Northbound Trading Link provided by offshore electronic bond trading platforms, which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealers (including market makers and others engaged in the market making business) in Mainland China. The approved onshore dealers will respond to the requests for quotation via CFETS, and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the CIBM under the Bond Connect will be done through the settlement and custody link between the CMU, as an offshore custody agent, and the CSDCC and the SHCH, as onshore custodian and clearing institutions in Mainland China. Under the settlement link, CSDCC or the SHCH will effect gross settlement of confirmed trades onshore and the CMU will process bond settlement instructions from the CMU members on behalf of eligible foreign investors in accordance with its relevant rules.

Pursuant to the prevailing regulations in Mainland China, the CMU, being the offshore custody agent recognized by the HKMA, open omnibus nominee accounts with the onshore custody agent recognized by the PBOC (i.e., the CSDCC and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of the CMU, which will hold such bonds as a nominee owner.



**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISORS**

The Directors of the ICAV, whose names appear in the Prospectus under the section “Directory”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**SUPPLEMENT**

**MANULIFE U.S. ALL CAP CORE EQUITY FUND**

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(A Fund of Manulife Investment Management II ICAV, an open-ended umbrella ICAV with segregated liability between Funds)

The date of this Supplement No. 1 is 3 October 2022

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**This Supplement contains specific information in relation to the Manulife U.S. All Cap Core Equity Fund (the “Fund”), a sub-fund of Manulife Investment Management II ICAV (the “ICAV”). It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 3 October 2022.**

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus this Supplement shall prevail.

**Investors should read the “Risk Factors” section before investing in the Fund.**

**As the Directors may, at their discretion, impose a redemption charge with respect to particular Classes, Shareholders in these Classes should view their investment as medium to long-term.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund is actively managed.**

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## DEFINITIONS

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Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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

<b>“Manulife Group”</b>	<b>the group of companies under the control of Toronto-based Manulife Financial Corporation</b>
<b>“Sub-Investment Management Agreement”</b>	<b>the agreement dated 1 May 2019 between the Manager and the Sub-Investment Manager as may be amended from time to time; and</b>
<b>“Sub-Investment Manager”</b>	<b>Manulife Investment Management (US) LLC, or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide sub-investment management services to the ICAV.</b>

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## THE FUND

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### **Investment Objective**

The investment objective of the Fund is to seek long-term capital appreciation.

### **Investment Policies**

The Fund will invest primarily in: equity (common and preferred stocks and REITs), Convertible Securities (which may embed an option) which may be converted into equity instruments and equity related securities (such as warrants and rights) of companies domiciled in the US. The Fund will be diversified across sectors, avoiding over-concentration in any single sector or issuer and without any industry or capitalization focus.

A description of REITs, warrants and rights and their use by the Fund is included in the section “Specific Investments & Additional Investment Techniques” in the Prospectus.

In addition to its primary investments, the Fund may also invest in: other UCITS and ETFs (subject to a limit of up to 10% of its Net Asset Value), non-US equity securities (including Depositary Receipts) as more particularly set out in the section “Specific Investments & Additional Investment Techniques” in the Prospectus.

Save to the extent permitted by the Regulations, all securities invested in will be listed or traded on the markets and exchanges listed in Schedule I of the Prospectus.

### **Use of FDI**

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise FDI.

In addition to investment in warrants, rights and Convertible Securities as described under Investment Policy above, the Fund may use currency forwards to hedge foreign currency exchange risks arising where investments of the Fund are denominated in a currency other than the Base Currency and for Hedged Share Classes of the Fund as well as equity index futures (futures on major market indices), options, futures contracts and swaps (including interest-rate swaps) to reduce risk and/or to obtain investment exposure and repurchase agreements for the purposes of efficient portfolio management. Detailed descriptions of these FDIs are set out in the Prospectus under the “Use of Financial Derivative Instruments” section.

Details of the FDIs used are set out in the Prospectus under the “Use of Financial Derivative Instruments” section.

The risks attached to the use of FDI by the Fund are set in the “Investment Risks Applicable to Each Fund” section of the Prospectus.

### **Risk Management**

The Manager operates a risk management process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the Prospectus under the “Use of Financial Derivative Instruments: Risk Management” section.

Based on the nature of the FDI utilised, the Fund utilises the commitment approach methodology for calculation of its global exposure. The use of FDI may introduce leverage into the Fund. The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund’s Net Asset Value, as measured using the commitment approach.

Information on FDIs used for the Fund will be included in the ICAV’s semi-annual and annual reports and accounts. The ICAV will also provide information to Shareholders on request on the Risk Management Process employed by the Manager on the Fund’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

### **Investment Process**

In selecting securities for investment by the Fund, the Sub-Investment Manager seeks to identify companies with a sustainable competitive advantage and high returns on invested capital (i.e., companies that invest in their business to drive improving expected economics and cash flows over 5 to 10 year periods). The companies in which the Fund invests may be from any industry or sector.

The Sub-Investment Manager's fundamental research process produces bottom-up company assessments and detailed financial analysis / modelling to produce core use sales, margin, industry and cash flow expectations.

The Sub-Investment Manager believes companies that are purchased at the "right price" (a security that is priced significantly lower than what the Sub-Investment Manager believes to be fair value and with a reward: risk profile estimated to be greater than 2:1) and have the following characteristics should outperform:

(i) attributes which allow them to consistently perform at a higher level than competitors in the same or similar industries over the long term; and

(ii) operations that generate profits and are expected to continue to be profitable over the long-term.

In applying this strategy to the selection of the securities in which the Fund may invest the Sub-Investment Manager analyses companies on various characteristics including:

- significant competitive advantages (e.g., cost advantage – a firm's ability to produce a good or service at a lower cost than its competitors, which gives the firm the ability to sell its goods or services at a lower price than its competitors);
- attractive, sustainable growth that is based on the company's current and future business prospects (as identified through research of the company's product/service offering, management, research and development prospects, etc) rather than the market itself;
- reinvestment by the company in its business for the purpose of increased distribution and long-term sustainable brand dominance (recognition and desirability of the brand amongst key consumers versus brands of competitors) and helps to achieve growth and profits in the long term;
- high returns on the money invested by the company into its business in relation to profits and growth which help to achieve long-term stable profits (e.g., cash flow generation).

Sell decisions are similarly driven by long-term fundamental analysis and a holding may be sold when it has reached its valuation target i.e., if the Sub-Investment Manager believes there is a structural or permanent deterioration in the underlying fundamentals of the business, or if it identifies what it believes is a more attractive investment opportunity.

### **Sub-Investment Manager**

Pursuant to the Sub-Investment Management Agreement, the Manager has delegated the day to day portfolio management of the Fund to the Sub-Investment Manager.

The Sub-Investment Manager is a SEC regulated investment adviser having its registered office at 197 Clarendon Street, Boston, MA, 02116. The Sub-Investment Manager provides investment advisory services to institutional investors.

The Sub-Investment Manager may from time to time delegate some or all of the day to day portfolio management of the Fund to other entities within the Manulife Group. Details of any such other delegates will be provided to Shareholders upon request and will be disclosed in the periodic reports of the ICAV.

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Restrictions and Risk Management**

The general investment restrictions as set out in the “Investment Restrictions” section of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the Regulations.

### **Profile of a Typical Investor**

The Fund is intended to serve as a long-term investment option and should not be viewed as an appropriate investment vehicle for short-term gain or trading. The Fund may be suitable for investors seeking long-term capital appreciation.

### **Benchmark Index**

The Fund's performance will be compared to the Russell 3000 Index (the "**Comparator Benchmark**"). The Comparator Benchmark measures the broad U.S. equity universe representing approximately 98% of the U.S. market. The Russell 3000 is completely reconstituted annually to ensure new and growing equities are reflected. The Comparator Benchmark is used to compare the performance of the Fund but not to constrain portfolio composition or as a target for the performance of the Fund.

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## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, those risks described in the “Investment Risks and Special Considerations” and “Investment Risks Applicable to Each Fund” sections of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

### **Integration of Sustainability Risks**

The Sub-Investment Manager believes that sustainability helps to drive financial value. The ability to create financial value is impacted by the health of the natural environment and the strength of the social infrastructure in communities. As such, the Sub-Investment Manager believes that sustainability risk analysis is integral to understanding the true value of an investment. The Sub-Investment Manager is committed to sustainable investing and integrates sustainability risks into the investment process. It operates under a Sustainable Investing and Sustainability Risk Statement. The Investment Manager believes that this will lead to better long-term investment outcomes. However, there is no guarantee that sustainable investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through exclusionary screens, the Sub-Investment Manager may forego the opportunity to invest in an investment which it otherwise believes likely to outperform over time. However, overall, the Sub-Investment Manager considers that the integration of

sustainability risks in the decision making process is an important element in determining long term performance outcomes and is an effective risk mitigation technique.

Consequently, the Sub-Investment Manager considers that the impact of sustainability risks on the Fund (that is, of the Fund being negatively impacted by the occurrence of a sustainability risk) is low.

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## **FEES AND EXPENSES**

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**This section should be read in conjunction with the section “Fees and Expenses” in the Prospectus. The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in detail under the section “Fees and Expenses” in the Prospectus.**

### **Establishment Costs**

The Fund shall bear its attributable proportion of the establishment costs of the ICAV. Details of the ICAV’s establishment costs are set out in the Prospectus under “Fees and Expenses: Establishment Costs”.

These fees will be amortised over the first 5 financial years of the Fund or such other period as the Directors may determine and will be charged as between the various Classes in accordance with the provisions of the Prospectus and the Instrument.

### **Management Fee and Expense Limitation**

Under the Management Agreement, the ICAV will pay to the Manager a fee at an annual rate equal to the percentage of the daily Net Asset Value of the relevant Class of the Fund as set out in the Schedule to this Supplement. The management fee shall accrue daily and be calculated and payable monthly in arrears.

The Manager (or any related person) may from time to time and at its sole discretion and out of its own resources decide to waive some or all of its Management Fee and/or performance fee applicable to a specific Class or the Fund as a whole or it may share, or rebate some or all of such fees with/to intermediaries or Shareholders (any such rebates or fee sharing will take place outside of the Fund).

The Manager shall be entitled to be reimbursed for its reasonable vouched out-of-pocket expenses. Where the Manager’s expenses are attributable to the ICAV as a whole, they will be borne on a pro rata basis by the Fund.

The Manager has committed to waive its management fee and, if necessary, reimburse the Fund’s operating expenses, in order to keep the Fund’s total operating expenses (including the fees of the Manager, Administrator and Depositary) from exceeding an annual rate of the daily Net Asset Value of the Fund as set out in the Schedule to this Supplement (the “Expense Limitation”). Operating expenses do not include the cost of buying and selling investments, applicable ongoing charges associated with investments in Underlying Collective Investment Schemes (including ETFs), withholding tax, stamp duty or other taxes on investments, commissions and brokerage fees incurred with respect to investments, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the ICAV as may be determined by the Directors in their discretion. The expenses subject to the Expense Limitation shall include the management fee. The Manager may renew or discontinue this arrangement at any time upon prior notification to Shareholders.

To the extent that the Manager waives its fee or reimburses the Fund's operating expenses under the Expense Limitation, the Fund's overall expense ratio will be lower than it would have been without the Expense Limitation. This reduction in operating expenses may increase the Fund's investment return and such returns may not be achieved without the benefit of the Expense Limitation.

### **Sub-Investment Manager's Fee**

The fees and expenses of a Sub-Investment Manager are paid out of those fees paid to the Manager which are set out in the Schedule to this Supplement.

### **Depository's Fee**

The Depository is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.05% of the net assets of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Depository shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depository in the performance of its duties under the Depository Agreement.

### **Administrator's Fee**

The Administrator is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.10% of the net assets of the Fund, subject to a minimum fee of up to US\$ 7,000 per month (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable monthly in arrears.

### **Redemption Charge**

The Directors are entitled to charge redeeming Shareholders in any Class a redemption fee of up to 3% of the relevant redemption proceeds.

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## **SUBSCRIPTIONS**

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### **Purchase of Shares**

Full details on how to purchase Shares are set out in the "Administration of the ICAV: Subscription Procedure" section of the Prospectus.

Details in relation to the Class Currency, management fee, Expense Limitation, Initial Offer Price, minimum initial investment and initial sales charge are set out in the Schedule to this Supplement.

The Manager is authorised by the Directors to accept and instruct the Administrator to process subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment, as set out in the Schedule to this Supplement.

### *Initial Offer Period*

The initial offer period for Class W EUR Accumulating, Class W GBP Accumulating, Class W USD Accumulating, Class X USD Accumulating and Class X GBP Accumulating Shares is closed (the “Issued Classes”).

For the remaining Classes of Shares, the initial offer period will last for six months from the date of noting of this Supplement, or such earlier or later date as the Directors in their discretion may determine (the “Closing Date”).

Investors may apply to subscribe for Shares during the initial offer period at the Initial Offer Price for each unlaunched Class as set out in the Schedule to this Supplement.

During the initial offer period, subscriptions may be made by way of signed original Application Forms, duly completed in accordance with the instructions contained in the Application Form, or by such other electronic means (including applications made via a Clearing System) as the Directors and the Administrator shall approve by the Closing Date.

Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds no later than 3 Business Days after a Dealing Day or such other time as may be agreed with the Administrator and notified to Shareholders. Any initial Application Form sent by facsimile (or other electronic means) must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

#### *Following the Initial Offer Period*

Following the close of the initial offer period, all applications for Shares must be received by the Dealing Deadline in the manner set out in the “Administration of the ICAV: Subscriptions Following the Initial Offer Period” and “Subscription Procedure” sections of the Prospectus.

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## **REDEMPTIONS**

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### **How to Redeem Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the “Administration of the ICAV: How to Redeem Shares” section of the Prospectus.

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## **DISTRIBUTION POLICY**

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Distributing Classes of the Fund will make distributions at least annually and may make distributions more frequently at the discretion of the Directors. The amount available for distribution shall be the net income (whether in the form of dividends, interest or otherwise). Shareholders in Distributing Classes may, as set out in the Application Form, choose to automatically re-invest distributions into the Fund. If automatic re-investment is not elected, distribution proceeds will be paid in accordance with the section “DISTRIBUTION POLICY” in the Prospectus.

Further details in relation to distributions are set out in the section “DISTRIBUTION POLICY” in the Prospectus.

The Accumulating Classes of the Fund will not declare a distribution and any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Classes will be accumulated in the Net Asset Value per Share of the relevant Class.



## **SCHEDULE**

### **Share Class Subscription and Fee Information**

The attention of investors in Classes for which the Sub-Investment Manager will conduct currency hedging is drawn to the section "Use of Financial Derivative Instruments: Class Currency Hedging" in the Prospectus.

This Schedule shall be read in conjunction with the section "Share Classes" in the Prospectus.

#### **Share Classes Offered**

The Fund may offer both Accumulating and Distributing formats of Class A, Class W, Class I and Class X Shares denominated in USD, GBP, EUR, CHF, SEK, AUD and SGD.

Non-USD denominated Classes may also be offered in both hedged and unhedged formats.

Previously unlaunched Classes may be launched upon receipt of sufficient investor interest.

#### **Initial Offer and Subscription Prices**

As of the Date of this Supplement, the Issued Classes have launched, are available for subscription and Shares in these Classes are issued at their Subscription Price on the relevant Dealing Day.

Investors wishing to invest in an unlaunched Class should contact the Manager and, upon sufficient interest, the Class may be opened. A list of open Classes is available from the Manager on request.

All unlaunched Classes shall have an Initial Offer Price 10 USD, 10 GBP, 10 EUR, 10 CHF, 100 SEK, 10 AUD or 10 SGD as relevant to the Class Currency.

Following launch, each Class will issue Shares at the Subscription Price on the relevant Dealing Day.

#### **Minimum Investment**

The minimum investment applicable to each Class shall be as set out in the section "Share Classes" in the Prospectus.

#### **Management Fees, Expense Limitations, Subscription and Redemption Fees**

Class A Shares of the Fund may be subject to a sales charge of up to 5% of the amount subscribed. As of the date of this Supplement, no Classes of the Fund are subject to a redemption fee.

Class X Shareholders must enter into a separate agreement with the Manager for the payment of Management Fees.

<b>Class Type</b>	<b>Management Fee</b>	<b>Expense Limitation (excluding applicable Management Fee)</b>
<b>A</b>	<b>1.30%</b>	<b>0.25%</b>
<b>W</b>	<b>0.80%</b>	<b>0.25%</b>
<b>I</b>	<b>0.65%</b>	<b>0.15%</b>
<b>X</b>	<b>None.</b>	<b>0.15%</b>

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISORS**

The Directors of the ICAV, whose names appear in the Prospectus under the section “Directory”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**SUPPLEMENT**

**MANULIFE STRATEGIC FIXED INCOME FUND**

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(A Fund of Manulife Investment Management II ICAV, an open-ended umbrella ICAV with segregated liability between Funds)

The date of this Supplement No. 2 is 3 October 2022

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**This Supplement contains specific information in relation to the Manulife Strategic Fixed Income Fund (the “Fund”), a sub-fund of Manulife Investment Management II ICAV (the “ICAV”). It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 3 October 2022.**

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus this Supplement shall prevail.

**Investors should read the “Risk Factors” section before investing in the Fund.**

**As the Directors may, at their discretion, impose a redemption charge with respect to particular Classes, Shareholders in these Classes should view their investment as medium to long-term.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund is actively managed.**

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## DEFINITIONS

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Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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

<b>“Manulife Group”</b>	<b>the group of companies under the control of Toronto-based Manulife Financial Corporation;</b>
<b>“Sub-Investment Management Agreement”</b>	<b>the agreement dated 1 May 2019 between the Manager and the Sub-Investment Manager as may be amended from time to time; and</b>
<b>“Sub-Investment Manager”</b>	<b>Manulife Investment Management (US) LLC, or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide sub-investment management services to the ICAV.</b>

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## THE FUND

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**Investment Objective**

The investment objective of the Fund is to provide income generation with an emphasis on capital preservation over the long-term.

### **Investment Policies**

The Fund invests primarily in various types of fixed and floating rate government and corporate Investment Grade Debt Securities and High Yield Debt Securities from issuers located in developed and emerging markets. The Fund holdings may be denominated both in U.S. Dollars and non-U.S. currencies.

The Fund pursues its investment objective by investing in the following types of income bearing securities: bonds, notes and debentures issued by corporations or issued or guaranteed as to principal by the U.S. government, non-U.S. governments, U.S. and non-U.S. political subdivisions, authorities, municipalities, agencies or instrumentalities; corporate issued Rule 144A Securities and Regulation S Securities, structured notes and Convertible Securities (structured notes and Convertible Securities may embed an option); asset-backed securities and mortgage-backed securities; REITs, bank loans, municipal bonds, perpetual floating rate bonds, inflation-linked securities, when-issued securities, stripped debt securities (securities in which interest and principal are sold separately) and zero-coupon securities.

The Fund may invest in Mainland China through Bond Connect. Details of Bond Connect are set out in Schedule VII to the Prospectus and in the section 'Asian Country Investment Risks'.

The Fund may invest up to 10% of its assets in contingent convertible securities (CoCos) to gain market exposure and for other investment purposes, consistent with the investment objective of the Fund. Further details on CoCos are set out in the Prospectus under the "Contingent Convertible Securities" section.

In order to achieve its investment objective, the Fund may employ a long (buy and hold a security so as to benefit from a rise in value)/short (take exposure a security so as to benefit from a fall in value) investment strategy. Both long and short positions may be taken through FDI; however, short positions may only be taken through FDI. In employing a long/short investment strategy, the Fund may seek to take long positions through FDI which, in the Sub-Investment Manager's opinion, are undervalued and take short positions in FDI that are perceived to be overvalued. When employing a long/short investment strategy, the Fund is generally expected to have even, 200% long to 100% short, exposures. The Fund may also use long and short positions for the purposes of efficient portfolio management. The FDI utilised by the Fund are further detailed below in "Use of FDI".

The Fund's minimum average credit quality will be BBB-/Baa3. The Fund may invest in individual securities that are rated below this amount.

Mortgage-related securities described above include: mortgage pass-through securities, CMOs, commercial and residential mortgage-backed securities and TBAs. A description of these Mortgage-related securities, REITs, bank loans and structured notes and their use by the Fund is included in the section "Specific Investments & Additional Investment Techniques" in the Prospectus.

In addition to its primary investments, the Fund may also invest in: units of other UCITS and ETFs (subject to a limit of 10% of Net Asset Value); equity securities (including Depositary Receipts); participatory notes; and warrants and rights as more particularly set out in the section "Specific Investments & Additional Investment Techniques" in the Prospectus.

Save to the extent permitted by the Regulations, all securities invested in will be listed or traded on the markets and exchanges listed in Schedule I of the Prospectus.

## **Use of FDI**

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise FDI.

In addition to investment in participatory notes, TBAs, when-issued securities, warrants, rights, structured notes and Convertible Securities as described under Investment Policy above, the Fund may use currency options, currency forwards (including non-deliverable forward contracts), currency futures, bond/interest rate futures and fixed income index futures (futures on major market indices such as the Barclays Capital Aggregate Bond Index) for hedging and efficient portfolio management purposes. The Fund may also utilise Credit Default Swaps and Interest Rate Swaps for hedging purposes. Long/short positions as described in paragraph 4 of Investment Policy above may be taken through currency options, currency forwards (including non-deliverable forward contracts), currency futures contracts, bond and interest rate futures contracts. The Fund may also utilise repurchase agreements and engage in stock lending for efficient portfolio management purposes only. Detailed descriptions of these FDIs are set out in the Prospectus under the “Use of Financial Derivative Instruments” section.

Investment in FDI may be used to seek to enhance the Fund’s returns (by, *e.g.*, reducing transaction costs associated with direct investment, providing alternate means of achieving exposure to a market, using currency pair trades that go long one currency and short another currency through the use of currency forwards), or to efficiently invest cash or quickly gain market exposure. Currency hedging is utilised to hedge against possible adverse fluctuations in currency exchange rates that may impact on Classes denominated in currencies other than the Base Currency.

Details of the FDIs used are set out in the Prospectus under the “Use of Financial Derivative Instruments” section.

The risks attached to the use of FDI by the Fund are set in the “Investment Risks Applicable to Each Fund” section of the Prospectus.

## **Risk Management**

The Manager operates a risk management process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the Prospectus under the “Use of Financial Derivative Instruments: Risk Management” section.

Information on FDIs used for the Fund will be included in the ICAV’s semi-annual and annual reports and accounts. The ICAV will also provide information to Shareholders on request on the Risk Management Process employed by the Manager on the Fund’s behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

As per the Risk Management Process, market risk exposure in the Fund will be primarily controlled through the daily analysis and limitation of the Fund’s Value at Risk (“VaR”). Using data from price movements over the past year of trading days, VaR is an estimate of the maximum monthly loss the Fund is likely to suffer on any given month based on its current holdings. The Absolute VaR of the Fund will not exceed 20% of the Fund’s Net Asset Value. The VaR will be calculated to a one-tailed 99% confidence interval and a one month (20 business day) holding period and using an effective observation period of one year (250 business days). The measurement and monitoring of all exposures relating to the use of FDI will be performed on at least a daily basis.

The Fund's gross leverage, calculated on the basis of the sum of the notional values of the FDI (VaR), is expected to be between 25% and 250% and while it may be subject to higher levels of leverage at times, it is not expected to exceed 450% of the Fund's Net Asset Value. This is not, however, an indicator of economic leverage within the Fund and may appear high, as it does not take into account the effect of any netting or hedging arrangements that the Fund may adopt and because the prescribed methodology for calculating gross leverage requires the inclusion of the full notional of any credit protection purchased even though the Fund's maximum downside exposure in this case is limited to the total sum of premia that the Fund has committed to pay. Furthermore, the correlation between the long positions in the Fund and any hedges is expected to be high which will further reduce the economic leverage.

The range in the level of leverage may result from the investments acquired by the Fund and the varying use of FDIs that are used to alter the Fund's credit exposures. The use of leverage can increase the potential return on investment and may assist the Fund achieve its investment objectives and policies. Likewise the use of leverage can increase the potential loss on investment and negatively impact upon the performance of the Fund.

VaR is a methodology that is used to estimate the risk or probability of losses in a portfolio. It is based on statistical analysis of historical price trends and volatilities and is designed to predict the likely scale of losses that might be expected to occur in a portfolio over a given period of time.

VaR has some limitations which result from the methodology's reliance on historical data and estimated correlations between portfolio holdings, which may not be an accurate predictor of future market conditions, particularly where the Fund experiences abnormal market conditions. An additional limitation of VaR is its focus on market risk as it does not measure other risks that may impact the Net Asset Value of the Fund. For example, VaR does not take into account liquidity risk.

Although the Fund utilises the Absolute VaR methodology there is no guarantee that this methodology captures the Fund's entire risk profile as generated through the Fund's investments, including the use of derivatives. In particular, in abnormal market conditions the VaR methodology may not be a reliable measure of risk and investors may suffer significant financial losses.

In order to protect investors, particularly under abnormal market conditions where the VaR methodology may not be an accurate measure of the Fund's risk profile, the Sub-Investment Manager may reduce the leverage in the portfolio by choosing to invest a greater proportion of the Fund's assets in cash or Money Market Instruments.

## **Investment Process**

The Sub-Investment Manager's dynamic asset allocation approach is based on an evaluation of each fixed income sector's (e.g., government bonds, investment grade corporate credit, high yield corporate credit, securitised debt, etc.) risk and return characteristics relative to each other (e.g., the risks of high yield credit defaults versus the risk of government bond price declines and the potential returns to be earned by the Fund from each of those sectors). When considering all investments by the Fund, the Sub-Investment Manager seeks to invest in attractive sectors based on their top-down view of macro-economic conditions (e.g., central bank policies, unemployment, national income, gross domestic product growth, etc.). The Sub-Investment Manager engages in an intensive research process at the individual security level to identify attractive investment opportunities within those sectors.

In managing the risks of a global bond portfolio, the Sub-Investment Manager must take into consideration the impact of currency exposure on each investment's expected risk and return

characteristics. As a result, the Sub-Investment Manager makes opportunistic currency investments (by taking either a long or short position) to add value and further diversify the Fund's market exposures. In managing currency exposure, the Sub-Investment Manager combines taking strategic positions (investing in instruments with a view to capturing medium to long term trends in the currency markets), with tactical positions (making investments with a view to taking advantage of short term market fluctuations or disparities).

### **Sub-Investment Manager**

Pursuant to the Sub-Investment Management Agreement, the Manager has delegated the day to day portfolio management of the Fund to the Sub-Investment Manager.

The Sub-Investment Manager is a SEC regulated investment adviser having its registered office at 197 Clarendon Street, Boston, MA, 02116. The Sub-Investment Manager provides investment advisory services to institutional investors.

The Sub-Investment Manager may from time to time delegate some or all of the day to day portfolio management of the Fund to other entities within the Manulife Group. Details of any such other delegates will be provided to Shareholders upon request and will be disclosed in the periodic reports of the ICAV.

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Restrictions and Risk Management**

The general investment restrictions as set out in the "Investment Restrictions" section of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the Regulations.

### **Profile of a Typical Investor**

The Fund is intended to serve as a long-term investment option and should not be viewed as an appropriate investment vehicle for short-term gain or trading. The Fund may be suitable for investors seeking a high level of income consistent with the preservation of capital.

### **Benchmark Index**

The Fund's performance will be compared to the Bloomberg Multiverse Index (the "**Comparator Benchmark**"). The Comparator Benchmark provides a broad-based measure of the global fixed income bond market. The Comparator Benchmark represents the union of the Global Aggregate Index and the Global High Yield Index and captures investment grade and high yield securities in all eligible currencies. The Comparator Benchmark is used to compare the performance of the Fund but not to constrain portfolio composition or as a target for the performance of the Fund.

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## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, those risks described in the "Investment Risks and Special Considerations" and "Investment Risks Applicable to Each Fund" sections of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement



carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

### **Integration of Sustainability Risks**

The Sub-Investment Manager believes that sustainability helps to drive financial value. The ability to create financial value is impacted by the health of the natural environment and the strength of the social infrastructure in communities. As such, the Sub-Investment Manager believes that sustainability risk analysis is integral to understanding the true value of an investment. The Sub-Investment Manager is committed to sustainable investing and integrates sustainability risks into the investment process. It operates under a Sustainable Investing and Sustainability Risk Statement. The Investment Manager believes that this will lead to better long-term investment outcomes. However, there is no guarantee that sustainable investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through exclusionary screens, the Sub-Investment Manager may forego the opportunity to invest in an investment which it otherwise believes likely to outperform over time. However, overall, the Sub-Investment Manager considers that the integration of sustainability risks in the decision making process is an important element in determining long term performance outcomes and is an effective risk mitigation technique.

Consequently, the Sub-Investment Manager considers that the impact of sustainability risks on the Fund (that is, of the Fund being negatively impacted by the occurrence of a sustainability risk) is low.

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## **FEES AND EXPENSES**

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**This section should be read in conjunction with the section “Fees and Expenses” in the Prospectus. The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in detail under the section “Fees and Expenses” in the Prospectus.**

### **Establishment Costs**

The Fund shall bear its attributable proportion of the establishment costs of the ICAV. Details of the ICAV’s establishment costs are set out in the Prospectus under “Fees and Expenses: Establishment Costs”.

These fees will be amortised over the first 5 financial years of the Fund or such other period as the Directors may determine and will be charged as between the various Classes in accordance with the provisions of the Prospectus and the Instrument.

### **Management Fee and Expense Limitation**

Under the Management Agreement, the ICAV will pay to the Manager a fee at an annual rate equal to the percentage of the daily Net Asset Value of the relevant Class of the Fund as set out in the Schedule to this Supplement. The management fee shall accrue daily and be calculated and payable monthly in arrears.

The Manager (or any related person) may from time to time and at its sole discretion and out of its own resources decide to waive some or all of its Management Fee and/or performance fee applicable to a specific Class or the Fund as a whole or it may share, or rebate some or all of such fees with/to intermediaries or Shareholders (any such rebates or fee sharing will

take place outside of the Fund).

The Manager shall be entitled to be reimbursed for its reasonable vouched out-of-pocket expenses. Where the Manager's expenses are attributable to the ICAV as a whole, they will be borne on a pro rata basis by the Fund.

The Manager has committed to waive its management fee and, if necessary, reimburse the Fund's operating expenses, in order to keep the Fund's total operating expenses (including the fees of the Manager, Administrator and Depositary) from exceeding an annual rate of the daily Net Asset Value of the Fund as set out in the Schedule to this Supplement (the "Expense Limitation"). Operating expenses do not include the cost of buying and selling investments, applicable ongoing charges associated with investments in Underlying Collective Investment Schemes (including ETFs), withholding tax, stamp duty or other taxes on investments, commissions and brokerage fees incurred with respect to investments, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material litigation in relation to the ICAV as may be determined by the Directors in their discretion. The expenses subject to the Expense Limitation shall include the management fee. The Manager may renew or discontinue this arrangement at any time upon prior notification to Shareholders.

To the extent that the Manager waives its fee or reimburses the Fund's operating expenses under the Expense Limitation, the Fund's overall expense ratio will be lower than it would have been without the Expense Limitation. This reduction in operating expenses may increase the Fund's investment return and such returns may not be achieved without the benefit of the Expense Limitation.

#### **Sub-Investment Manager's Fee**

The fees and expenses of a Sub-Investment Manager are paid out of those fees paid to the Manager which are set out in the Schedule to this Supplement.

#### **Depositary's Fee**

The Depositary is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.05% of the net assets of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

#### **Administrator's Fee**

The Administrator is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.10% of the net assets of the Fund, subject to a minimum fee of up to US\$ 7,000 per month (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable monthly in arrears.

#### **Redemption Charge**

The Directors are entitled to charge redeeming Shareholders in any Class a redemption fee of up to 3% of the relevant redemption proceeds.

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## SUBSCRIPTIONS

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### **Purchase of Shares**

Full details on how to purchase Shares are set out in the “Administration of the ICAV: Subscription Procedure” section of the Prospectus.

Details in relation to the Class Currency, management fee, Expense Limitation, Initial Offer Price, minimum initial investment and initial sales charge are set out in the Schedule to this Supplement.

The Manager is authorised by the Directors to accept and instruct the Administrator to process subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment, as set out in the Schedule to this Supplement.

### *Initial Offer Period*

The initial offer period for Class X USD Accumulating, Class X GBP Accumulating, Class W USD Accumulating, Class W GBP Hedged Accumulating and Class W EUR Hedged Accumulating Shares is closed (the “Issued Classes”).

For the remaining Classes of Shares, the initial offer period will last for six months from the date of noting of this Supplement, or such earlier or later date as the Directors in their discretion may determine (the “Closing Date”).

Investors may apply to subscribe for Shares during the initial offer period at the Initial Offer Price for each unlaunched Class as set out in the Schedule to this Supplement.

During the initial offer period, subscriptions may be made by way of signed original Application Forms, duly completed in accordance with the instructions contained in the Application Form, or by such other electronic means (including applications made via a Clearing System) as the Directors and the Administrator shall approve by the Closing Date.

Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds no later than 3 Business Days after a Dealing Day or such other time as may be agreed with the Administrator and notified to Shareholders. Any initial Application Form sent by facsimile (or other electronic means) must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

### *Following the Initial Offer Period*

Following the close of the initial offer period, all applications for Shares must be received by the Dealing Deadline in the manner set out in the “Administration of the ICAV: Subscriptions Following the Initial Offer Period” and “Subscription Procedure” sections of the Prospectus.

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## REDEMPTIONS

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### **How to Redeem Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the “Administration of the ICAV: How to Redeem Shares” section of the Prospectus.

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## **DISTRIBUTION POLICY**

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Distributing Classes of the Fund will make distributions at least annually and may make distributions more frequently at the discretion of the Directors. The amount available for distribution shall be the net income (whether in the form of dividends, interest or otherwise). Shareholders in Distributing Classes may, as set out in the Application Form, choose to automatically re-invest distributions into the Fund. If automatic re-investment is not elected, distribution proceeds will be paid in accordance with the section "DISTRIBUTION POLICY" in the Prospectus.

Further details in relation to distributions are set out in the section "DISTRIBUTION POLICY" in the Prospectus.

The Accumulating Classes of the Fund will not declare a distribution and any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Classes will be accumulated in the Net Asset Value per Share of the relevant Class.

## SCHEDULE

### Share Class Subscription and Fee Information

The attention of investors in Classes for which the Sub-Manager will conduct currency hedging is drawn to the section "Use of Financial Derivative Instruments: Class Currency Hedging" in the Prospectus.

This Schedule shall be read in conjunction with the section "Share Classes" in the Prospectus.

#### Share Classes Offered

The Fund may offer both Accumulating and Distributing formats of Class A, Class W, Class I and Class X Shares denominated in USD, GBP, EUR, CHF, SEK, AUD and SGD.

Non-USD denominated Classes may also be offered in both hedged and unhedged formats.

Previously unlaunched Classes may be launched upon receipt of sufficient investor interest.

#### Initial Offer and Subscription Prices

As of the Date of this Supplement, the Issued Classes have launched, are available for subscription and Shares in these Classes are issued at their Subscription Price on the relevant Dealing Day.

Investors wishing to invest in an unlaunched Class should contact the Manager and, upon sufficient interest, the Class may be opened. A list of open Classes is available from the Manager on request.

All unlaunched Classes shall have an Initial Offer Price 10 USD, 10 GBP, 10 EUR, 10 CHF, 100 SEK, 10 AUD, or 10 SGD as relevant to the Class Currency.

Following launch, each Class will issue Shares at the Subscription Price on the relevant Dealing Day.

#### Minimum Investment

The minimum investment applicable to each Class shall be as set out in the section "Share Classes" in the Prospectus.

#### Management Fees, Expense Limitations, Subscription and Redemption Fees

Class A Shares of the Fund may be subject to a sales charge of up to 5% of the amount subscribed. As of the date of this Supplement, no Classes of the Fund are subject to a redemption fee.

Class X Shareholders must enter into a separate agreement with the Manager for the payment of Management Fees.

Class Type	Management Fee	Expense Limitation (excluding applicable Management Fee)
A	1.25%	0.25%

<b>Class Type</b>	<b>Management Fee</b>	<b>Expense Limitation (excluding applicable Management Fee)</b>
<b>W</b>	<b>0.65%</b>	<b>0.25%</b>
<b>I</b>	<b>0.55%</b>	<b>0.15%</b>
<b>X</b>	<b>None.</b>	<b>0.15%</b>

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISORS**

The Directors of the ICAV, whose names appear in the Prospectus under the section “Directory”, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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**SUPPLEMENT**

**MANULIFE EMERGING MARKETS DEBT FUND**

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(A Fund of Manulife Investment Management II ICAV, an open-ended umbrella ICAV with segregated liability between Funds)

The date of this Supplement No. 3 is 3 October 2022

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**This Supplement contains specific information in relation to the Manulife Emerging Markets Debt Fund (the “Fund”), a sub-fund of Manulife Investment Management II ICAV (the “ICAV”). It forms part of and must be read in the context of and together with the Prospectus of the ICAV dated 3 October 2022**

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## INTRODUCTION

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This Supplement comprises information relating to the Shares of the Fund to be issued in accordance with the Prospectus and this Supplement.

The general details set out in the Prospectus apply to the Fund save where otherwise stated in this Supplement. To the extent that there is any inconsistency between this Supplement and the Prospectus this Supplement shall prevail.

**Investors should read the “Risk Factors” section before investing in the Fund.**

**As the Directors may, at their discretion, impose a redemption charge with respect to particular Classes, Shareholders in these Classes should view their investment as medium to long-term.**

**An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The Fund is actively managed.**

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## DEFINITIONS

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Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

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

<b>“Emerging Markets Country”</b>	<b>every nation in the world except the United States, Canada, Japan, Australia, New Zealand, and most countries located in Western Europe;</b>
<b>“Manulife Group”</b>	<b>the group of companies under the control of Toronto-based Manulife Financial Corporation;</b>
<b>“Sub-Investment Management Agreement”</b>	<b>the agreement dated 1 May 2019 between the Manager and the Sub-Investment Manager as may be amended from time to time; and</b>
<b>“Sub-Investment Manager”</b>	<b>Manulife Investment Management (US) LLC, or such other persons as may be appointed in accordance with the requirements of the Central Bank to provide sub-investment management services to the ICAV.</b>



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## THE FUND

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### **Investment Objective**

The Fund's investment objective is to provide total return over the long-term.

### **Investment Policies**

The Fund will primarily invest in fixed rate and floating rate government, supranational, quasi-sovereign and corporate debt securities of issuers located in or economically tied to Emerging Market Countries. These debt instruments include bonds, debentures and promissory notes, including emerging market and High-Yield Debt Securities, perpetual floating rate bonds, inflation-linked securities, when-issued securities, stripped debt securities (securities in which the principal and interest are separately sold), zero coupon bonds and Convertible Securities (which may embed a derivative).

The Fund may invest in Mainland China through Bond Connect. Details of Bond Connect are set out in Schedule VII to the Prospectus and in the section 'Asian Country Investment Risks'.

In order to achieve its investment objective, the Fund may employ a long (buy and hold a security so as to benefit from a rise in value)/short (take exposure a security so as to benefit from a fall in value) investment strategy. Both long and short positions may be taken through FDI; however, short positions may only be taken through FDI. In employing a long/short investment strategy, the Fund may seek to take long positions in FDI which, in the Sub-Investment Manager's opinion, are undervalued and take short positions in FDI that are perceived to be overvalued. When employing a long/short investment strategy, the Fund is generally expected to have even, 200% long to 100% short, exposures. The Fund may also use long and short positions for the purposes of efficient portfolio management. The FDI utilised by the Fund are detailed under "Use of FDI" below.

The Fund may invest up to 10% of its assets in contingent convertible securities (CoCos) to gain market exposure and for other investment purposes, consistent with the investment objective of the Fund. Further details on CoCos are set out in the Prospectus under the "Contingent Convertible Securities" section.

A description of when-issued securities is included in the section "Specific Investments & Additional Investment Techniques" in the Prospectus.

In addition to its primary investments, the Fund may also invest in: equity securities (including Depositary Receipts); units of other UCITS and ETFs (subject to a limit of 10% of Net Asset Value); similar debt instruments issued by companies and governments of developed countries (including, for the US, Rule 144A Securities and Regulation S Securities); bank loans; structured notes (which may embed an option); REITs; TBAs; participatory notes; and warrants and rights as more particularly set out in the section "Specific Investments & Additional Investment Techniques" in the Prospectus.

Save to the extent permitted by the Regulations, all securities invested in will be listed or traded on the markets and exchanges listed in Schedule I of the Prospectus.

### **Use of FDI**

Subject to the Regulations and to the conditions and limits laid down by the Central Bank from time to time, the Fund may utilise FDI.

In addition to investment in participatory notes, TBAs, when-issued securities, warrants, rights, structured notes and Convertible Securities as described under Investment Policy above, the Fund may use currency options, currency forwards (including non-deliverable forward contracts), currency futures contracts, bond/interest rate futures contracts, Interest-Rate Swaps and Credit Default Swaps and fixed income index futures (futures on major market indices such as the Barclays Capital Aggregate Bond Index) for hedging and efficient portfolio management purposes. Currency options, currency forward contracts (including non-deliverable forward contracts), currency futures contracts, bond and interest rate futures contracts may be used to take either long or short positions as described in paragraph 3 of Investment Policy above. The Fund may utilise repurchase agreements and engage in stock lending for efficient portfolio management purposes only.

The Fund will seek to implement its strategy through the use of options on US Treasury futures for hedging purposes. An option on future is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular future contract 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. Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium.

The Fund may use credit default swaps ('CDS') and options and futures on such swap contracts to reduce the credit risks to which the Fund is exposed. A CDS is a contract between two parties that compensates the buyer in the event of a default by an underlying borrower. The Investment Manager may also utilise credit default swap index ('CDX') and futures and options on CDX. A CDX is an exchange-traded index comprised of credit default swaps and buying or selling the index enables investors to take exposure to or hedge against the credit risk of the certain market.

Detailed descriptions of these FDIs are set out in the Prospectus under the "Use of Financial Derivative Instruments" section.

Investment in FDI may be used to seek to enhance the Fund's returns (by, e.g., reducing transaction costs associated with direct investment, providing alternate means of achieving exposure to a market, etc), or to efficiently invest cash or quickly gain market exposure. Currency hedging is utilised to hedge against possible adverse fluctuations in currency exchange rates that may impact on Classes denominated in currencies other than the Base Currency.

Details of the FDIs used are set out in the Prospectus under the "Use of Financial Derivative Instruments" section.

The risks attached to the use of FDI by the Fund are set in the "Investment Risks Applicable to Each Fund" section of the Prospectus.

## **Risk Management**

The Manager operates a risk management process on behalf of the Fund in relation to its use of FDIs, details of which are set out in the Prospectus under the "Use of Financial Derivative Instruments: Risk Management" section.

Based on the nature of the FDI utilised, the Fund utilises the commitment approach methodology for calculation of its global exposure. The Manager does not employ leverage as

an investment strategy; however, the use of FDI may introduce leverage into the Fund. The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund's Net Asset Value, as measured using the commitment approach.

Information on FDIs used for the Fund will be included in the ICAV's semi-annual and annual reports and accounts. The ICAV will also provide information to Shareholders on request on the Risk Management Process employed by the Manager on the Fund's behalf, including details of the quantitative limits applied and information on the risk and yield characteristics of the main categories of investments held on behalf of the Fund.

## **Investment Process**

The Sub-Investment Manager believes long-term outperformance in relation to all of the securities in which the Fund may invest can be achieved through investment discipline based on fundamental country and security analysis (e.g., government stability, gross national product growth, unemployment, etc (countries) and management, financial health, potential for growth, competitiveness (corporate securities)) within a comprehensive investment process, which includes risk control.

Using a comprehensive investment process, the Sub-Investment Manager seeks to invest in countries that it considers to be attractive based on macro-economic conditions (e.g., central bank policies, economic conditions at a high-level such as unemployment, national income, gross domestic product growth, etc.). The Sub-Investment Manager also engages in an intensive research process (which includes analysis of attributes such as cash flow adequacy (how well the company can cover the annual payments of all long-term annual debt with cash flow from operating activities), financial leverage (the amount of and how well a company is utilising its debt), how it is placed competitively versus other participants in its sector, market share, management evaluation (e.g., turnover, experience, independent reporting, etc), and corporate governance) designed to identify attractive individual security opportunities within those countries.

The Sub-Investment Manager dynamically allocates capital across hard currency sovereign debt (developed market currencies that are expected to be stable), local currency sovereign debt (emerging currencies that are expected to fluctuate more frequently) and corporate debt. Dynamic allocation involves shifting capital between the various types of debt sectors and instrument types in which the Fund may invest based on the Sub-Investment Manager's view of the risk/reward profile of the investments in order to minimise risk while maximising returns.

In managing the risks of an emerging market bond portfolio, the Sub-Investment Manager must take into consideration the impact of currency exposure on each investment's expected risk and return characteristics. As a result, the Sub-Investment Manager makes currency investments (by taking either a long or short position) to add value and further diversify the Fund's market exposures. In considering currency investments, the Sub-Investment Manager seeks to capture the benefits of medium to long term currency trends by monitoring and assessing drivers of currency valuations. Drivers of currency valuations include, for example: stability of country economic indicators (such as gross domestic product, unemployment, national debt, etc); political stability of the issuing country; fiscal policies and perceived credibility of a country's central bank.

## **Sub-Investment Manager**

Pursuant to the Sub-Investment Management Agreement, the Manager has delegated the day to day portfolio management of the Fund to the Sub-Investment Manager.

The Sub-Investment Manager is a SEC regulated investment adviser having its registered office at 197 Clarendon Street, Boston, MA, 02116. The Sub-Investment Manager provides investment advisory services to institutional investors.

The Sub-Investment Manager may from time to time delegate some or all of the day to day portfolio management of the Fund to other entities within the Manulife Group. Details of any such other delegates will be provided to Shareholders upon request and will be disclosed in the periodic reports of the ICAV.

### **Base Currency**

The Base Currency of the Fund is USD.

### **Investment Restrictions and Risk Management**

The general investment restrictions as set out in the "Investment Restrictions" section of the Prospectus shall apply. The Fund will only invest in assets that are permitted under the Regulations.

### **Profile of a Typical Investor**

The Fund is intended to serve as a long-term investment option and should not be viewed as an appropriate investment vehicle for short-term gain or trading. The Fund may be suitable for investors seeking long-term capital appreciation.

### **Benchmark Index**

The Fund's performance will be compared to the JP Morgan EMBI Global Index (the "**Comparator Benchmark**"). The Comparator Benchmark is a uniquely weighted index that tracks total returns for US dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities, including Brady bonds, loans and Eurobonds. The Comparator Benchmark is used to compare the performance of the Fund but not to constrain portfolio composition or as a target for the performance of the Fund.

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## **RISK FACTORS**

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Investment in the Fund carries with it a degree of risk including, but not limited to, those risks described in the "Investment Risks and Special Considerations" and "Investment Risks Applicable to Each Fund" sections of the Prospectus. These investment risks are not purported to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before making an application for Shares. There can be no assurance that the Fund will achieve its investment objective.

### **Integration of Sustainability Risks**

The Sub-Investment Manager believes that sustainability helps to drive financial value. The ability to create financial value is impacted by the health of the natural environment and the strength of the social infrastructure in communities. As such, the Sub-Investment Manager believes that sustainability risk analysis is integral to understanding the true value of an investment. The Sub-Investment Manager is committed to sustainable investing and integrates sustainability risks into the investment process. It operates under a Sustainable Investing and Sustainability Risk Statement. The Investment Manager believes that this will lead to better long-term investment outcomes. However, there is no guarantee that sustainable

investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through exclusionary screens, the Sub-Investment Manager may forego the opportunity to invest in an investment which it otherwise believes likely to outperform over time. However, overall, the Sub-Investment Manager considers that the integration of sustainability risks in the decision making process is an important element in determining long term performance outcomes and is an effective risk mitigation technique.

Consequently, the Sub-Investment Manager considers that the impact of sustainability risks on the Fund (that is, of the Fund being negatively impacted by the occurrence of a sustainability risk) is low.

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## **FEES AND EXPENSES**

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**This section should be read in conjunction with the section “Fees and Expenses” in the Prospectus. The Fund shall bear its attributable portion of the fees and operating expenses of the ICAV. The fees and operating expenses of the ICAV are set out in detail under the section “Fees and Expenses” in the Prospectus.**

### **Establishment Costs**

The Fund shall bear its attributable proportion of the establishment costs of the ICAV. Details of the ICAV’s establishment costs are set out in the Prospectus under “Fees and Expenses: Establishment Costs”.

These fees will be amortised over the first 5 financial years of the Fund or such other period as the Directors may determine and will be charged as between the various Classes in accordance with the provisions of the Prospectus and the Instrument.

### **Management Fee and Expense Limitation**

Under the Management Agreement, the ICAV will pay to the Manager a fee at an annual rate equal to the percentage of the daily Net Asset Value of the relevant Class of the Fund as set out in the Schedule to this Supplement. The management fee shall accrue daily and be calculated and payable monthly in arrears.

The Manager (or any related person) may from time to time and at its sole discretion and out of its own resources decide to waive some or all of its Management Fee and/or performance fee applicable to a specific Class or the Fund as a whole or it may share, or rebate some or all of such fees with/to intermediaries or Shareholders (any such rebates or fee sharing will take place outside of the Fund).

The Manager shall be entitled to be reimbursed for its reasonable vouched out-of-pocket expenses. Where the Manager’s expenses are attributable to the ICAV as a whole, they will be borne on a pro rata basis by the Fund.

The Manager has committed to waive its management fee and, if necessary, reimburse the Fund’s operating expenses, in order to keep the Fund’s total operating expenses (including the fees of the Manager, Administrator and Depositary) from exceeding an annual rate of the daily Net Asset Value of the Fund as set out in the Schedule to this Supplement (the “Expense Limitation”). Operating expenses do not include the cost of buying and selling investments, applicable ongoing charges associated with investments in Underlying Collective Investment Schemes (including ETFs), withholding tax, stamp duty or other taxes on investments, commissions and brokerage fees incurred with respect to investments, and such extraordinary or exceptional costs and expenses (if any) as may arise from time to time, such as material

litigation in relation to the ICAV as may be determined by the Directors in their discretion. The expenses subject to the Expense Limitation shall include the management fee. The Manager may renew or discontinue this arrangement at any time upon prior notification to Shareholders.

To the extent that the Manager waives its fee or reimburses the Fund's operating expenses under the Expense Limitation, the Fund's overall expense ratio will be lower than it would have been without the Expense Limitation. This reduction in operating expenses may increase the Fund's investment return and such returns may not be achieved without the benefit of the Expense Limitation.

### **Sub-Investment Manager's Fee**

The fees and expenses of a Sub-Investment Manager are paid out of those fees paid to the Manager which are set out in the Schedule to this Supplement.

### **Depositary's Fee**

The Depositary is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.05% of the net assets of the Fund (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement.

### **Administrator's Fee**

The Administrator is entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.10% of the net assets of the Fund, subject to a minimum fee of up to US\$ 7,000 per month (plus any applicable taxes). This fee accrues and is calculated on each Dealing Day and payable monthly in arrears. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall be payable monthly in arrears.

### **Redemption Charge**

The Directors are entitled to charge redeeming Shareholders in any Class a redemption fee of up to 3% of the relevant redemption proceeds.

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## **SUBSCRIPTIONS**

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### **Purchase of Shares**

Full details on how to purchase Shares are set out in the "Administration of the ICAV: Subscription Procedure" section of the Prospectus.

Details in relation to the Class Currency, management fee, Expense Limitation, Initial Offer Price, minimum initial investment and initial sales charge are set out in the Schedule to this Supplement.

The Manager is authorised by the Directors to accept and instruct the Administrator to process subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment as set out in the Schedule to this Supplement.

#### *Initial Offer Period*

The initial offer period for Class X USD Accumulating, Class X GBP Accumulating, Class W USD Accumulating, Class W GBP Hedged Accumulating and Class W EUR Hedged Accumulating Shares is closed (the "Issued Classes").

For the remaining Classes of Shares, the initial offer period will last for six months from the date of noting of this Supplement, or such earlier or later date as the Directors in their discretion may determine (the "Closing Date").

Investors may apply to subscribe for Shares during the initial offer period at the Initial Offer Price for each unlaunched Class as set out in the Schedule to this Supplement.

During the initial offer period, subscriptions may be made by way of signed original Application Forms, duly completed in accordance with the instructions contained in the Application Form, or by such other electronic means (including applications made via a Clearing System) as the Directors and the Administrator shall approve by the Closing Date.

Subscription monies should be paid to the account specified in the Application Form (or such other account specified by the Administrator) so as to be received in cleared funds no later than 3 Business Days after a Dealing Day or such other time as may be agreed with the Administrator and notified to Shareholders. Any initial Application Form sent by facsimile (or other electronic means) must be confirmed promptly by receipt of an original Application Form and supporting anti-money laundering documentation.

#### *Following the Initial Offer Period*

Following the close of the initial offer period, all applications for Shares must be received by the Dealing Deadline in the manner set out in the "Administration of the ICAV: Subscriptions Following the Initial Offer Period" and "Subscription Procedure" sections of the Prospectus.

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## **REDEMPTIONS**

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### **How to Redeem Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the "Administration of the ICAV: How to Redeem Shares" section of the Prospectus.

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## **DISTRIBUTION POLICY**

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Distributing Classes of the Fund will make distributions at least annually and may make distributions more frequently at the discretion of the Directors. The amount available for distribution shall be the net income (whether in the form of dividends, interest or otherwise). Shareholders in Distributing Classes may, as set out in the Application Form, choose to automatically re-invest distributions into the Fund. If automatic re-investment is not elected, distribution proceeds will be paid in accordance with the section "DISTRIBUTION POLICY" in the Prospectus.

Further details in relation to distributions are set out in the section “DISTRIBUTION POLICY” in the Prospectus.

The Accumulating Classes of the Fund will not declare a distribution and any net income and realised and unrealised gains net of realised and unrealised losses attributable to such Classes will be accumulated in the Net Asset Value per Share of the relevant Class.



## SCHEDULE

### Share Class Subscription and Fee Information

The attention of investors in Classes for which the Sub-Investment Manager will conduct currency hedging is drawn to the section “Use of Financial Derivative Instruments: Class Currency Hedging” in the Prospectus.

This Schedule shall be read in conjunction with the section “Share Classes” in the Prospectus.

#### Share Classes Offered

The Fund may offer both Accumulating and Distributing formats of Class A, Class W, Class I and Class X Shares denominated in USD, GBP, EUR, CHF, SEK, AUD and SGD.

Non-USD denominated Classes may also be offered in both hedged and unhedged formats.

Previously unlaunched Classes may be launched upon receipt of sufficient investor interest.

#### Initial Offer and Subscription Prices

As of the Date of this Supplement, the Issued Classes have launched, are available for subscription and Shares in these Classes are issued at their Subscription Price on the relevant Dealing Day.

Investors wishing to invest in an unlaunched Class should contact the Manager and, upon sufficient interest, the Class may be opened. A list of open Classes is available from the on request.

All unlaunched Classes shall have an Initial Offer Price 10 USD, 10 GBP, 10 EUR, 10 CHF, 100 SEK, 10 AUD or 10 SGD as relevant to the Class Currency.

Following launch, each Class will issue Shares at the Subscription Price on the relevant Dealing Day.

#### Minimum Investment

The minimum investment applicable to each Class shall be as set out in the section “Share Classes” in the Prospectus.

#### Management Fees, Expense Limitations, Subscription and Redemption Fees

Class A Shares of the Fund may be subject to a sales charge of up to 5% of the amount subscribed. As of the date of this Supplement, no Classes of the Fund are subject to a redemption fee.

Class X Shareholders must enter into a separate agreement with the Manager for the payment of Management Fees.

<b>Class Type</b>	<b>Management Fee</b>	<b>Expense Limitation (excluding applicable Management Fee)</b>
<b>A</b>	<b>1.10%</b>	<b>0.25%</b>
<b>W</b>	<b>0.65%</b>	<b>0.25%</b>

<b>I</b>	<b>0.65%</b>	<b>0.15%</b>
<b>X</b>	<b>None.</b>	<b>0.15%</b>

**Manulife Investment Management II ICAV (the ICAV)**

**(an open-ended umbrella ICAV with segregated liability between its Funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)**

**17 October 2022**

**ADDITIONAL INFORMATION FOR INVESTORS IN SWITZERLAND**

**Information contained herein is selective, containing specific information in relation to the ICAV. This document (the “Swiss Country Supplement”) forms part of and should be read in conjunction with the Prospectus of the ICAV (and any Addenda or Supplements thereto) (together the “Prospectus”) dated 3 October 2022.**

**This document is for distribution in Switzerland only.**

**Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used herein.**

## **Representative**

The representative in Switzerland is FundRock Switzerland SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland.

## **Paying Agent**

The paying agent in Switzerland is Banque Cantonale de Genève, Quai de l'Île 17, 1204 Geneva, Switzerland.

## **Place where the relevant documents may be obtained**

The Prospectus, the Instrument, the Key Investor Information Documents and the annual and semi-annual reports of the ICAV may be obtained upon request and free of charge from the representative in Switzerland.

## **Publications**

Publications in respect of the ICAV are made in Switzerland on [www.fundinfo.com](http://www.fundinfo.com).

The issue and the redemption prices or the Net Asset Value per Share together with a reference stating "excluding commissions" of all Share Classes are published daily on [www.fundinfo.com](http://www.fundinfo.com).

## **Payment of retrocessions and rebates**

The ICAV and its agents may pay retrocessions as remuneration for offering 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 delegated by the ICAV in areas such as money laundering, ascertaining client needs and offering restrictions;
- Operating and maintaining an electronic distribution and/or information platform;
- Clarifying and answering specific questions from Shareholders pertaining to the ICAV, the Funds or the Promotor;
- Subscribing Shares as a nominee" for several clients as mandated by the ICAV;
- Training client advisors in collective investment schemes;
- 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.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

In the case of offering activity in Switzerland, the ICAV may, upon request, pay rebates directly to Shareholders. The purpose of rebates is to reduce the fees or costs incurred by the Shareholder in question. Rebates are permitted provided that:

- they are paid from fees received by the ICAV and therefore do not represent an additional charge on the Funds' assets;
- they are granted on the basis of objective criteria;
- all Shareholders who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the ICAV are as follows:

- the volume subscribed or committed by the Shareholders or the total volume they hold in the Funds or in the product range of the Promoter;
- the amount of the fees generated by the Shareholder;
- the Shareholder's willingness to provide support in the launch phase of a Fund.

At the request of the Shareholder, the ICAV must disclose the amounts of such rebates free of charge.

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

In respect of the Shares offered in and from Switzerland, the place of performance is at the registered office of the representative in Switzerland. The place of jurisdiction is at the registered office of the representative in Switzerland or at the registered office or place of residence of the Shareholders.